



Food processing facility in Brazil.

Chapter 1

Financing trade development partnerships: 20 years on

Introduction

The Aid for Trade initiative was launched in 2005 to help developing economies benefit from the multilateral trading system. It contributed to a rapid increase in resources for trade-related priorities – bolstering financial support for trade-related infrastructure, strengthening productive capacities and creating a policy environment conducive for trade. These efforts have delivered results. Assessments by donors have highlighted the impacts of Aid for Trade projects on job creation, productivity and poverty reduction. Empirical studies have found positive correlations with trade, and recent research has found evidence of the positive impact on both recipients' and donors' exports.

The context in which Aid for Trade operates has changed considerably since it was established. Successive global crises have dampened economic growth and tested the multilateral architecture underpinning trade and development cooperation. While economic pressures have increased, official development assistance (ODA) budgets have come under significant stress. Maintaining support for trade-related needs will require political

commitment and greater efforts to achieve and demonstrate the impact of financing. Ongoing reforms of the development cooperation system provide an opportunity to further examine the links between ODA, trade and investment, and how to use different forms of finance effectively to build meaningful partnerships for shared prosperity.

Against this backdrop, this chapter reviews the evolution of Aid for Trade flows since the launch of the initiative, examining factors that have shaped these flows and opportunities to maximize their impact and effectiveness. Section 2 summarizes the key trends in ODA and Aid for Trade data up to 2024 and assesses their potential implications in the short- to medium-term. Section 3 examines geographical patterns and the roles of development cooperation providers across regions. Section 4 considers recent changes in disbursements across Aid for Trade categories and sectors. Finally, Section 5 discusses opportunities for future partnership approaches among development actors, including South-South providers and the private sector, and ways to mobilize additional resources for trade.

Aid for Trade 20 years on: resilience amid shifting priorities and an uncertain outlook

How has Aid for Trade evolved over the past 20 years? How resilient is it to the current contraction in ODA, and how are changing trade and development priorities shaping its future?

Aid for Trade expanded rapidly during its first decade before settling into more moderate growth. Aggregate disbursements remained relatively resilient in 2024, despite the beginning

of a historic contraction in ODA, largely because increased multilateral financing has been offset by a decline in bilateral support. However, the outlook is uncertain: further ODA cuts could affect bilateral programmes, multilateral funding and grant-based technical assistance differently, with consequences that aggregate figures may not immediately reveal. At the same time, trade is regaining prominence in development cooperation, while country priorities, economic reforms and global shifts – including geopolitical tensions and

the green and digital transitions – are reshaping financing needs and allocations.

This section traces the evolution of Aid for Trade financing since the initiative was launched in 2005 and assesses its near-term outlook. It examines exposure to ODA cuts, reviews evidence on Aid for Trade's contribution to trade performance and considers how country-specific priorities and wider global challenges are influencing the allocation and delivery of support.

Trade-related development assistance shows resilience, but outlook is uncertain

Slower economic growth, successive global crises, trade policy uncertainty, risks of fragmentation and mounting pressure on development finance are creating a difficult

environment for trade-related support. Aid for Trade disbursements nevertheless increased moderately in 2024, although steep ODA cuts could affect various forms of support unevenly.

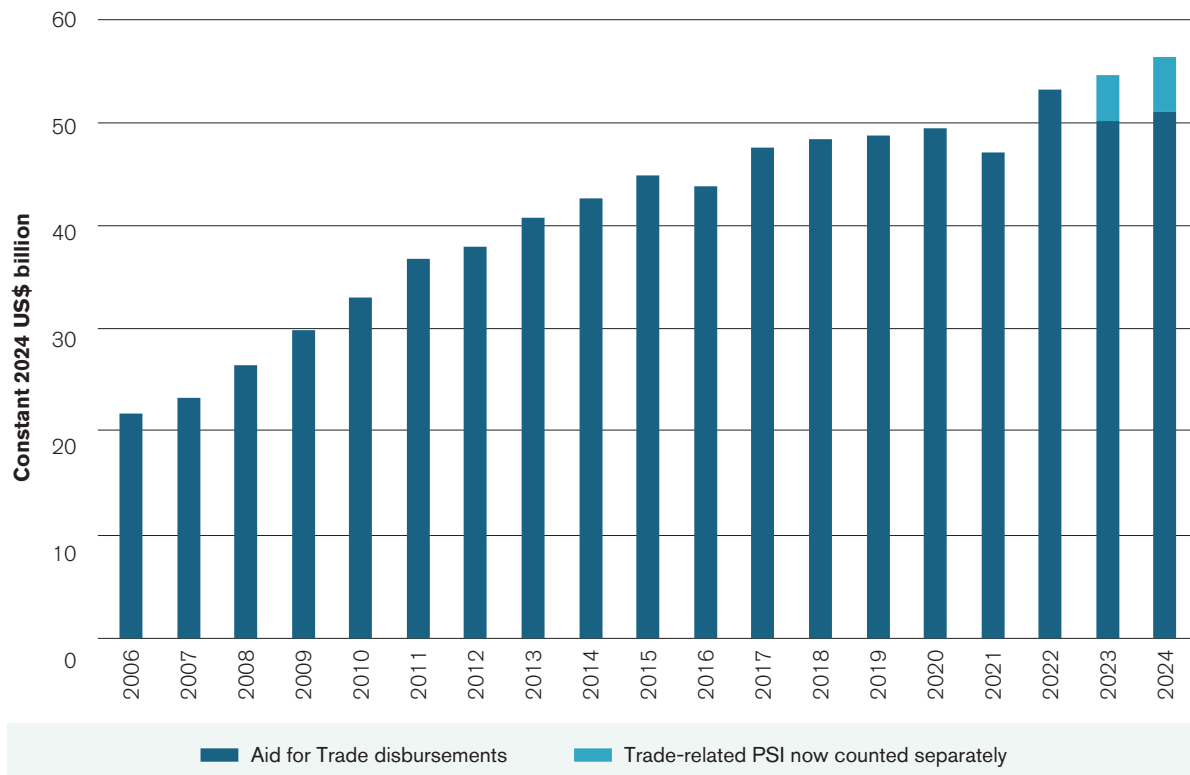
Against a backdrop of declining ODA budgets, Aid for Trade disbursements increased moderately in 2024

ODA budgets have come under significant pressure in recent years. A period of rapid expansion after the COVID-19 pandemic has been followed by consecutive years of decline, with an 8.5 per cent reduction in ODA budgets in 2024, and a 23.1 per cent decrease in 2025, the steepest annual contraction on record (OECD, 2026b). This reduction in financing, largely explained by simultaneous cuts among major providers, returns ODA to the level it was at when the United Nations 2030 Agenda for Sustainable Development was adopted in 2015. The Organisation for Economic Co-operation and Development (OECD) anticipates further cuts of approximately 7 per cent for 2026, although these projections do not account for additional strain

resulting from the current conflict in the Middle East (OECD, 2026b).

At the time of writing, Aid for Trade figures are available up to 2024. This report presents Aid for Trade data between 2006 and 2024, as well as projections up to 2026. The data show that, in 2024, Aid for Trade disbursement totalled US\$ 51 billion, a moderate (2 per cent) increase on 2023, at a time when broader total ODA budgets were already reducing (see [Figure 1.1](#)). While total disbursements have declined by 4 per cent from a peak in 2022, this drop is partially explained by a methodological change, where so-called “private sector instruments” no longer appear in Aid for Trade figures.¹

Figure 1.1:
Evolution of Aid for Trade disbursements, 2006-2024



Source: OECD calculations based on OECD (2026e), Creditor Reporting System (dataset), <https://data.explorer.oecd.org/s/52>, accessed September 2026; OECD (2026f), OECD Aid for Trade Dashboard, <https://www.oecd.org/en/data/dashboards/aid-for-trade.html>, accessed September 2026; OECD (2026g) Private sector instruments dashboard, <https://www.oecd.org/en/data/dashboards/private-sector-instruments-in-development-finance.html>, accessed September 2026.

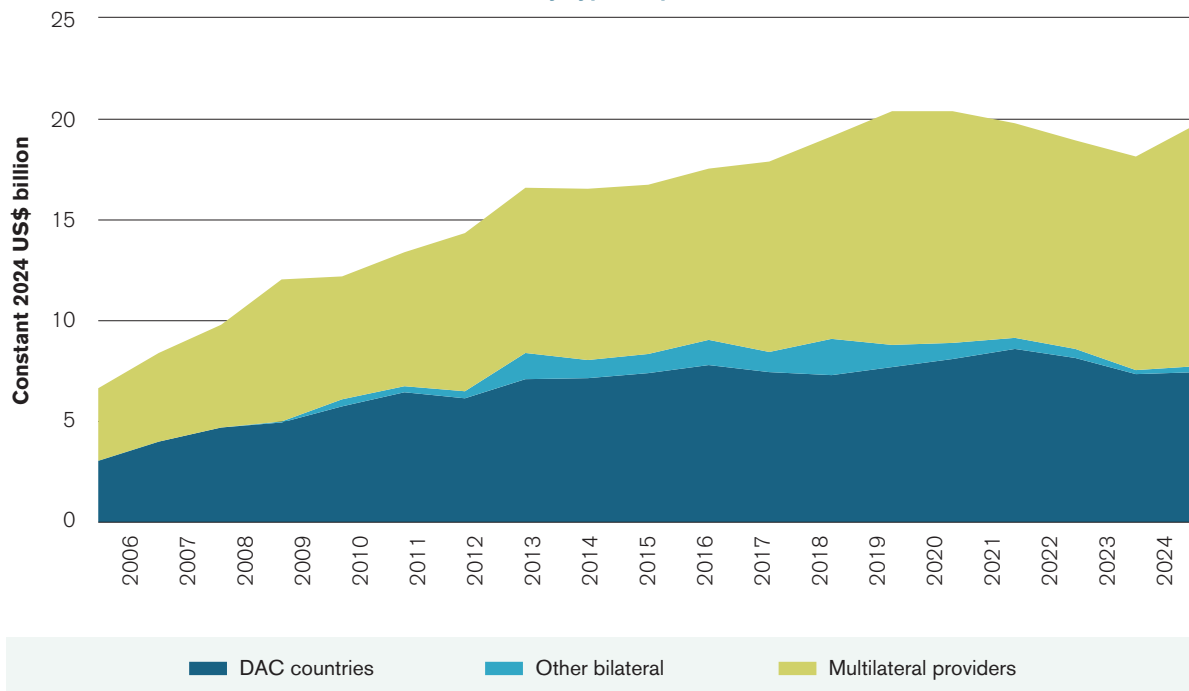
Note: PSI=private sector instruments.

Bilateral and multilateral Aid for Trade flows are unevenly affected by budget cuts

With OECD projections indicating further declines in ODA budgets in the near-term, the financing outlook for Aid for Trade is uncertain. Examining the composition of Aid for Trade provides insight into how different financing streams may be affected. Aid for Trade encompasses all concessional development finance targeting trade-enabling sectors, namely trade-related infrastructure, building productive capacities, trade policies and regulations, and trade-related

adjustments (see [Annex 1.2](#)). It includes both bilateral ODA (flows from government sources to recipient economies) and “multilateral outflows” (concessional financing from multilateral organizations to ODA-eligible economies) (see [Figure 1.2](#)). Cuts in ODA budgets affect these flows in different ways: while bilateral ODA is directly impacted, multilateral outflows have diverse funding structures which may, in some cases, delay or help mitigate the impact of ODA cuts.

Figure 1.2:
Evolution of Aid for Trade disbursements by type of provider, 2006-2024



Source: OECD calculations based on OECD (2026e), Creditor Reporting System (dataset), <https://data.explorer.oecd.org/s/52>, accessed September 2026; OECD (2026g), Private sector instruments dashboard, <https://www.oecd.org/en/data/dashboards/private-sector-instruments-in-development-finance.html>, accessed September 2026; OECD (2026f), OECD Aid for Trade Dashboard, <https://www.oecd.org/en/data/dashboards/aid-for-trade.html>, accessed September 2026.

Note: DAC=OECD Development Assistance Committee.

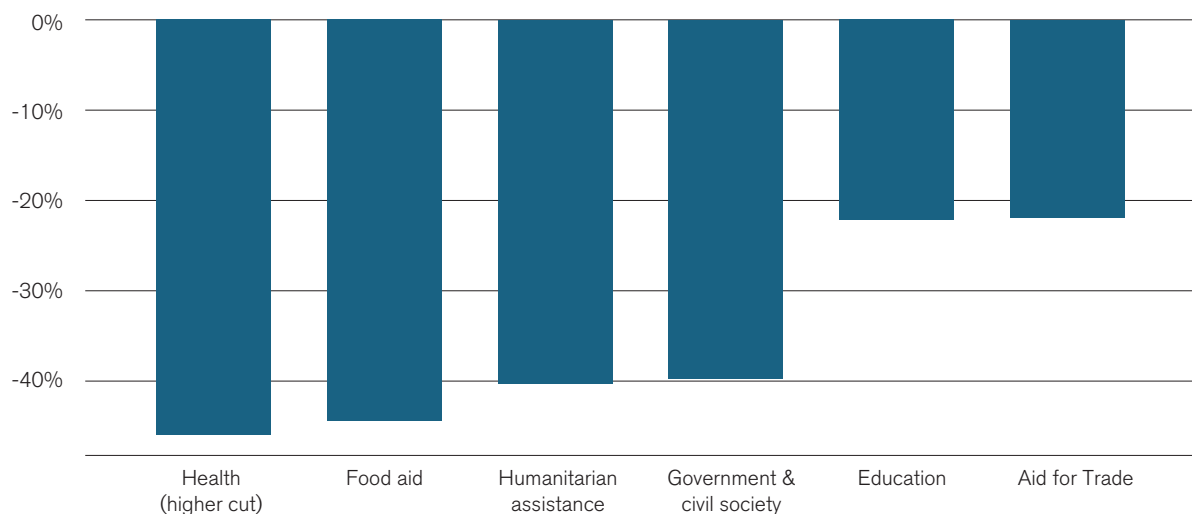
In 2024, disbursements by bilateral OECD Development Assistance Committee² (DAC) donors totalled US\$ 28 billion (55 per cent of all Aid for Trade), a decline of 3 per cent from 2023. Based on a survey of DAC members and other reporting institutions, as well as their official announcements,³ the OECD predicts that, under a scenario where the sectoral distribution of portfolios remains unchanged, bilateral Aid for Trade could fall by approximately 22 per cent between 2024 and 2026 (see Figure 1.3). Such a reduction – albeit potentially less acute than for sectors such as health, food aid and humanitarian assistance – could have significant impacts on bilateral cooperation

projects, as well as funding to specialized multilateral programmes delivering trade-related assistance. Whether the projections materialize will largely depend on donors' priorities and associated sectoral financing allocations.

In contrast, Aid for Trade from multilateral providers, which represented 45 per cent of total disbursements in 2024, increased by 8 per cent, reaching US\$ 22 billion and driving the moderate overall Aid for Trade growth in 2024. Several factors explain this trend. The growth was largely underpinned by multilateral development banks (MDBs), which represent nearly 90 per cent of total multilateral Aid for Trade outflows. These

Figure 1.3:

Projected percentage of change in net bilateral ODA from Development Assistance Committee economies by sector, from 2024 to 2026



Source: OECD calculations based on OECD (2026i), Preliminary ODA levels in 2025, [https://one.oecd.org/document/DCD\(2026\)8/en/pdf](https://one.oecd.org/document/DCD(2026)8/en/pdf); OECD (2026d), Creditor Reporting System (dataset), <https://data-explorer.oecd.org/s/52>, accessed September 2026; adapted from OECD (2026b), ODA projections for 2026 and the near-term: Implications for vulnerable countries and sectors, OECD Policy Briefs, No. 59, OECD Publishing. Available at <https://doi.org/10.1787/d7c74fa2-en>.

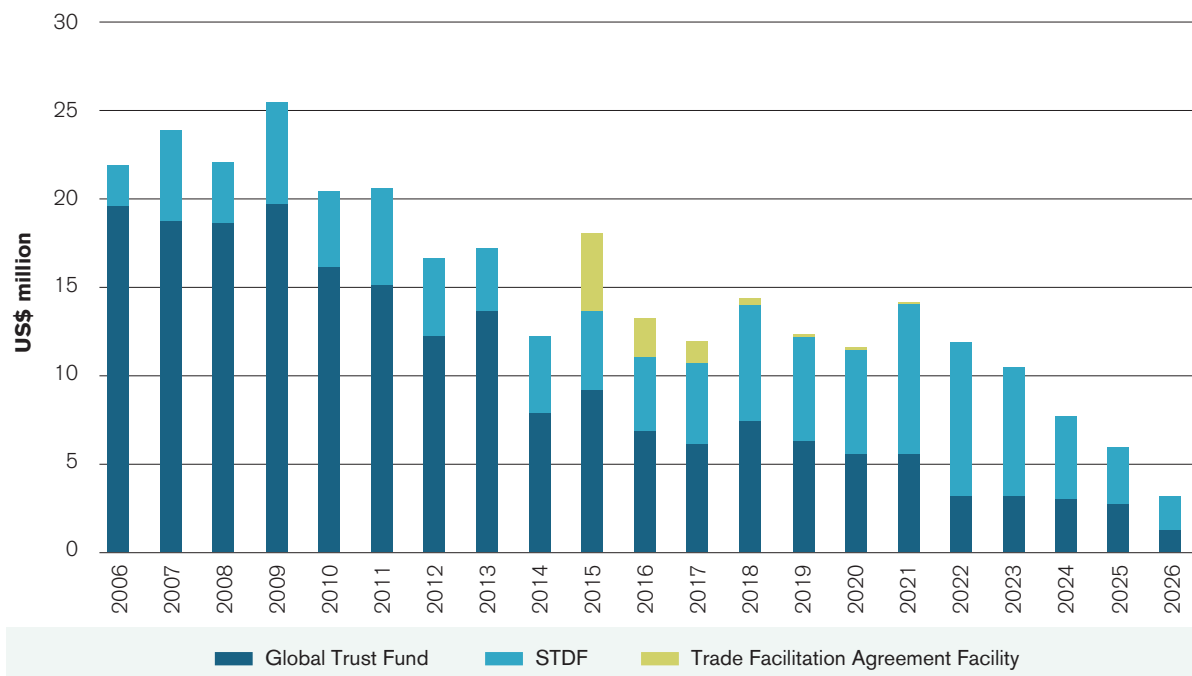
Note: The 2026 sectoral breakdowns are estimated based on 2024 shares applied to preliminary total ODA.

institutions often operate on multi-year replenishment cycles, leading to potential lags between announced budget cuts and a decrease in their disbursements. Furthermore, they can aggregate resources from multiple sources and leverage capital markets to on-lend to low- and middle-income economies (OECD, 2026a). However, while multilateral outflows can help cushion the impact of cuts in the short-term, multilateral providers are not immune to reductions in their core funding, which may affect their outflows at a later stage (OECD, 2026a).

The apparent resilience in aggregate Aid for Trade levels in 2024 may also mask shifts in the forms of support provided. For example, a limited number

of grant-based institutions play an important role in providing technical assistance on trade-related matters to developing economies. This type of support, which does not systematically generate a financial transfer, is challenging to capture in ODA statistics, and represents a minimal share of Aid for Trade flows (2 per cent in 2024). Organizations that provide this technical assistance are typically funded through voluntary contributions and are on the front line for budget cuts. Budgetary data from the World Trade Organization (WTO) indicate that contributions to Aid for Trade-related trust funds, which play an important role in supporting the participation of developing economies in the global trading system, are declining (see Figure 1.4) (see Chapter 2).

Figure 1.4:
Evolution of funding to WTO trust funds, 2006-2026



Source: WTO Secretariat.

Note: STDF=Standards and Trade Development Facility.

Recent trends point to moderate growth alongside rising policy focus on trade-development nexus

Since the launch of the Aid for Trade initiative in 2005, Aid for Trade financing has helped finance trade-related infrastructure, strengthen productive capacities and create policy environments conducive for trade. In total, over the course of 2006-2024, official providers disbursed US\$ 795 billion in grants and concessional loans to finance trade-related priorities in developing economies.

Impact stories gathered over two decades of monitoring and evaluation of the initiative highlight contributions to job creation, poverty reduction

and productivity gains, as well as greater inclusion of small and medium-sized enterprises (SMEs) and women in international trade, and increased economic diversification in low-income and frontier markets. Empirical studies have generally found a positive association between Aid for Trade and trade performance, although results vary by study design and scope. Recent research identifies positive effects for specific types of Aid for Trade and export sectors, for both recipients and donors, underscoring the importance of tailoring support to contexts and trade priorities (see [Box 1.1](#)).

Box 1.1: Revisiting the impact of Aid for Trade

The relationship between aid and trade has long been studied in the trade and development literature. Aid can support trade by expanding productive capacity in recipient economies, easing supply-side constraints and increasing export competitiveness (Cali and te Velde, 2009; Busse, Hoekstra and Königer, 2012; Hühne, Meyer and Nunnenkamp, 2014). It may also stimulate trade through stronger commercial relationships (Martínez-Zarzoso et al., 2014; Nowak-Lehmann et al., 2013).

While these potential channels generally point to a positive association between Aid for Trade and trade, results vary depending on the empirical approach, the period analysed, the economies covered, the level of aggregation and the specific categories of Aid for Trade considered. Using bilateral trade and Aid for Trade data for 2010-2023 within a structural gravity framework, Shingal (forthcoming) revisits the impact of Aid for Trade, focusing on Aid for Trade sub-types to uncover heterogeneous effects that may be masked in more aggregate analysis.

The analysis finds that the effects of Aid for Trade differ across types of support and exporting sectors, helping identify areas where such support may have greater potential to strengthen export performance.

For recipient economies, the analysis finds that a doubling of Aid for Trade allocated to economic infrastructure and trade policy and regulation is associated with increases of 2 per cent and 3.1 per cent, respectively, in bilateral manufacturing exports. The analysis also identifies a particularly strong effect on digital services trade, increasing by 10 per cent following a doubling of Aid for Trade allocated to non-services productive capacity building.

For donor economies, positive effects also vary across types of support and export sectors. Depending on the type of support, a doubling of Aid for Trade is associated with increases in donors' manufacturing exports of between 1.8 and 4.2 per cent and increases in their commercial services exports of between 1.8 and 2.9 per cent. A positive effect is also observed on donor's digital services exports.

Several individual manufacturing industries also report a positive effect of Aid for Trade sub-types on donor-recipient trade in both directions. For instance, donors' bilateral exports in textiles, wood products, rubber & plastics, non-metallic minerals, metal products, electrical and transport equipment, all respond positively to Aid for Trade in economic infrastructure. Similarly, Aid for Trade directed at trade policies & regulation is found to enhance recipients' bilateral exports of paper products, non-metallic minerals, machinery, electrical equipment and miscellaneous manufacturing.

These results suggest that well-targeted Aid for Trade interventions can play an important role in strengthening export performance in developing economies. The findings also provide insights into specific areas where Aid for Trade can add value, including in enhancing digital services trade between donors and recipients, which further supports the integration of low-income economies into regional and global markets.

Source: Contributed by Anirudh Shingal, Professor of Economics and Chair of the Economics and Policy area at S.P. Jain Institute of Management & Research, Mumbai, India.

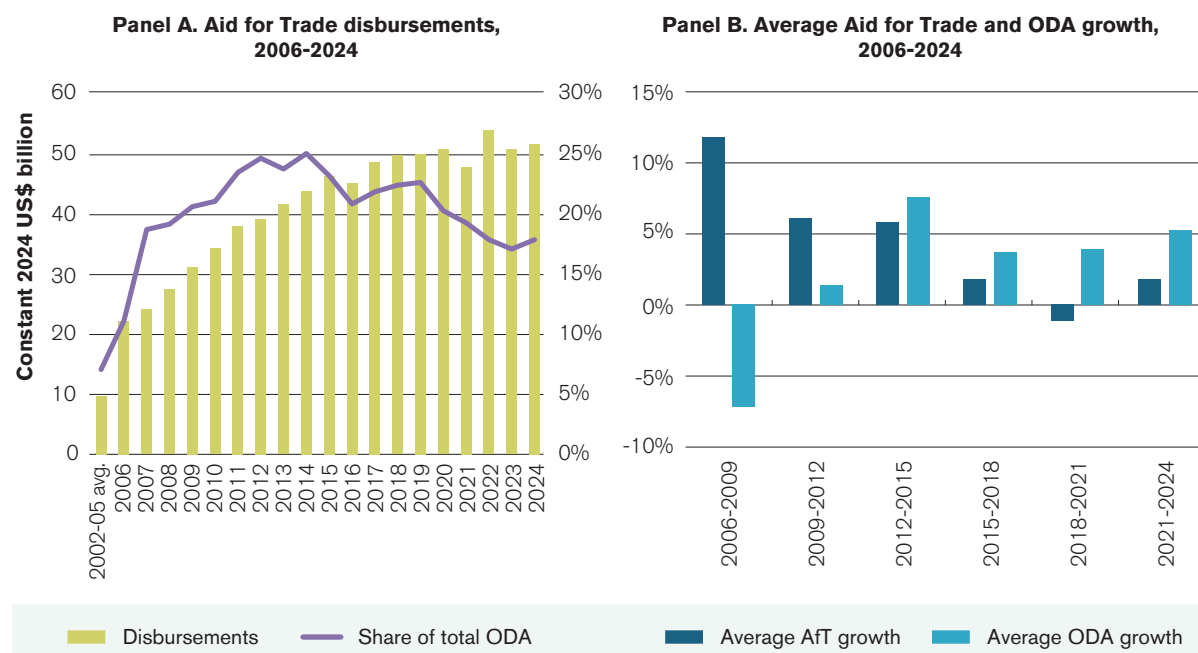
This growth, however, was not uniform over time. The evolution of Aid for Trade disbursements since 2006 can be broadly divided into two periods: relatively rapid growth between 2006 and 2015, followed by more moderate growth from 2015 onwards.

Between 2006 and 2015, Aid for Trade disbursements grew at an average annual rate of 8 per cent – faster than overall ODA (see Figure 1.5). This rapid increase aligned with the findings of successive WTO–OECD monitoring and evaluation exercises, which consistently highlighted trade as a priority for both donors and partners (OECD/WTO, 2024). Political commitments made in various forums, including at G20 and G7 levels,

reaffirmed political support for Aid for Trade over the years (see Annex 1.1).

From 2015, disbursements settled into a more moderate upward trend, growing at an average of 1 per cent annually between 2015 and 2024. This corresponds to a period of growing pressure on development finance to support a larger array of financing priorities, from poverty reduction and humanitarian aid to global public goods.⁴ However, starting in 2019, the share of Aid for Trade in overall ODA fell rapidly – the result of a sharp increase in broader development assistance in response to successive crises. Much of the new assistance was directed towards areas outside the scope of Aid for Trade, notably the COVID-19 response, humanitarian assistance and in-donor refugee costs.

Figure 1.5:
Evolution of Aid for Trade and ODA disbursement, 2006-2024



Source: OECD calculations based on OECD (2026d), Creditor Reporting System (dataset), <https://data-explorer.oecd.org/s/52>, accessed September 2026; OECD (2026f), Private sector instruments dashboard, <https://www.oecd.org/en/data/dashboards/private-sector-instruments-in-development-finance.html>, accessed September 2026; OECD (2026e), OECD Aid for Trade Dashboard, <https://www.oecd.org/en/data/dashboards/aid-for-trade.html>, accessed September 2026.

Note: Aft=Aid for Trade; ODA=official development assistance.

In 2024, trade-related support increased both in absolute terms and as a share of total ODA. Its share of ODA rose from 17 per cent to 18 per cent – the first increase in five years. Although it is too early to anticipate a sustained trend, this rise is consistent with recent OECD analysis, which points to a renewed emphasis on trade in development cooperation, linked with broader efforts to make ODA more catalytic. A review of publicly available policy documents by the OECD in 2026 found that economic

transformation, including jobs, private sector and trade, was the most cited priority of development partners (OECD, 2026c). In 2025, the 4th International Conference on Financing for Development, which charted a path for reforming development finance, called for the scaling up of Aid for Trade and for the efficiency and effectiveness of Aid for Trade provided to be enhanced, with a particular focus on addressing the interests of least-developed countries (LDCs) (United Nations, 2025).

Responding to national priorities in a changing global landscape

As with broader development assistance, Aid for Trade faces a dual challenge in a context of declining budgets: making the most of scarce resources through targeted interventions aligned with national priorities, while using development finance strategically to mobilize more resources for

trade. In parallel, rapid shifts in the global trading environment require an ability to adapt to emerging needs and opportunities. These questions are central to Aid for Trade policy discussions, financing allocations and delivery modalities.

Aid for Trade is anchored in country-specific trade and poverty reduction objectives

Declining ODA budgets increase the need to target scarce resources where they make the greatest impact, and Aid for Trade's long-standing emphasis on effectiveness and poverty reduction provides a strong basis for this. Country ownership and alignment with national development strategies have been core principles of Aid for Trade since its inception.⁵ This is reflected in the way support is delivered – primarily as country programmable aid, a measure that seeks to estimate the approximate amount of ODA that is subject to multi-year planning at the economy or regional level and over which partner economies could have a significant say.

In 2024, 89 per cent of Aid for Trade was disbursed through country programmable aid, a 4 per cent increase from 2022. This compares with 59 per cent for broader ODA. The Aid for Trade initiative has also provided an important platform to align donors' and partners' priorities through dialogue and the participation of various stakeholders in global monitoring processes (see Chapter 2). However, successive monitoring exercises continue to identify scope to strengthen country ownership in practice, including through better alignment of project and funding cycles, stronger institutional capacity and greater collaboration among stakeholders (OECD/WTO, 2024).

There is a particular focus on economies with the greatest development needs. The United Nations Doha Programme of Action for Least Developed Countries 2022-2031 includes objectives to significantly increase Aid for Trade levels, expecting them to double from their 2018 level by 2031 (United Nations, 2022). This commitment was echoed in July 2025 at the 4th International Conference on Financing for Development (United Nations, 2025). As shown in Section 3 below, Aid for Trade disbursements to LDCs increased by 4 per cent between 2023 and 2024 but are not on track to achieve the objectives of the Doha Programme of Action.

More broadly, trends in Aid for Trade financing indicate that support has adapted to context-specific trade and economic policy priorities, including by contributing to nationally driven reform processes through improvements in trade facilitation, the institutional framework and the investment climate. Empirical research drawing on data for 50 economies from 2002 to 2021 finds that higher Aid for Trade flows were associated with a greater probability of WTO accession (Gnangnon and Iyer, 2025). In a two-way relationship, reform processes can attract greater support, while Aid for Trade can provide the financing and capacity

needed to implement and sustain them. The World Bank has played an important role in supporting such processes through a variety of instruments deployed based on economy-specific trade constraints. Support has also come from bilateral donors, including in the context of European Union (EU) accession or market integration processes.

Aid for Trade has also contributed to supporting businesses and maintaining essential infrastructure in contexts of crisis and fragility. Economies such as Afghanistan and Iraq, for example, have previously received increased Aid for Trade financing, as has Ukraine more recently (OECD, 2026c). In 2024, 22 per cent of Aid for Trade disbursements targeted economies in fragile situations, a share that has remained relatively stable over the years. Recent OECD analysis identifies trade and investment as being increasingly prominent in development partners' engagement in fragile contexts, alongside growing interest in their potential as "frontier markets" (OECD, 2026c). Realizing private sector development opportunities requires approaches tailored to the diversity of fragile economies, focusing on the underlying constraints to private sector activity through strengthening markets, infrastructure and the enabling environment (OECD, 2026c).

Global challenges are reshaping priorities and delivery models

Alongside economy-specific needs and priorities, broader shifts in global trade and development cooperation are shaping Aid for Trade across economies, regions and sectors. These cross-cutting trends are changing the conditions under which developing economies participate in trade and influencing both the support they need and the priorities of development partners.

A first trend is an increased donor focus on resilience in trade. The COVID-19 pandemic illustrated how global crises can rapidly affect Aid for Trade allocations, as donors reoriented or repurposed financing to respond to urgent needs and strengthen supply chain resilience (OECD/WTO, 2022). The disruptions caused by the pandemic and subsequent crises

Box 1.2:**Aid for Trade in a changing landscape: perspectives from Carsten Staur, Chair of the OECD Development Assistance Committee (DAC)**

Twenty years on, Aid for Trade remains one of the clearest examples of how development cooperation and trade policy can work in tandem – not as parallel agendas, but as a genuine nexus that reinforces both. As official development assistance (ODA) comes under increased political scrutiny and fiscal pressure, this nexus matters more than ever.

Development cooperation providers must find the right economy-specific balance in their support of country-owned and -led policies and strategies. It will often be a difficult balancing act between utilizing the catalytic role of ODA in support of mobilizing private finance at scale and funding trade-related infrastructure and capacity on the one hand – and in support of health, education, social protection and core public sector development priorities on the other. In this country-specific calibration, development cooperation, trade and investment have a strong potential to reinforce one another in sustaining economic growth and job creation. ODA also has cross-cutting potential in strengthening the policy, governance and institutions that make trade-led growth possible.

This is also central to discussions around the future of development cooperation and the ways DAC members and other providers engage. As development cooperation evolves, providers need to think carefully about how trade-related partnerships, sustainable procurement and locally led private sector development fit within a modernized, more effective approach to ODA; one with smarter, more accountable engagement that builds local capacity rather than substituting for it.

Looking ahead, much will depend on the future of the global trading system. For past decades, international trade has been a driver of economic growth, benefiting from a continuously more open trading system. Current protectionist trends and dynamics in trade policy, such as discussions around strategic autonomy, home-, near- and friend-shoring, and the re-emergence of tariffs as a key element in some economies' trade policies, all have the potential to impact negatively on the historically positive nexus between trade and economic growth. In moving forward, the Aid for Trade agenda must take this into account and find ways to move forward despite these obstacles.

Source: Contributed by Carsten Staur, Chair of the OECD Development Assistance Committee.

contributed to a broader reassessment of supply chain risks that continues to influence trade and development priorities. Resilience and security have gained prominence in donor strategies (see [Box 1.2](#)). Together

with geopolitical shifts affecting patterns of trade and investment, these considerations influence Aid for Trade allocations in terms of regions (see Section 3) and sectors (see Section 4).

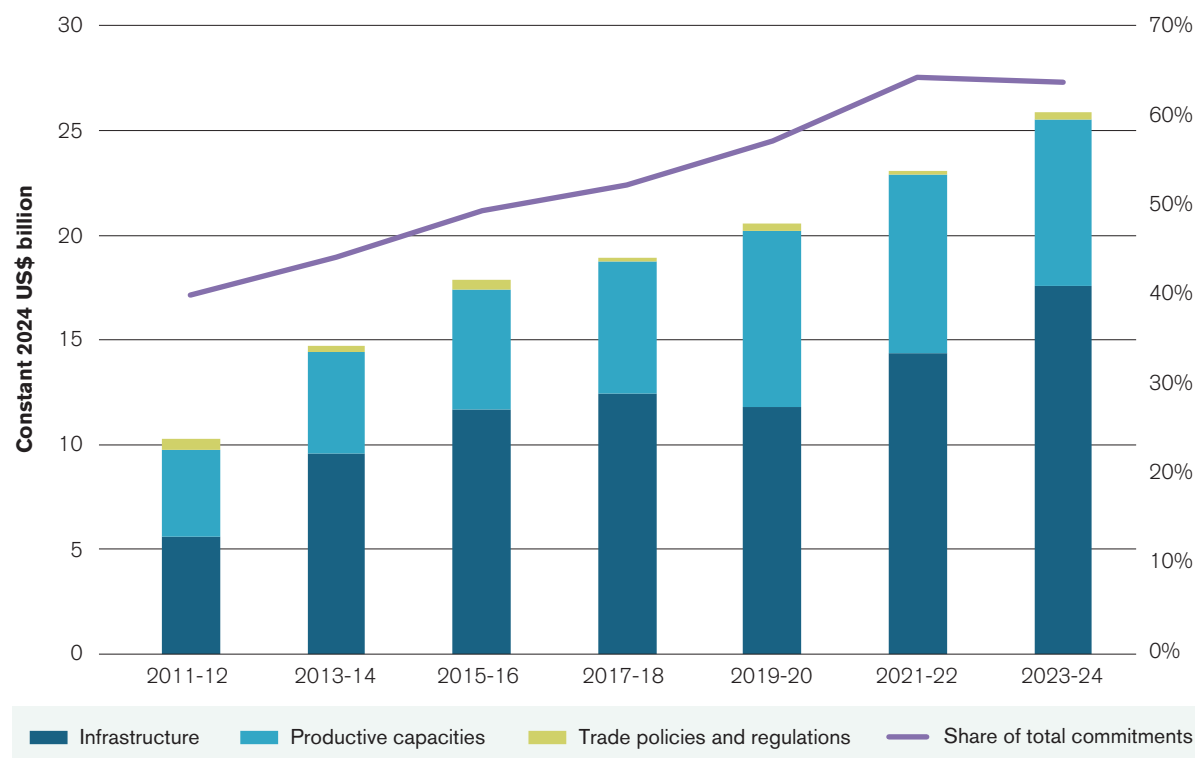
In a second trend, rapid digitalization, combined with efforts to transition towards low-carbon and resource-efficient economies, are creating new opportunities and requirements for participation in global value chains. Several donors have integrated these considerations in Aid for Trade support. Between 2006 and 2024, the share of Aid for Trade projects reported by OECD DAC donors as relating to environmental objectives was on a general upward trend, reaching 64 per cent in 2023-24 (see Figure 1.6). Chapter 3 examines in more detail how digital and environmental requirements are reshaping the trade landscape

and contributing to the emergence of new forms of trade and development partnerships.

Lastly, a third trend has seen the growing pressure on development finance reinforce donor focus on strengthening partnerships, including with the private sector (see Section 5). While grant-based support and country programmable aid to governments remains essential, particularly in LDCs and other low-income economies, non-concessional and innovative finance can provide additional resources for trade-related needs and help

Figure 1.6:

Aid for Trade commitments targeting global environmental objectives, DAC members, 2011-2024



Source: OECD calculations based on OECD (2026d), Creditor Reporting System (dataset), <https://data.explorer.oecd.org/s/52>, accessed September 2026; OECD (2026k), RioMarkers: Aid (ODA) activities targeting global environmental objectives, accessed September 2026.

Note: Aft=Aid for Trade. Aid for Trade activities targeting global environmental objectives are available for DAC economies and EU institutions only. Data based on reporting made by DAC members using OECD DAC Rio markers. For more information on the methodology used to estimate environment-related data see "Development finance for climate and the environment".⁶ DAC=Development Assistance Committee.

mobilize private sector financing. Expanding the Aid for Trade toolbox can help channel these flows more systematically towards specific trade challenges aligned with national development priorities.

More broadly, development partners have been exploring different approaches and mechanisms to increase the participation of governments, development agencies, MDBs and development finance institutions (DFIs), banks, businesses, South-South providers and

other stakeholders. As the range of instruments and actors expands, Aid for Trade provides a platform to articulate complementarities between financing flows, foster collaboration across stakeholders and connect these contributions with national development priorities. These considerations underpin the analysis presented in the following sections, which examine how different financing approaches, actors and forms of cooperation are contributing to evolving trade development partnerships.

Geography of Aid for Trade: mapping and unpacking the evolution of financing flows

Who is providing Aid for Trade, and where? How has the financing landscape evolved over the years?

In the aggregate in 2024, Aid for Trade flows were highly concentrated across 10 providers – bilateral and multilateral combined. Economies in Africa and Asia received 75 per cent of global disbursements, although with different compositions: Aid for Trade in Asia emphasized infrastructure (68 per cent), while in Africa it was more diversified.

In Europe, Aid for Trade spiked in 2024 (mostly to Ukraine), while in the Americas, it declined by 23 per cent from 2023. Despite minimal aggregate shares in Oceania, Aid for Trade represented an important source of finance for many economies in the region including small

island developing states. Aid for Trade to LDCs grew at an average rate of 2 per cent annually between 2021 and 2024 – continuing to fall short of the Doha Programme target of doubling 2018 levels by 2031. Going forward, there is scope for providers to revitalize grants, rebalance allocations towards underserved regions and leverage MDB expertise through coordinated bilateral-multilateral strategies.

This section examines the evolution of flows by development cooperation provider and geography. It shows that behind the aggregate figures lie a diversity of projects and financing approaches, reflecting varied needs in different country contexts. It also underlines the distinct and complementary roles of development agencies and financing institutions across regions, and highlights results of Aid for Trade projects.

Aid for Trade disbursements are concentrated among large providers

In 2024, the 10 largest providers of Aid for Trade, including both bilateral and multilateral providers, were the source of 82 per cent of total disbursements (see Table 1.1). OECD DAC bilateral donors⁷ accounted for 54 per cent of total disbursements in 2024, a share that has remained relatively stable over the last decade. Multilateral providers accounted for 45 per cent of disbursements.

Aid for Trade is provided in the form of grants and concessional loans (loans extended

at interest rates below those available on the market or with longer grace periods, or a combination of these). The relative use of grants and loans varies considerably across providers, reflecting differences in their mandates, the types of projects they finance and their geographical focus. Table 1.1 presents the total yearly disbursements of the 20 largest Aid for Trade providers,⁸ disaggregated by financing instrument (grants and loans).

Table 1.1:
Top 20 Aid for Trade providers, 2022-2024 (US\$ million)

Provider	2022			2023			2024		
	Total	Grants	Loans	Total	Grants	Loans	Total	Grants	Loans
International Development Association (World Bank Group)	8,478	1,810	6,668	9,398	2,256	7,142	10,820	2,699	8,121
Japan	10,324	906	9,418	11,059	1,052	10,007	10,324	1,506	8,818
EU institutions	7,688	3,249	4,439	5,590	3,519	2,071	5,436	3,575	1,861
Germany	7,471	3,705	3,766	5,850	2,930	2,920	5,424	2,456	2,968
United States	1,905	1,905	-	2,975	2,975	-	3,125	3,125	-
France	3,947	407	3,540	2,579	429	2,150	2,376	478	1,898
Asian Development Bank	1,887	502	1,385	1,482	226	1,256	1,671	128	1,543
United Kingdom	1,248	1,143	105	1,185	1,184	1	1,325	1,325	-
Republic of Korea	840	293	547	1,062	335	727	1,116	419	696
African Development Fund	902	352	550	1,059	430	629	944	440	504
International Fund for Agricultural Development (IFAD)	-	-	-	-	-	-	690	186	504
Canada	697	320	376	609	308	301	652	359	293
Netherlands	706	706		758	758		596	596	
Norway	699	699		663	663		542	542	
Sweden	468	345	124	380	380		509	509	
Australia	451	365	86	541	537	5	507	503	4
Central American Bank for Economic Integration (CABEI)	992	-	992	577	0	577	445	5	440
Italy	151	125	26	138	103	35	427	190	237
OPEC Fund for International Development	474		474	531		531	400		400
Arab Fund (AFESD)	259	3	256	231	2	229	383	2	381

Source: OECD (2026d), Creditor Reporting System (dataset), <https://data.explorer.oecd.org/s/52>, accessed September 2026; OECD (2026f), OECD (2026e), OECD Aid for Trade Dashboard, <https://www.oecd.org/en/data/dashboards/aid-for-trade.html>, accessed September 2026.

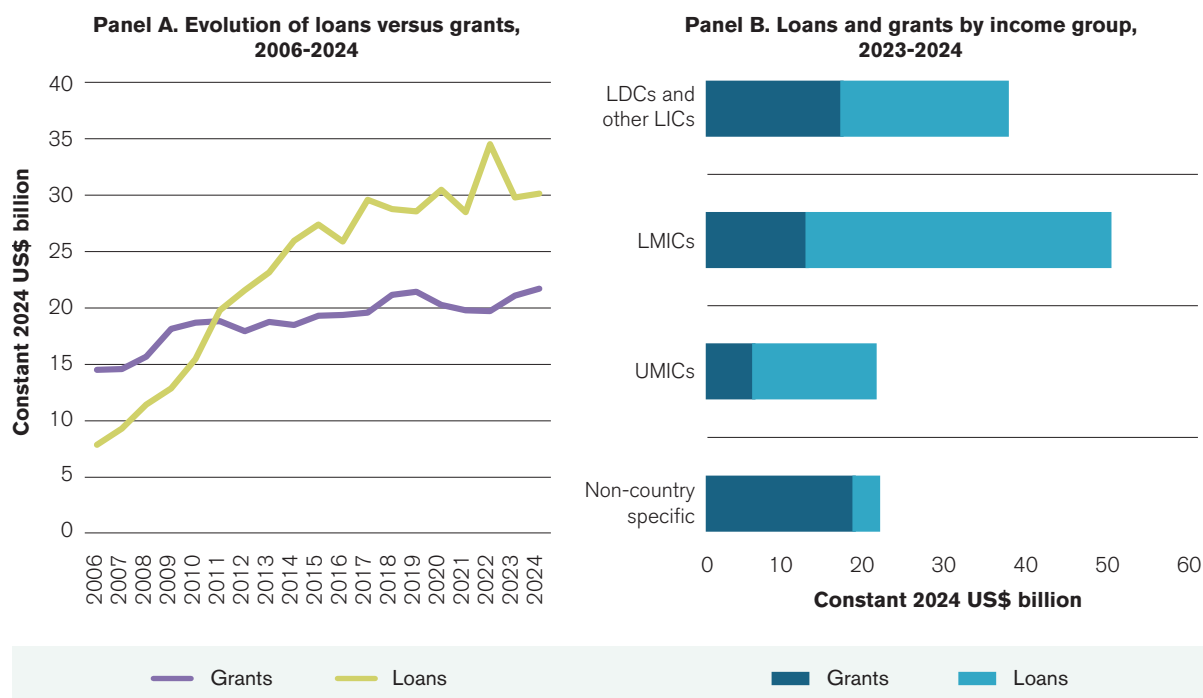
Monitoring and evaluation exercises over the years have highlighted the importance of ensuring access to grant-based financing, particularly for LDCs.⁹ Following a period of decline between 2020 and 2022, the share of grants in total Aid for Trade disbursements rose from 36 per cent in 2022 to 42 per cent in 2024, returning to levels comparable with the pre-pandemic period. Concessional loans represented 58 per cent of disbursements. While grant volumes rose by 10 per cent in real terms between 2022 and 2024 (see Figure 1.7), the rising proportion of grants relative to loans also partly reflects the 2023 change to separate reporting of private sector

instruments, reducing the volume classified as Aid for Trade loans (see Section 2).

This growth in grant volumes in absolute terms was observed across both bilateral and multilateral providers and all income groups except upper-middle-income countries. In 2023-2024, LDCs received the highest proportion of grants targeting specific bilateral recipients, at 44 per cent. This is higher than the 2022 levels, which marked a record low of 41 per cent during the pandemic, but remains significantly below earlier levels. Between 2015 and 2019, grants represented 52 per cent of total disbursements to LDCs.

Figure 1.7:

Aid for Trade disbursements by financing instrument and income group



Source: OECD (2026d), Creditor Reporting System (dataset), <https://data-explorer.oecd.org/s/52>, accessed September 2026; OECD (2026e), OECD Aid for Trade Dashboard, <https://www.oecd.org/en/data/dashboards/aid-for-trade.html>, accessed September 2026.

Note: LDCs=least-developed countries; LICs=low-income countries; LMICs=lower-middle-income countries; UMICs=upper-middle-income countries.

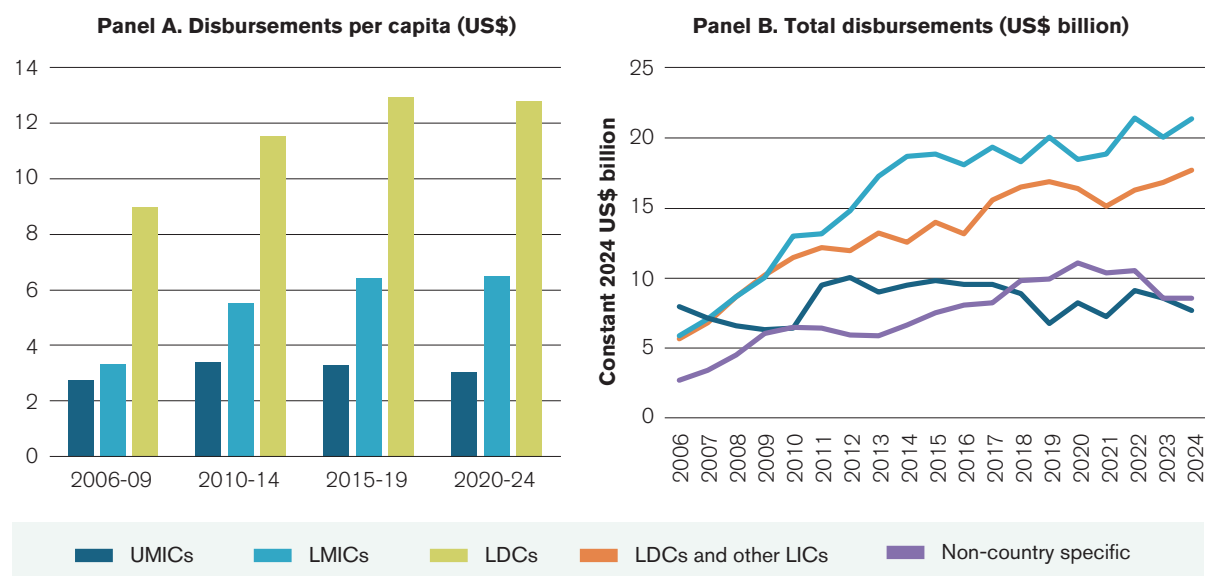
Support to LDCs has been growing, but remains insufficient to meet international targets

The Aid for Trade initiative integrates a particular focus on LDCs, which has been re-affirmed through commitments in various forums over the years (see [Annex 1.1](#)). In 2022, the UN Doha Programme of Action for LDCs for the period 2022-2031 put forward objectives to significantly increase Aid for Trade levels, with an expectation of them doubling from their 2018 level by 2031 (United Nations, 2022). This commitment was echoed at the 4th International Conference on Financing for Development held in Sevilla in 2025 (United Nations, 2025).

In 2024, Aid for Trade disbursements to LDCs totalled US\$ 15.7 billion, a 4 per cent increase on 2023 (see [Figure 1.8](#)). This corresponds to an average of US\$ 13 per capita in Aid for Trade disbursements to LDCs, compared with US\$ 7 for lower-middle-income and US\$ 3 for upper-middle-income countries.¹⁰ Although progress is being made, growth rates are currently insufficient to achieve the objectives of the Doha Programme of Action for LDCs, which would require an annual growth rate of 9 per cent from 2024 levels until 2031. Between

Figure 1.8:

Aid for Trade disbursements to different country income classifications, 2006-2024



Source: OECD calculations based on OECD (2026d), Creditor Reporting System (dataset), <https://data.explorer.oecd.org/s/52>, accessed September 2026; OECD (2026e), OECD Aid for Trade Dashboard, <https://www.oecd.org/en/data/dashboards/aid-for-trade.html>, accessed September 2026; World Bank Group (2026), World Development Indicators, <https://data.worldbank.org/indicator/SP.POP.TOTL>, accessed September 2026.

Note: LDCs=least-developed countries; LICs=low-income countries; LMICs=lower-middle-income countries; UMICs=upper-middle-income countries.

2020 and 2024, disbursements to LDCs grew at an average rate of 2 per cent per year.

Support provided through Aid for Trade can be particularly relevant for addressing the specific challenges faced by LDCs in diversifying their economies, complying with international market requirements and increasing their exports.¹¹ The Enhanced Integrated Framework – a multilateral Aid for Trade partnership focused on LDCs – offers a mechanism that has helped strengthen trade institutions and the productivity of export-oriented sectors in LDCs. In Ethiopia,

for example, this support helped transform the honey sector from a largely informal and underdeveloped activity into a more market-oriented, employment-generating sector that also contributes to social inclusion and environmental sustainability (see [Box 1.3](#)). In addition, as economies transition from LDC status, they may face specific temporary challenges that Aid for Trade can help tackle, supporting a smoother transition (see Chapter 2). In 2023-2024, many of the largest LDC beneficiaries of Aid for Trade were at different stages of the graduation process (see [Table 1.2](#)).

Table 1.2:
Largest beneficiaries of Aid for Trade in the LDC category, 2023-2024

Top 10 in absolute terms

Country	Grants ('000 US\$)	Loans ('000 US\$)	USD per capita
Bangladesh	134,934	2,541,588	16
Ethiopia	813,205	770,515	12
Tanzania	168,358	692,696	13
Mozambique	635,470	144,140	23
Cambodia	114,521	579,595	40
Democratic Republic of the Congo	280,804	284,428	5
Nepal	121,118	438,000	19
Senegal	309,111	247,220	30
Uganda	255,252	295,254	11
Madagascar	185,939	364,224	17

Top 10 per capita

Country	Grants ('000 US\$)	Loans ('000 US\$)	USD per capita
Tuvalu	26	-	2,633
Kiribati	29	-	218
Solomon Islands	66	36	126
Comoros	36	20	65
Gambia	92	42	49
Djibouti	22	34	48
Cambodia	115	580	40
Timor-Leste	35	13	35
Mauritania	68	102	33
Rwanda	168	284	32

Source: OECD calculations based on OECD (2026d), Creditor Reporting System (dataset), <https://data.explorer.oecd.org/s/52>, accessed September 2026; OECD (2026e), OECD Aid for Trade Dashboard, <https://www.oecd.org/en/data/dashboards/aid-for-trade.html>, accessed September 2026; World Bank Group (2026), World Development Indicators, <https://data.worldbank.org/indicator/SP.POP.TOTL>, accessed September 2026.

Box 1.3:

Transforming Ethiopia's honey sector into a driver of inclusive growth, jobs and rural enterprise development

In Ethiopia, targeted support to honey value chains has contributed to rural

development, employment generation and economic diversification. Introduced across eight districts in Ethiopia, the Enhanced Integrated Framework's US\$ 1.48 million Scaling-up Quality Honey Production and Fair-trade Project (2018-2022) was implemented in partnership with the International Centre of Insect Physiology and Ecology (ICIPE). It helped transform Ethiopia's honey sector from a largely informal and underdeveloped activity into a sector that is more market-oriented, socially more inclusive and environmentally more responsible. Furthermore, it is an employment-generating sector contributing to inclusive growth and environmental sustainability.

Ethiopia's honey sector has long faced constraints. Access to markets was limited by the absence of aggregation and processing facilities, while challenges with post-harvest handling and certification hampered value addition and trade opportunities. As a result, the sector's significant potential to contribute to rural incomes, employment generation, export competitiveness and economic diversification remained largely untapped. The Scaling-up Quality Honey project aimed to strengthen production, processing and market systems while promoting value addition and certification.

It did so by adopting an integrated value chain development approach with the objective of strengthening the sector, from input supply, honey production and processing through to product certification and enhanced market access. It organized 3,610 young people, many with no prior experience, into commercial beekeeping enterprises, providing inputs, knowledge and skills through targeted training and technical assistance. This, in turn, led to the creation of an estimated 18,000 indirect jobs in input supply, pollination services and use of hive products.

In parallel, eight fully equipped honey aggregation, processing and marketing centres were established, enabling added value through filtering, packaging and branding, while also improving market access: over 130 tonnes of processed and packaged honey were supplied to formal markets. Quality standards and certification systems were strengthened through support for standard-setting processes and promotion of organic certification. More than 1,000 producers were certified, and protocols and internal control systems were introduced to enhance compliance, traceability and marketability.

Capacity building was extensive: more than 19,000 people were trained, including 690 in organic certification and 1,660 in pollination services. Production and income increased substantially, with honey and hive products generating approximately US\$ 1.4 million in revenue. Alongside the other interventions, over 2.6 million bee forage plants were planted across more than 900 hectares, improving productivity, environmental sustainability and ecosystem resilience. This further promoted

pollination services and complementary income-generating activities, linking beekeeping with broader agricultural systems and enhancing resilience.

The success of this project allowed ICIPE to secure US\$ 55.6 million from the Mastercard Foundation to implement the programme More Young Entrepreneurs in Silk and Honey, which aims to create sustainable livelihood opportunities for around 100,000 unemployed youth, with a focus on women and rural populations.

Several lessons emerge from the project. First, an integrated value chain approach combining skills development, improved technologies and innovation, infrastructure, quality systems and market access can help transform traditional activities into viable commercial opportunities. Second, targeted support for young people and women can unlock substantial employment potential, particularly when enterprise development is accompanied by access to inputs, skills and markets. Third, investment in quality standards and certification can strengthen competitiveness and facilitate access to higher-value domestic and export markets. Finally, integrating environmental sustainability into value chain development – for example, through bee forage development and pollination services – can simultaneously support productivity, income diversification and the long-term resilience of the sector.

Source: Contributed by the government of Ethiopia and the Enhanced Integrated Framework.

Context-specific and regional considerations shape Aid for Trade

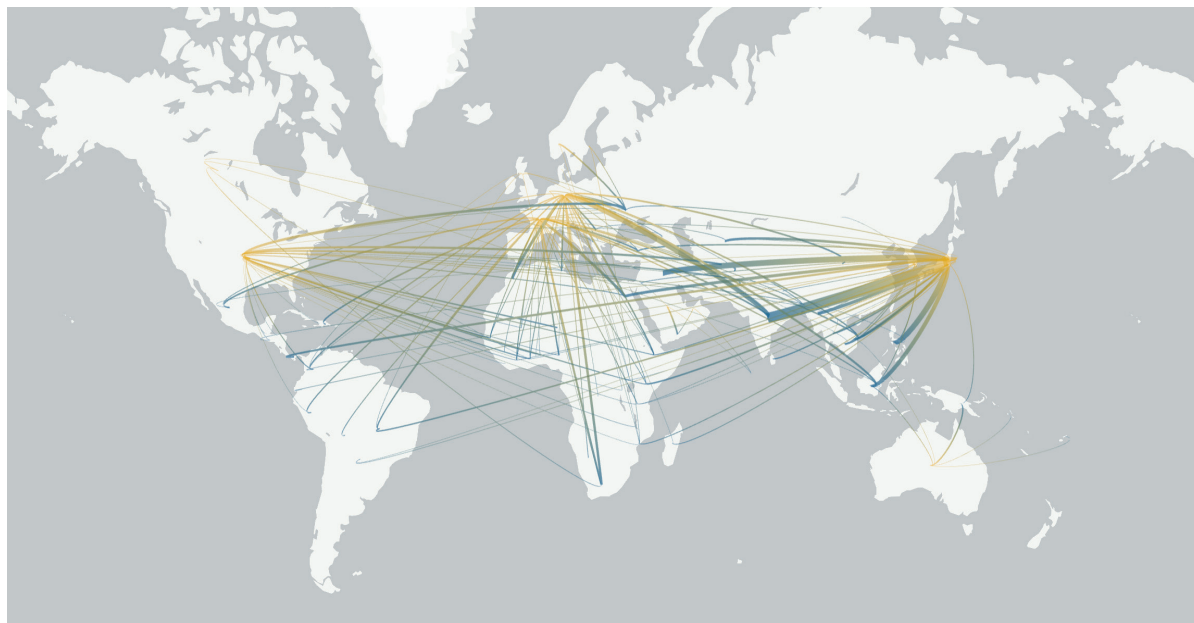
As part of efforts to target and tailor Aid for Trade interventions to local contexts, donors often integrate geographical considerations into programming and implementation. This may take the form of enhanced engagement with economies that are geographically close, linked with value chains in which the donor has a specific added value, or facing challenges that can be met by a particular expertise.

As a result, Aid for Trade cooperation plays distinct and complementary roles across regions, with some providers particularly prominent within specific

regions. Figure 1.9 provides a visual representation of the geographical distribution of Aid for Trade disbursements from bilateral donors, illustrating their roles across regional clusters.

For example, Japan has long been a leading Aid for Trade provider in Asia, accounting for 45 per cent of total disbursements in the region in 2024. In that year, 82 per cent of Japan's Aid for Trade portfolio was allocated to Asia, predominantly to finance trade-related infrastructure, in line with Japan's emphasis on investing in quality infrastructure that enhances connectivity (JICA, n.d.).

Figure 1.9:
Aid for Trade flows from bilateral donors to bilateral recipients by geographical location



Source: OECD calculations based on OECD (2026d), Creditor Reporting System (dataset), <https://data-explorer.oecd.org/s/52>.

Note: This figure provides a visual representation of flows and their direction. Only flows from bilateral DAC countries to bilateral recipients are included. Flow widths have been rescaled to improve readability. Flows below US\$ 100 million are not shown.

Australia plays a particularly important role in Oceania, to which it allocates 49 per cent of its total Aid for Trade financing, representing 31 per cent of all disbursements in the region in 2024, focusing on supporting job creation and local industries in developing economies and LDCs (DFAT, 2026).

In their engagement across regions, donors have emphasized strengthening intraregional trade, which is seen as a potential lever for future trade growth. For example, France's trade capacity building programme includes a strong focus on Africa, where it notably provides technical assistance and trade facilitation support for the implementation of the African Continental Free Trade Area (AfCFTA) (AFD, 2025).

The EU has similarly emphasized regional approaches, including to support implementation of regional trade and investment agreements and make the most of preferential trade schemes, in collaboration with regional organizations and regional economic corridors (European Union, 2025b).

Alongside bilateral providers, MDBs, including regional development banks, are also key Aid for Trade actors that can deploy a wide array of tools to offer trade support tailored to local contexts and to facilitate dialogue and policy reforms to strengthen links within regions.

The African Development Bank (AfDB), for example, combines investment in

cross-border infrastructure with trade facilitation and policy support to connect fragmented markets and advance implementation of the African Continental Free Trade Area.

The Asian Development Bank (ADB) complements investment in regional connectivity with trade and supply chain finance, helping firms, particularly SMEs,

participate in regional and global trade. The Inter-American Development Bank (IDB) places particular emphasis on modernizing border management and strengthening regulatory interoperability in Latin America and the Caribbean. These approaches have helped reduce trade costs and border crossing times, improved regional connectivity and expanded access to trade finance for firms (see [Box 1.4](#)).

Box 1.4:

Aid for Trade across regions: perspectives and approaches from international financial institutions

International financial institutions support trade through a broad range of financing instruments and approaches, but all of these ultimately reflect their attempts to serve economies with particular needs and regional circumstances. Here, three regional banks illustrate how they are deploying different tools to address the prevailing trade-related constraints and opportunities.

African Development Bank (AfDB): building the infrastructure of integration

The AfDB is a long-standing Aid for Trade contributor, with regional integration and trade embedded in its Ten-Year Strategy (2024-2033), including through the priorities to “Industrialize Africa” and “Integrate Africa”. Its interventions seek to deepen regional integration, improve competitiveness and support implementation of the African Continental Free Trade Area (AfCFTA), with a particular emphasis on the infrastructure needed to connect markets and facilitate trade. Over the past six years, the Bank has committed more than US\$ 10 billion to infrastructure investment.

In 2024, the AfDB approved US\$ 3.01 billion for 19 projects that support the Aid for Trade mandate and reinforce its commitment to accelerating implementation of the Free Trade Area. The projects include rehabilitation and expansion of the Port Autonome de Cotonou in Benin, territorial development in Cameroon’s Far North project, the Takoradi Floating-Dock Project in Ghana, the Abia State Integrated Infrastructure Development Project in Nigeria, and the upgrading of the Nagad-Loyada/Lowyaddo-Borama Road that connects Somalia and Djibouti. These and other projects underscore the AfDB’s dedication to fostering a unified and competitive trade environment and ensuring that Africa’s transport and logistics infrastructure remains resilient, interconnected and responsive to the continent’s economic growth needs.

By prioritizing trade-facilitating infrastructure, the AfDB is supporting the Aid for Trade agenda, while positioning Africa to maximize the benefits of regional economic integration under its Free Trade Area, setting the foundation for a competitive, interconnected and sustainable economic landscape across the continent.

Asian Development Bank (ADB): from private sector lending to regional cooperation

The ADB is a significant provider of Aid for Trade to Asia and the Pacific, providing US\$ 1.44 billion in such support to the region's economies in 2024. The majority of this funding comes through loans, reflecting the ADB's institutional model and the middle-income status of many of its borrowers.

Over two-thirds of its disbursements are for productive capacity building, prominently supporting the private sector to strengthen trade capacity, create jobs and economic opportunities, and help leverage comparative advantages and diversify exports. The ADB's lending operations reinforce the private sector's capacity to trade by providing trade finance and expanding access to finance and microfinance, particularly for micro-, small- and medium-sized firms. The ADB's Trade and Supply Chain Finance Program, which provides guarantees and loans, complements this support. In 2024, it executed more than 27,000 transactions worth US\$ 4.9 billion in economies such as Bangladesh, Georgia, Pakistan, Sri Lanka, Uzbekistan and Viet Nam, and assisted 13,500 small and medium-sized enterprises to expand operations. The ADB also provides least-developed country (LDC) graduation support. For instance, the ADB's policy-based loans have provided support for Cambodia's Trade and Competitiveness Program as part of graduation assistance initiatives.

Another key focus area for the ADB, consistent with Aid for Trade objectives, is regional cooperation. By 2030, the ADB aims for 30 per cent of its operations to contribute to regional cooperation and integration. It has already assisted in the design, negotiations, implementation and monitoring of regional trade agreements and partnerships, including the Central Asia Regional Economic Cooperation Trade and Investment Facilitation Partnership, Timor-Leste's accession to the Association of Southeast Asian Nations agreement, Free Trade Area implementation in Viet Nam, and the WTO accession of several economies.

With UN Trade and Development, the ADB has provided technical support in disentangling and simplifying Product Specific Rules of Origin to enable economies to better navigate non-preferential tariffs and access new markets. In the coming years, the ADB will focus

more on cross-border infrastructure and facilitating regional trade. It recognizes the critical importance of digital connectivity and has engaged in a range of initiatives to enhance digital infrastructure and services across Asia and the Pacific.

Inter-American Development Bank (IDB): facilitating trade and diversification

The IDB supports Latin American and Caribbean (LAC) economies in strengthening and modernizing trade policies, regulations and institutions in an evolving international trade environment. A major area of work is trade facilitation. In Costa Rica, Nicaragua and Panama, the Bank has supported coordinated border management through new infrastructure, digital platforms and streamlined procedures; at the Peñas Blancas border post, export time from Nicaragua to Costa Rica fell from 9.5 hours to 49 minutes. It has also supported airport modernization in Argentina, the digital transformation of customs administrations in five countries, and regional initiatives on electronic foreign trade invoicing and emergency resilience in customs and border agencies.

Agricultural trade is another important area, reflecting LAC's role as the world's largest net food-exporting region. The IDB helps economies respond to evolving requirements through diagnostics, gap analyses and best practices, while supporting alignment with food safety regulations and private standards such as fair trade and organic certification. It also promotes regional dialogue and analysis to reduce regulatory gaps, expand intraregional agri-food trade and identify value chains with high export potential. The Bank also sees knowledge-based services as a promising opportunity for the region, given their intensive use of skilled and creative labour and potential spillovers. In Chile, IDB-supported measures to strengthen the competitiveness of knowledge-based services exports resulted in US\$ 16 billion in investment. Tourism is another important services export, with programmes supporting competitiveness, skills, inclusion, sustainability and resilience, including recent operations in Salvador, Brazil, and other economies across the region.

More broadly, the IDB supports export promotion, investment facilitation and regulatory reform. Evidence cited by the Bank suggests that each US\$ 1 invested in export promotion agencies in Latin America generates a median increase in exports of US\$ 40. It also supports investment single windows i.e. a one-stop platform that allows investors to complete procedures through a single point of contact rather than multiple government agencies. Regulatory reforms are financed through investment loans for projects such as single windows and border modernization, and policy-based loans supporting policy and institutional changes.

Source: Contributed by the African Development Bank, Asian Development Bank and Inter-American Development Bank.

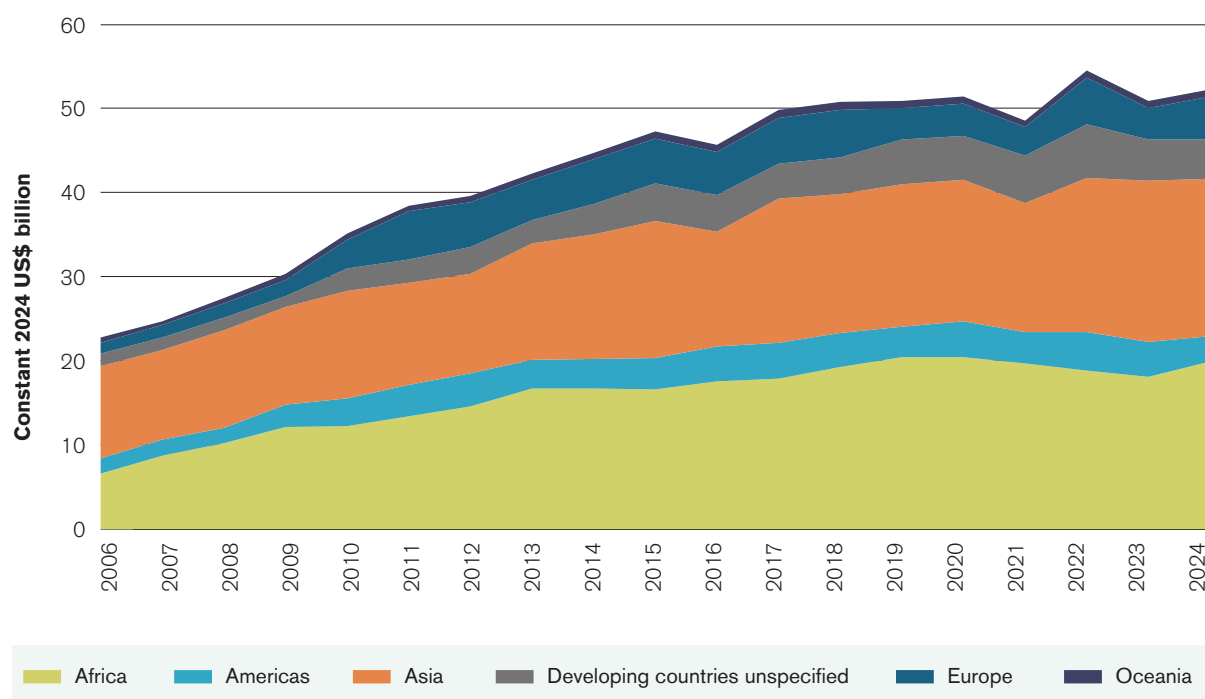
The regional evolution of Aid for Trade reflects a diversity of needs and priorities

Africa and Asia have historically been the largest regional beneficiaries of Aid for Trade. In 2024, they jointly accounted for 75 per cent of total disbursements. Disbursements to Africa totalled US\$ 19.8 billion, followed by Asia (US\$ 18.7 billion), Europe (US\$ 4.5 billion), the Americas (US\$ 3.1 billion) and Oceania (US\$ 795 million) (see [Figure 1.10](#)).

As illustrated in [Figure 1.11](#), disbursements to Asia and Oceania are largely focused on

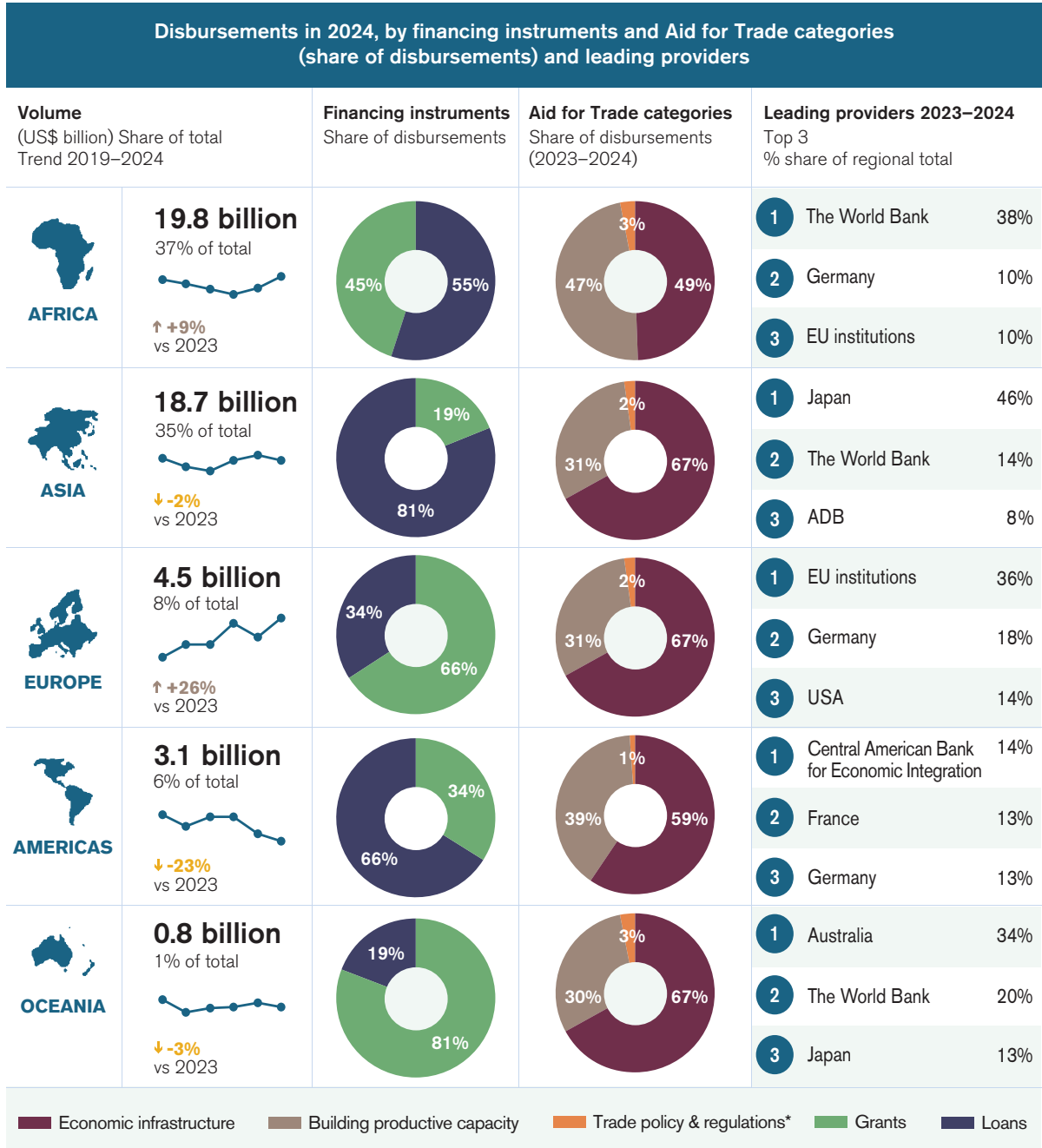
economic infrastructure (67 per cent and 68 per cent, respectively, of disbursements in 2022-2024), while Aid for Trade allocated to Africa, the Americas and Europe is more diversified. Types of financing also differ across regions. In Asia, over 80 per cent of disbursements take the form of concessional loans, compared with 69 per cent in the Americas, 57 per cent in Africa, 47 per cent in Europe and 22 per cent in Oceania.

Figure 1.10:
Aid for Trade disbursements by continent, 2006-2024



Source: OECD (2026d), Creditor Reporting System (dataset), <https://data.explorer.oecd.org/s/52>, accessed September 2026; OECD (2026e), OECD Aid for Trade Dashboard, <https://www.oecd.org/en/data/dashboards/aid-for-trade.html>, accessed September 2026.

Figure 1.11
Aid for Trade: trends across regions



Source: OECD (2026d), Creditor Reporting System (dataset), <https://data-explorer.oecd.org/s/52>, accessed September 2026; OECD (2026e), OECD Aid for Trade Dashboard, <https://www.oecd.org/en/data/dashboards/aid-for-trade.html>, accessed September 2026.

Note: *Includes trade-related adjustment. Totals may not add to 100% due to rounding.

Both Europe and Africa experienced marked growth in disbursements in 2024, increasing by 26 per cent and 9 per cent compared to 2023, respectively. The rise of disbursements in Europe is largely explained by support to Ukraine's economic resilience, reconstruction and EU market linkages (see [Box 1.5](#)). Although Ukraine accounted for 53 per cent of total disbursements in Europe in 2024, other economies, including Albania, Bosnia and Herzegovina and Serbia, also benefited from Aid for Trade, much of it supporting integration into EU markets.

In Africa, the increase was partially driven by large disbursements as part of comprehensive reform projects funded by the World Bank, including in Ethiopia and Nigeria. In recent years, there has also been emphasis on supporting the implementation of the AfCFTA, providing a framework to guide priorities and support intraregional trade. Aid for Trade in Africa in 2024 was focused on energy generation and supply (US\$ 5 billion), transport and infrastructure (US\$ 3.8 billion) and agriculture (US\$ 4.7 billion). In absolute terms, energy, transport, trade facilitation and forestry experienced the largest growth in 2024.

Financing to Asia and Oceania has remained relatively stable in recent years. Following a 4 per cent increase in 2023, Aid for Trade to Asia declined moderately in 2024 (-2 per cent). Aggregate numbers, however, mask considerable variation across economies, with several recording significant increases in Aid for Trade in 2023-2024, including

Sri Lanka, which received support to implement economic and financial stability reform; Iraq in the energy sector; and Uzbekistan in relation to economic reform, energy and agriculture value chain modernization.

Aid for Trade to Oceania grew from US\$ 711 million to US\$ 795 million between 2022 and 2024. While disbursements might appear lower than other regions in absolute terms, they represent an important source of finance to small and vulnerable economies in the region, including small islands and developing states, which face important and specific challenges integrating into global value chains due to their geographical location, inability to achieve economies of scale and remoteness from other markets.

Aid for Trade to ODA-eligible economies in the Americas has declined in recent years (-23 per cent between 2023 and 2024). The decline spanned all broad Aid for Trade categories and extended across several bilateral and multilateral providers and recipient economies. Economies in the Americas continue to face important challenges, including limited trade infrastructure and exposure of the agricultural sector to weather conditions. For example, an International Monetary Fund working paper in 2024 suggested that closing half of the infrastructure gap between Latin America and the Caribbean and advanced economies could lift exports by 30 per cent (Parente and Moreau, 2024).

Box 1.5:**Supporting Ukrainian small and medium-sized enterprises (SMEs) to meet EU traceability requirements: insights from the National Board of Trade, Sweden**

By combining regulatory guidance, hands-on support and direct engagement with Swedish authorities and market actors, Ukrainian food producers were supported in overcoming practical barriers to European Union (EU) market entry.

Ukrainian SMEs in the food sector face significant challenges when exporting to the EU, including rigorous regulatory requirements, high documentation standards and limited understanding of how these requirements are applied in practice. Panfruit, a Ukrainian producer of freeze-dried berries, encountered one such critical obstacle when planning an entry to the Swedish market. Although it produced a processed product, the company was required to prove that the berries were of cultivated origin rather than wild-harvested, in line with EU traceability requirements. Its existing documentation was not aligned with these requirements, putting the export process in doubt.

Through the National Board of Trade's bilateral project Export to Sweden 2.0 programme, Panfruit received targeted support to identify documentation gaps and understand EU traceability requirements, including the regulatory distinction between wild and cultivated products. This included clarification of applicable EU legislation, as well as alignment with Trade Control and Expert System (TRACES) expectations. TRACES is the digital EU platform for tracking and certifying agri-food products entering and moving within the EU. The company was also supported in obtaining an official certificate from the competent Ukrainian authority confirming the cultivated origin of the berries. Crucially, the National Board of Trade project acted as a facilitator between Panfruit, Swedish Customs, the Swedish Food Agency and the distributor, helping align expectations and ensure that all parties had a common understanding of the requirements. It was the coordinated efforts of all these stakeholders that led to the company's documentation being accepted.

By addressing a critical compliance gap, Panfruit significantly increased its readiness for the EU market and enabled concrete progress towards market entry. Today, Panfruit freeze-dried berries are on the shelves of Swedish retailers. And more widely, the experience gained through working with Panfruit is now helping guide and support other Ukrainian food producers facing similar challenges to entering the EU market.

This experience highlights that even for processed products, traceability requirements can create unexpected and critical barriers to trade. When that happens, compliance is not only about having documentation, but also about ensuring it is aligned with regulatory frameworks and acceptable to the authorities in importing economies. Active facilitation between companies, authorities and market actors is often essential to resolve real-time trade barriers and enable trade. Bringing all stakeholders to a shared understanding can significantly accelerate problem-solving and reduce delays. Bridging the gaps between compliance requirements, regulatory knowledge and practical implementation is key to enabling SMEs to successfully access international markets.

Source: Contributed by the National Board of Trade, Sweden.

The sectoral priorities of Aid for Trade: adapting to evolving needs and priorities

What does Aid for Trade support, and how? How is financing distributed across its main categories, and how is this mix evolving in response to changing trade and development priorities?

Top-level trends show that infrastructure continues to receive the largest share of Aid for Trade, reflecting the scale of investment needs in developing economies. Support for energy infrastructure increasingly emphasizes renewable generation and supply, while the growing strategic importance of development corridor approaches is placing greater emphasis on transport infrastructure and logistics networks to boost intraregional trade and access to global markets.

Building productive capacity remains the second largest category of Aid for Trade, although financing has declined since its pandemic-era peak and is shifting in response

to changing market demands. Trade policies and regulations receive a much smaller share but can generate significant impact by reducing trade costs and helping governments and businesses meet increasingly complex standards.

Going forward, there is scope to strengthen support for trade facilitation and due diligence, while linking infrastructure, productive capacity and regulatory assistance more effectively.

This section examines how Aid for Trade is distributed across infrastructure, productive capacity and trade policies and regulations. It explores how support within these categories is evolving and identifies opportunities to respond more effectively to the changing needs of developing economies.

Evolution of disbursements by broad Aid for Trade categories reflects evolving international context

Aid for Trade comprises all ODA that helps developing economies tackle supply-side constraints to trade and take advantage of trade

opportunities. It includes four main categories of support: trade-related economic infrastructure, building productive capacities, trade policies and

Box 1.6: Measuring Aid for Trade: challenges and progress

In 2006, the Task Force set out to operationalize Aid for Trade and defined its scope as a subset of official development aid (ODA) targeting areas relevant to trade. The measurement and monitoring of Aid for Trade flows at a global level therefore relies on data collected in the OECD Creditor Reporting System (CRS), an internationally recognized source for official, standard and comparable statistics on ODA. To convert the Aid for Trade definition into reliable statistics aligned with ODA reporting directives and CRS classification of aid activities, the OECD uses four measurable Aid for Trade categories.

- i. **Trade-related infrastructure** includes transport and storage, energy generation and supply, and information and communications technology.
- ii. **Building productive capacities** includes tradable sectors such as agriculture, industry, mining, financial services and business services.
- iii. **Trade policies and regulations** includes trade facilitation, policy planning and implementation, regional trade agreements and multilateral negotiations.
- iv. **Trade-related adjustments** designate support to assist the implementation of recipients' own trade reforms and adjustments to trade policy measures by other economies, as well as assistance to manage shortfalls in the balance of payments due to changes in the world trading environment.

The scope and measurement of Aid for Trade have been the object of long-standing discussions. The case has often been made that the definition was too broad, making it difficult to differentiate interventions specific to trade from broader economic support. On the other hand, it has also been argued that the scope of Aid for Trade measurement does not capture the breadth of trade-related priorities that have emerged in recent years, or the growing emphasis on private sector engagement and partnerships in development finance.

Aid for Trade disbursements and commitments are reported in gross terms on a cash-flow basis. This means that the amounts presented reflect flows of cash granted, or the face value of loans lent by official providers to ODA-eligible economies. This methodology aligns with the standard practice for presenting ODA flows disaggregated by sector or activity and provides a clear view of volumes of finance mobilized for trade priorities in a given year. However, it does not account for loan repayments by beneficiaries and requires careful interpretation when comparing or aggregating support across regions and sectors.

Important efforts have been made in recent years to address these challenges, including by providing additional data and analysis on trade-related flows beyond ODA: reporting the concessionality of flows; considering cross-cutting support on issues like COVID-19, climate, biodiversity and responsible business conduct; and drawing from innovative methodologies like policy markers, projections and textual analysis of project descriptions. The improvements these efforts have achieved are integrated into the analysis presented in this report, along with additional information to help contextualize and interpret Aid for Trade figures.

Source: OECD Secretariat.

regulations, and trade-related adjustments (see [Box 1.6](#)) (see [Annex 1.2](#)). In the grand total of historical Aid for Trade disbursements between 2006 and 2024 (see [Figure 1.12](#)), the bulk has been split between trade-related economic infrastructure, accounting for 52 per cent, and building productive capacities, making up 45 per cent. Support for trade policies and regulations represented 3 per cent, and trade-related adjustments less than 1 per cent (see [Box 1.6](#) for definitions and a history of these categories).

The evolution of Aid for Trade flows by category reflects an evolving international context. The period 2019–2021 saw a departure from the long-standing distribution of flows between infrastructure and productive sectors. There was a steep decline in financing for infrastructure, partially explained by delays in delivering projects during the COVID-19 period, and a reprioritization of aid towards sectors that were critical to the pandemic response; these included banking and financial services, the pharmaceutical industry and agriculture (OECD/ WTO, 2022).

From 2022 onwards, financing for infrastructure rebounded. This was partly a correction and partly driven by growing investment needs associated with the energy and digital transitions, as well as reconstruction efforts and the shifting international context, which has increased the focus on resilience and connectivity. Funding for productive capacities declined amid this reprioritization, with reduced support for businesses and financial services after the temporary scaling up of such assistance to strengthen economic resilience. The 2023 methodological change separating out private sector instruments (see Section 2) further accentuated this decline.

Support for trade policies and regulations rose by 37 per cent between 2022 and 2024, but from a low base, remaining at approximately 3 per cent of total Aid for Trade disbursements in 2024.

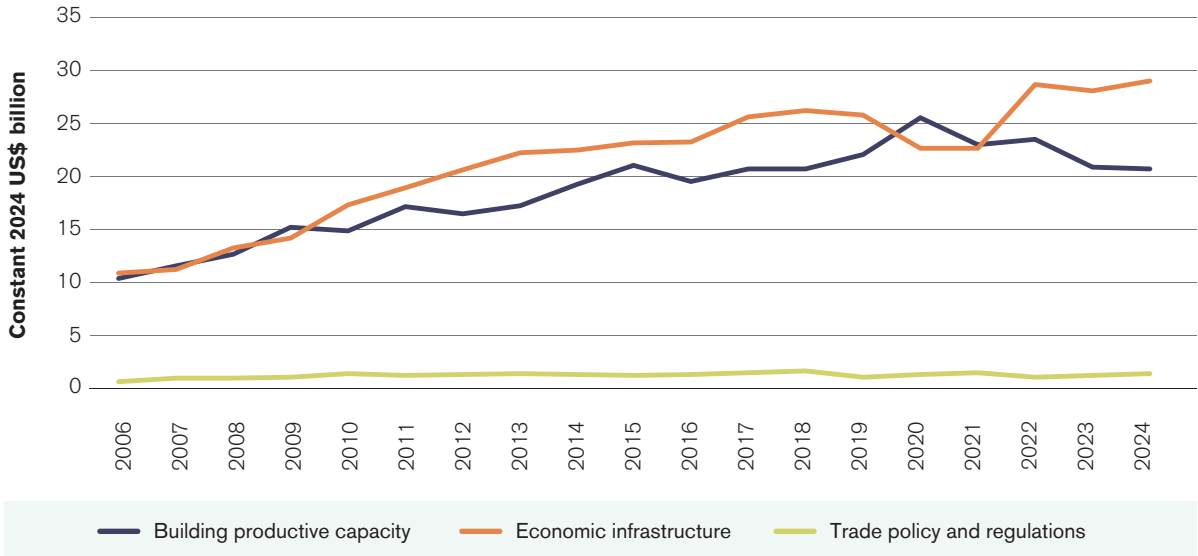
When analysing the distribution of flows across categories, the financing instruments are important to consider. There has been a tendency to finance economic infrastructure projects through loans (68 per cent), while support for trade policies and regulations and productive capacities has more often been through grants (see [Figure 1.13](#)).

Loans may especially suit large, years-long infrastructure projects and enable access to finance that would otherwise not be possible. Such infrastructure loans can generate large disbursements in a given year, while forms of support that do not generate a financial transfer, such as in-kind and technical assistance, can be challenging to capture in Aid for Trade statistics.

Furthermore, not every Aid for Trade project fits neatly into a single category. Comprehensive reform programmes, for example, may combine components related to quality infrastructure development, regulatory support and business capacity strengthening. Impact assessments conducted by donors over the years have highlighted the value of comprehensive, sustained and coherent interventions that are anchored in local contexts and aligned with country systems.

Several bilateral and multilateral donors emphasize comprehensive and coherent approaches in their programming, as illustrated by Australia's engagement in the Pacific and Timor-Leste (see [Box 1.7](#)), and Japan's engagement on trade facilitation in Africa (see [Box 1.10](#)).

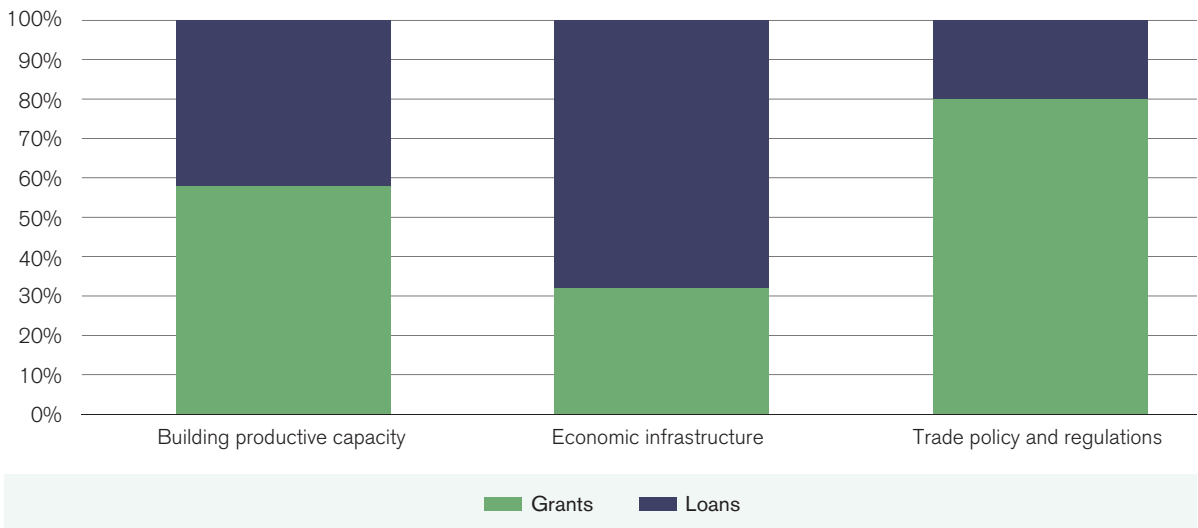
Figure 1.12:
Evolution of disbursements by category, 2006-2024



Source: OECD (2026d), Creditor Reporting System (dataset), <https://data-explorer.oecd.org/s/52>, accessed September 2026; OECD (2026e), OECD Aid for Trade Dashboard, <https://www.oecd.org/en/data/dashboards/aid-for-trade.html>, accessed September 2026.

Note: The trade-related adjustments category has been included in the policy and regulations category.

Figure 1.13:
Financing instruments by broad category, 2006-2024



Source: OECD (2026d), Creditor Reporting System (dataset), <https://data-explorer.oecd.org/s/52>, accessed September 2026; OECD (2026e), OECD Aid for Trade Dashboard, <https://www.oecd.org/en/data/dashboards/aid-for-trade.html>, accessed September 2026.

Note: Support for trade-related adjustments has been included in trade policy and regulations.

Box 1.7:

Hardwiring economic resilience: Australia's Aid for Trade partnerships – delivering impact in the Pacific and Timor-Leste

Australia's partnership-based Aid for Trade has boosted trade participation in the Pacific and Timor-Leste through a coherent approach integrating infrastructure, regulatory reform, trade finance and digital trade.

Across the Pacific and Timor-Leste, businesses and governments face intersecting constraints to trade. Physical infrastructure gaps, manual and fragmented border processes and low digital connectivity challenge market access and increase costs and uncertainty. Micro, small and medium enterprises, particularly women-led and rural businesses, often lack access to physical and digital markets, trade finance and reliable information, while climate shocks and external disruptions further expose the fragility of analogue systems. Without digital, regulatory and financial reforms, coupled with quality economic infrastructure and robust supply chains, many businesses remain locked out of regional and global markets.

Australia's partnership-based Aid for Trade emphasizes trust, collaboration, effective institutions and local leadership. Investments support trade facilitation, biosecurity, e-commerce and regulatory reforms that encourage inclusive and sustainable growth. Initiatives aim to improve livelihoods through quality digital and transport infrastructure, trade finance and complementary technical assistance and capacity building. Australia's AUD 4.55 billion Infrastructure Financing Facility for the Pacific (AIFFP) is supporting critical infrastructure in the region. In parallel, multilateral partnerships, including with the World Bank, Standards and Trade Development Facility, Asian Development Bank and United Nations Trade and Development (UNCTAD), are strengthening trade facilitation and supply chain resilience by streamlining and automating customs clearance times; improving agricultural trade processes and safe trade; expanding access to trade finance; improving trade measurement capabilities and standards; and building capacity in digital rule-making.

Together, these interventions help developing economies and least-developed countries (LDCs) in the region strengthen and align their economic capabilities with the transparent global trade rules of the WTO, gaining them greater access to international markets. Improvements to ports and related infrastructure have delivered essential goods and services, expanded market access and strengthened supply chains. All Pacific Island Forum economies are now connected to undersea cables, extending opportunities for digital trade and e-commerce and contributing to more efficient customs procedures. In addition, with coffee production supporting 35 per cent of Timor-Leste households, AIFFP partnerships are delivering off-grid solar power to remote communities, transforming coffee production and export potential, which is also facilitated by shorter customs clearance times. Australia is also supporting inclusive growth and innovation through UNCTAD's e-commerce and digital economy programme, which helps women digital entrepreneurs to thrive, and strengthens digital trade and e-commerce policy and regulations in developing economies.

The experience of Australia points to several success factors. First, Aid for Trade benefits are realized through coherent and complementary partnerships. Second, enabling infrastructure, technical assistance and capacity building remain essential elements of Aid for Trade, as developing economies and LDCs cannot benefit fully from trade without access to modern market systems and information. Third, digital trade and e-commerce have transformational potential, but only when coupled with reliable connectivity and supply chains; standalone interventions have more limited impact. Fourth, inclusivity matters: programmes that facilitate inclusive participation, trade finance and access to digital solutions can reduce inequalities and broaden the benefits of trade. Finally, multilateral partners are critical for achieving scale, and outcomes are strongest when systems are designed and governed to support local ownership and sustainability.

“More than 70,000 farmers rely on us to buy their crops for export. Making trade easier will help us grow our business and, most importantly, continue supporting our local communities.”

– Maria Lailai Moi, Owner, Ben's Trading, Fiji

Source: Contributed by the Australian Government Department of Foreign Affairs and Trade.

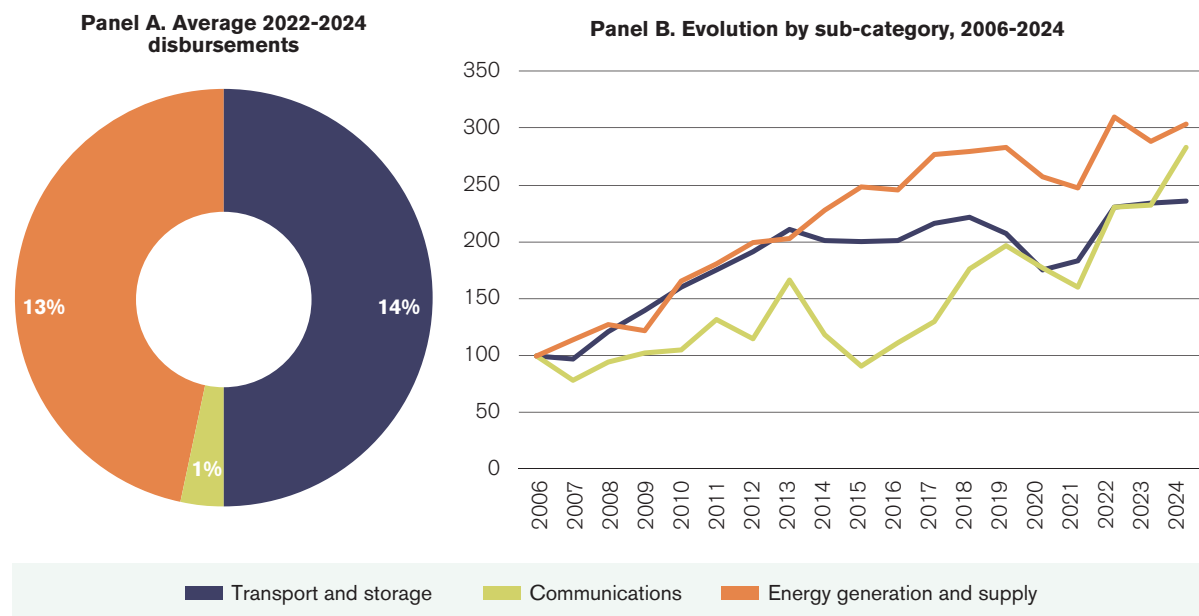
Aid for Trade plays a critical role in narrowing the finance gap for infrastructure

Infrastructure is an important enabler of economic activity, with the development of projects such as transportation networks, maritime ports and aerodromes being pivotal to foster trade and economic development. In recent years, growing needs linked with rapid urbanization, supply chain resilience considerations, clean energy and digital transformations have increased the demand for this infrastructure. Recent research reveals that over the next decade, the global economy will need to invest nearly 3.5 per cent of gross domestic product (GDP) per year (US\$ 4.2 trillion) in such social, transport, energy and digital projects (Allianz Research, 2025).

Investment needs are particularly large in emerging and developing markets – and so are the opportunities. In Africa, for example, according to the 2025 joint OECD–African Union *Africa's Development Dynamics 2025* report, African economies require investments of US\$ 2.48 trillion between now and 2040 to develop their infrastructure to a level comparable to peer economies in other regions (AU/OECD, 2025). This analysis also shows that an average annual investment of US\$ 155 billion up until 2040 – most prominently in roads, railways, fibre-optic cables and solar power – could raise average annual GDP growth by 4.5 percentage points (AU/OECD, 2025).

Figure 1.14:
Distribution of Aid for Trade for infrastructure, 2006-2024

Panel B, Index 2006=100



Source: OECD calculations based on OECD (2026d), Creditor Reporting System (dataset), <https://dataexplorer.oecd.org/s/52>, accessed September 2026; OECD (2026e), OECD Aid for Trade Dashboard, <https://www.oecd.org/en/data/dashboards/aid-for-trade.html>, accessed September 2026.

Aid for Trade provides important funding for the development of infrastructure related to transportation and storage, energy generation and supply, and communications. Within Aid for Trade financing for infrastructure, energy and transport

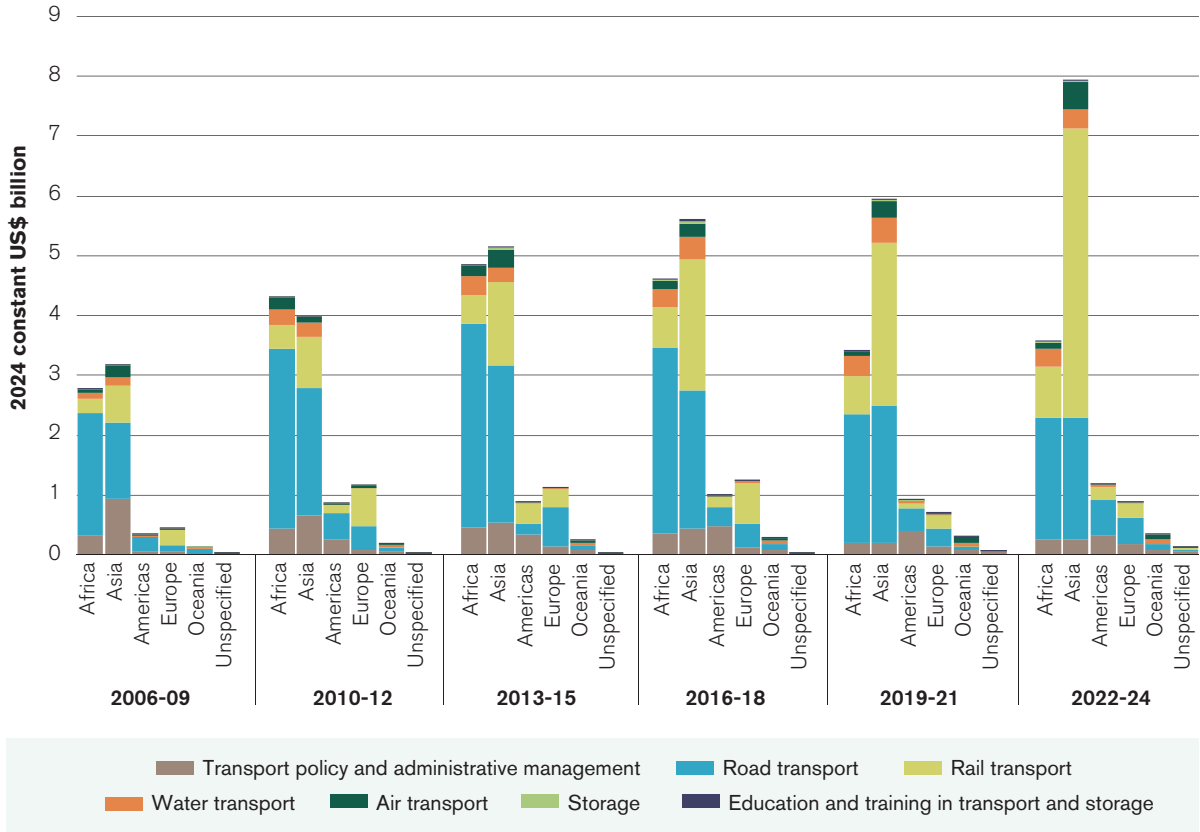
constitute the bulk of infrastructure disbursements, but the growing emphasis on digitalization is visible in the rapid growth of donor funding in the information and communications technology (ICT) sector (see Figure 1.14).

Development corridor approaches are driving investment in transport infrastructure

Financing for transportation and storage has increased markedly in recent years, from average annual disbursements of US\$ 13 billion in 2018-2019 (pre-pandemic) to US\$ 14 billion in 2023-2024. This rapid growth is largely explained by major transport infrastructure projects in Asia, notably to develop rail transport

along key trade routes. Bangladesh, India and the Philippines alone accounted for 65 per cent of the US\$ 8 billion disbursed for Asian transportation infrastructure in 2024. In Africa, the focus has predominantly been on financing road infrastructure, although rail transport financing has increased in recent years (see Figure 1.15).

Figure 1.15:
Transport infrastructure by region, three-year average disbursement, 2006–2024



Source: OECD (2026d), Creditor Reporting System (dataset), <https://data.explorer.oecd.org/s/52>, accessed September 2026; OECD (2026e), OECD Aid for Trade Dashboard, <https://www.oecd.org/en/data/dashboards/aid-for-trade.html>, accessed September 2026.

In the last decade, the renewed and growing prominence of “corridor approaches” has contributed to a stronger focus on infrastructure within trade-related development finance. These approaches aim to connect major transport and logistics hubs, facilitate intraregional trade, support economic growth and strengthen integration into global markets. Several initiatives backed by development finance have been launched or promoted in recent years, helping to scale up investment in ports, roads, railways and logistics systems (see [Box 1.8](#)). This renewed emphasis has

developed against a backdrop of growing attention to economic security and resilience considerations, as well as rising demand for critical minerals (Pangea-Risk, 2026). Whether these investments generate economic and human development returns locally will depend largely on the structure of projects, environmental and social safeguards and accompanying policies. Donors can play an important role in addressing bottlenecks hindering finance and investment and in helping ensure that infrastructure development contributes to local productivity and broader development gains.

Box 1.8:**Development corridors: from infrastructure to productive transformation**

Development corridors are integrated networks that connect ports, cities, production zones and hinterlands through transport, energy, digital and logistics infrastructure. They combine physical assets such as roads, railways, ports and border facilities with policy and institutional measures to improve logistics, trade facilitation and investment conditions. Early experiences in Asia showed that corridors can do more than reduce transport costs; when supported by industrial policy, energy access and investment promotion, they can attract firms, support clustering and create new economic activity along key routes. In a more recent example from East Africa, the Northern Corridor linking to the port of Mombasa, Kenya, has been associated with transport cost reductions of 65 per cent and household income gains of 20 per cent in project areas (AfDB, 2023).

Other newly initiated development corridor projects have the potential to reshape trade routes in Africa, Asia, Latin America and the Middle East, and could generate significant gains for trade and economic growth. For example, the Laos–Viet Nam railway could reduce logistics costs by up to 40 per cent. The Abidjan–Lagos Corridor Highway is expected to generate up to US\$ 16 billion in economic impact as well as significant job creation. And in 2025, over 80 other corridors were planned, under construction or operational across Africa (AU/OECD, 2025). Members of the African Continental Free Trade Area increasingly view these as key instruments for implementing the agreement by reducing trade costs, improving connectivity and supporting regional value chains in sectors such as agro-processing, automotive manufacturing and critical minerals.

Several global and regional frameworks provide a coordination architecture for corridor investments. The African Union's Programme for Infrastructure Development in Africa (PIDA) provides an overarching framework for the continent, with its second phase (2021–2030) prioritizing 50 strategic projects linked to broader value chain and industrial development objectives. Operationalizing PIDA's regional transport networks is projected to increase African exports by 11.5 per cent and GDP growth by up to 2 per cent (Fontagné et al., 2023).

In Asia, frameworks such as the Central Asia Regional Economic Cooperation (CAREC) programme and the Greater Mekong Subregion initiative provide institutional platforms for multi-country corridor coordination. Projects such as China's Belt and Road Initiative, the Group of 7's Partnership for Global Infrastructure and Investment, Japan's Partnership for Quality Infrastructure, and the European Union's (EU's) Global Gateway have promoted and supported large investments in support of infrastructure corridors.

Donors play an important role in financing integrated corridor approaches. Under the Global Gateway initiative, EU finance seeks to create strategic, sustainable and secure transport corridors benefiting industries in both Africa and Europe. The initiative has identified 12 strategic corridors aligned with PIDA (European Union, 2025). The Japan International Cooperation Agency has a long history of supporting economic corridors in Asia and also supports three corridor master plans in

Africa – the Northern Corridor, the Nacala Corridor and the West Africa Growth Ring – combining infrastructure with agricultural, social and environmental dimensions (JICA, 2020). Multilateral and regional development banks, including the World Bank, Asian Development Bank, African Development Bank and Inter-American Development Bank, also play prominent roles in backing corridor development programmes.

Important gaps persist, however, in financing infrastructure projects at the desired scale. In Africa, annual infrastructure investments remain well below estimated needs, while private sector participation in PIDA priority projects accounted for only 3 per cent by 2021 (AU/OECD, 2025). Financing continues to be constrained by weak project preparation, fragmented regulation, limited cross-border coordination and fiscal pressures. Donors can help tackle these obstacles. The experience of the Asian Development Bank's CAREC programme, with over US\$ 54 billion invested since 2001, illustrates the role that donors can play in financing development corridors while also facilitating long-term investment strategies and multi-country corridor coordination (Wignaraja and Gatti, 2024).

As geopolitical and economic security considerations increasingly affect trade and investment decisions, donors can also play an important role in promoting the developmental benefits of infrastructure corridors. Beyond faster transit routes, corridor projects can prioritize transport infrastructure connections with feeder roads, storage, energy, border posts, digital systems and industrial facilities. All of these can support the upgrading and linking up of key industries, such as agri-food value chains, with global markets.

Source: OECD Secretariat.

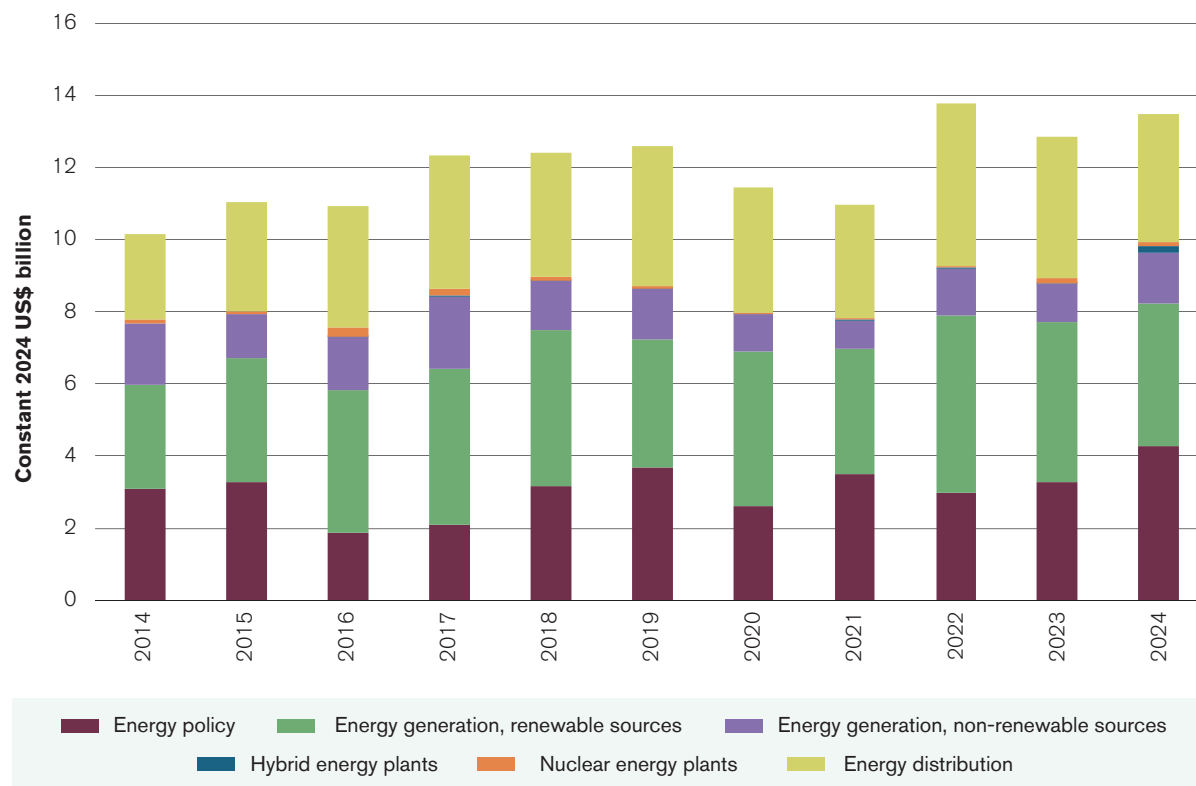
Recent global developments have bolstered support for energy infrastructure

Energy generation and supply represents an important component of total economic infrastructure Aid for Trade, reaching US\$ 13 billion in 2024 (46 per cent of total trade-related infrastructure). In recent years, support for energy infrastructure has increased significantly in Europe, from US\$ 526 million in 2021 to US\$ 2.1 billion in 2024. This increase is primarily explained by a boost in support to Ukraine in response to urgent energy needs, as well as a drive to improve energy efficiency. Support for energy generation and supply have remained relatively stable in other regions in recent years, averaging US\$ 5 billion in Africa, US\$ 4.4 billion in Asia, US\$ 800 million in

the Americas and US\$ 150 million in Oceania in 2023-2024.

Since 2022, support for energy policy has been growing, reaching US\$ 4.3 billion in 2024 and becoming the largest component of energy-related Aid for Trade disbursements. Support for renewable energy generation, which has historically accounted for the largest share of energy-related Aid for Trade, represented 29 per cent of the total in 2024, down from 35 per cent in 2023 (see [Figure 1.16](#)). Several multi-year policy reform projects contributed to this latter trend, including to support economies' energy transitions.¹²

Figure 1.16:
Aid for Trade disbursements for energy generation and supply, 2014-2024, two-year average
(US\$ billion)



Source: OECD (2026d), Creditor Reporting System (dataset), <https://data.explorer.oecd.org/s/52>, accessed September 2026; OECD (2026e), OECD Aid for Trade Dashboard, <https://www.oecd.org/en/data/dashboards/aid-for-trade.html>, accessed September 2026.

Strengthening productive capacities remains critical to harness the benefits of global trade

As shown in Figure 1.12, support allocated to building productive capacities represents the second largest Aid for Trade category for 2024. It includes support for the agricultural sector, industry, financial and business services,

tourism and mining. Historically the largest shares of this type of support have gone to agriculture (40 per cent), banking and financial services (26 per cent), and industry (12 per cent) (see Figure 1.17).

Figure 1.17:
Aid for Trade disbursements to build productive capacities by sector, 2006-2024



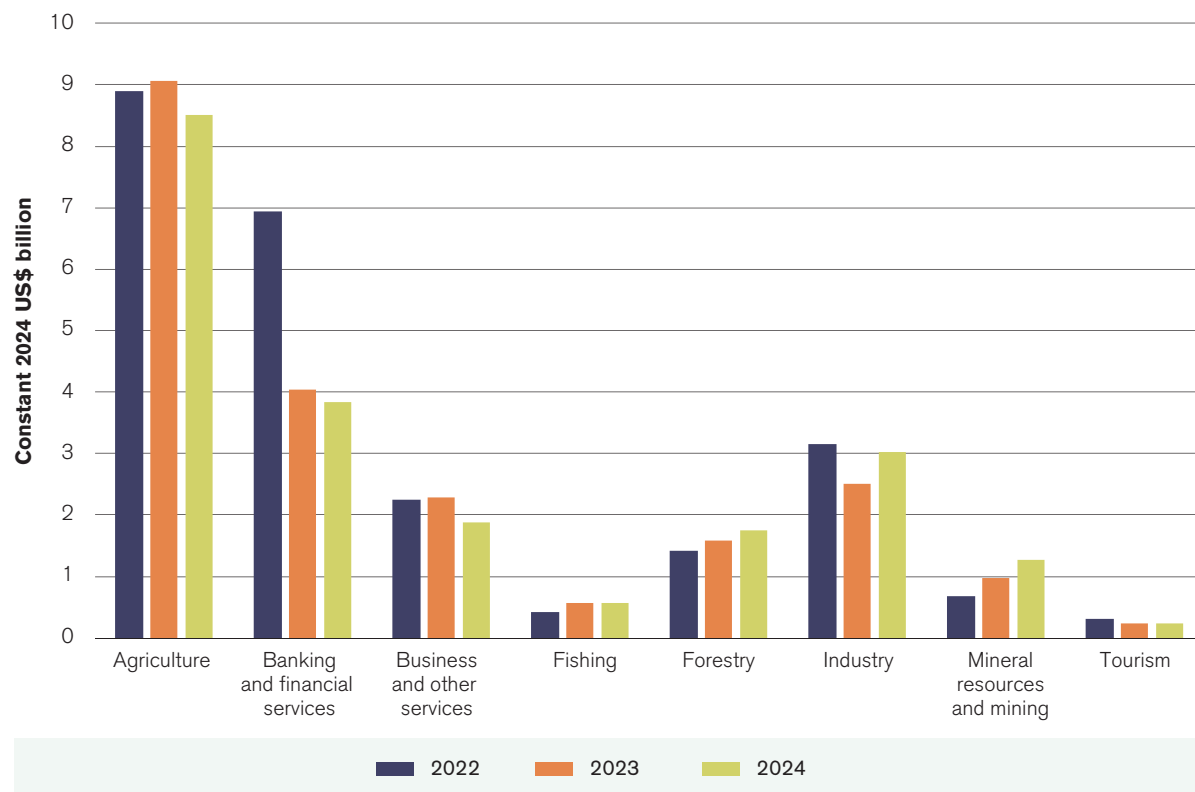
Source: OECD (2026d), Creditor Reporting System (dataset), <https://data.explorer.oecd.org/s/52>, accessed September 2026; OECD (2026e), OECD Aid for Trade Dashboard, <https://www.oecd.org/en/data/dashboards/aid-for-trade.html>, accessed September 2026.

Aid for Trade dedicated to building productive capacities has been responsive to evolving policy priorities and the successive shocks that have affected global supply chains. Support for banking and financial services saw a peak in the context of the COVID-19 response but has been experiencing a decline since 2021 to reach a level consistent with the previous growth trajectory. Support for the agricultural sector was also ramped up to preserve food security in a context of supply chain shocks and has since levelled out, reaching US\$ 8.5 billion in 2024 (see Figure 1.18).

Agriculture remains an important source of employment and economic activity, and a critical sector for poverty reduction in many developing economies, but challenges persist in further linking agricultural production with markets. Support to strengthen productivity, and meet market and regulatory requirements can be relevant in that regard.

The development of regional corridors further creates opportunities to develop intraregional agricultural trade, linking production areas to domestic and regional markets and addressing constraints both at and beyond the border.

Figure 1.18:
Evolution of Aid for Trade support to building productive capacities by sector, 2022-2024



Source: OECD (2026d), Creditor Reporting System (dataset), <https://dataexplorer.oecd.org/s/52>, accessed September 2026; OECD (2026e), OECD Aid for Trade Dashboard, <https://www.oecd.org/en/data/dashboards/aid-for-trade.html>, accessed September 2026.

Note: The lower disbursement levels in banking and financial services in 2023 are partially due to a methodological change, where private sector instruments started being reported as a separate category.

Recent research by the OECD and the Sahel and West Africa Club underlines significant potential to lift barriers to intraregional food trade in West Africa (see [Box 1.9](#)).

Although starting from a lower base, two sectors have seen a rapid increase in support since 2021: forestry, growing 13 per cent a year on average to US\$ 1.7 billion in 2024; and mineral resources and mining, growing 19 per cent a year to US\$ 1.2 billion. These developments coincide with increasing prioritization and

demand for support to help businesses adapt to evolving norms and seize trade opportunities created by the ongoing clean energy and digital transitions. In the forestry sector, the recent adoption of the EU deforestation regulation, for example, has notably been accompanied by support for forestry management by partner economies. Efforts to transition to low-carbon energy sources, combined with a growing need to power digital technologies, have contributed to an increasing focus on support for producing economies to develop their minerals sectors.

Box 1.9:**Lifting barriers to competitive intraregional food trade in West Africa**

Intraregional food trade is an important component of West Africa's food economy, which accounts for approximately two-thirds of total employment in the region (Allen, Heinrigs and Heo, 2018). It connects agricultural production zones with rapidly growing urban markets, supports value addition and employment across farming, processing, wholesale, transport and logistics, while strengthening urban-rural linkages. With West Africa's food demand projected to reach US\$ 480 billion by 2030, fostering intraregional food trade remains a key lever to seize this opportunity for the region.

Despite the importance of the intraregional food trade for West Africa's economy, this sector has historically received limited recognition in policy frameworks across the region. This stems, in part, from incomplete official statistics, which have contributed to the erroneous perception about the sector's value (OECD/SWAC, 2025). When these missing flows are considered, this sector is estimated to represent over US\$ 10 billion annually – around six times the value captured in official statistics and almost 40 per cent of the total food traded by the region.

Greater emphasis on intraregional food trade could help address several non-tariff barriers that have impeded its expansion, including excessive road checkpoints, lack of harmonized trade rules and trade restrictions. These affect the competitiveness of this sector throughout West Africa, by introducing regulatory uncertainty and higher compliance costs. For instance, estimations suggest that harmonizing trade rules would reduce the costs of trade by 30 per cent in the Economic Community of West African States (UNCTAD, 2018). The challenge is compounded by underinvestment in food corridors, including road and transport infrastructure, in addition to the services required to facilitate regional trade such as waterpoints, logistics or cold chains.

These constraints are felt by regional food traders. A survey of more than 3,200 food traders, operating across 32 markets in eight West African economies, identified trade and tax restrictions as the most cited constraint in the West African food trade (42 per cent), followed by border procedures (40 per cent), as well as access to loans (40 per cent), security (38 per cent), transportation infrastructure (30 per cent), and access to market information (20 per cent) (Zougbedé et al., 2026).

These findings underscore the importance of complementing trade facilitation measures with a trade promotion agenda. This includes increased public investment in infrastructure, logistics and services within trade corridors, as well as access to finance for traders and agri-food small and medium-sized enterprises aiming to expand regionally, together with improved market information systems.

Source: Contributed by the OECD Sahel and West Africa Club Secretariat.

Support to productive sectors can strengthen trade performance by raising productivity, building skills, supporting technological upgrading and helping firms meet product and regulatory requirements. It can also promote export diversification and value chain upgrading over time. Evidence from sub-Saharan Africa suggests that support to productive capacities can have a particularly strong effect on export product diversification in the long run (Nathoo et al, 2021). Across the board, strengthening productive capacities appears particularly relevant in ensuring that improvements in trade costs and processing times at the border translate into economic development that includes small businesses and low-income groups.

By enabling SMEs, women and vulnerable workers to participate more fully in

export-oriented activities, it can widen the distribution of trade benefits and help ensure that lower trade costs and faster border procedures generate opportunities beyond larger or already competitive firms. Aid for Trade evaluations point to positive results from interventions supporting product quality, regulatory compliance and the inclusion of women and vulnerable workers in the export sector (DFAT, n.d.; Mugnai et al., 2024; Independent Commission for Aid Impact, 2023).

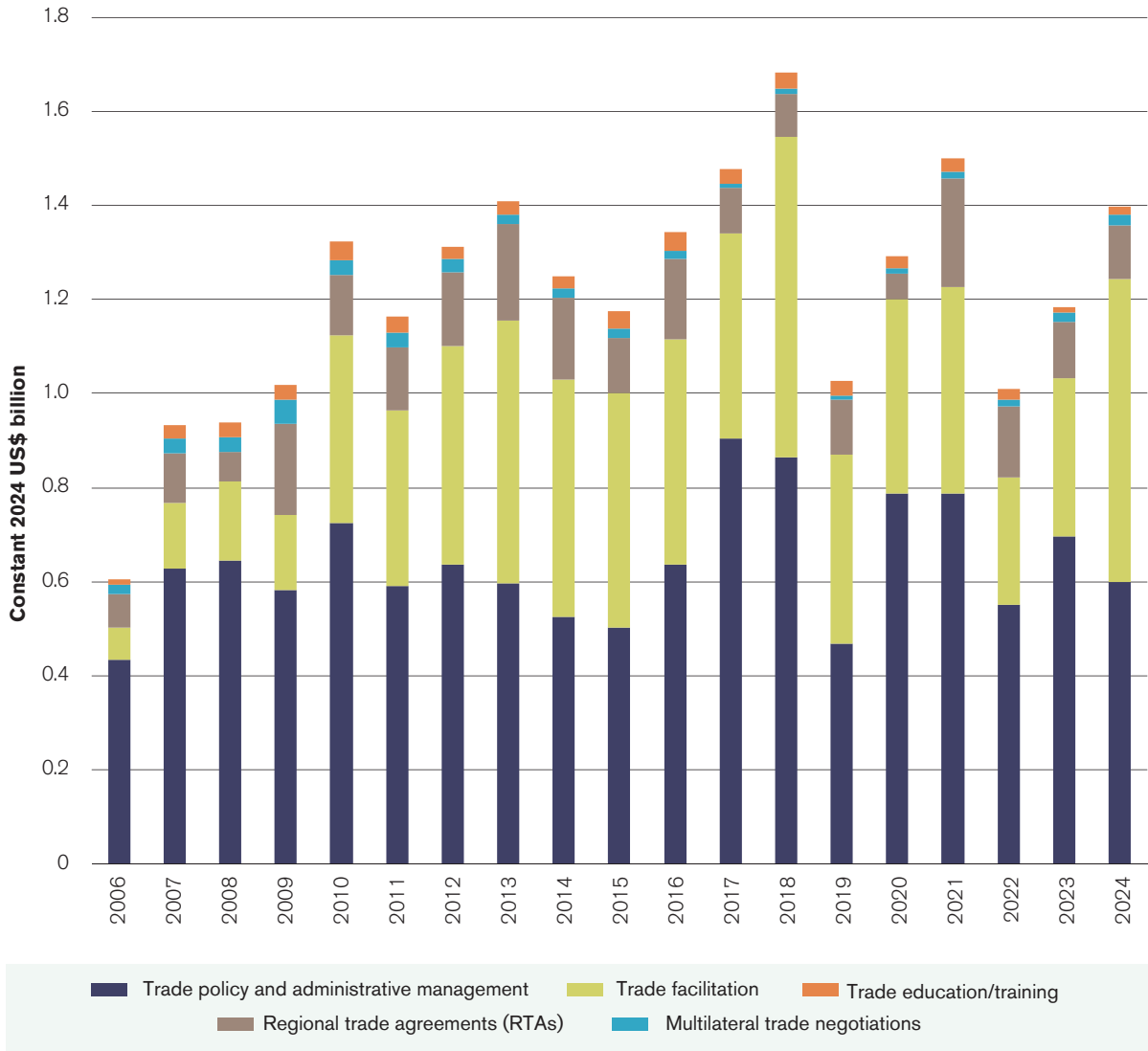
These types of projects, however, tend to be widely dispersed and highly vulnerable to budget cuts. Effectively targeting and delivering support to productive capacities requires long-term engagement, integration into national priorities and complementarities with other trade-related projects and policies.

Facilitating trade and strengthening interoperable markets

Aid for Trade focusing on trade policies and regulations has historically represented a lower third portion of overall Aid for Trade after the high shares to support infrastructure and productive sectors. It makes up 3 per cent of total flows but is nevertheless very important to some economies. Support for trade policies and regulations is predominantly grant-based, and 35 per cent of it is allocated to LDCs. Nearly 60 per cent focuses on trade facilitation (see [Figure 1.19](#)), which has been found effective in promoting export diversification in the short-term (Nathoo et al, 2021), a priority for many LDCs reliant on narrow exports.

Support for trade policies and regulations tends to be volatile, as a limited number of larger projects may have significant influence over aggregate amounts. In 2024, three providers – the European Union, the United States and the World Bank – accounted for 66 per cent of total support for trade policies. In terms of disbursement, 20 per cent of trade policy support is delivered through regional projects, which is the case for only 7 per cent of total Aid for Trade. Within bilateral support, five economies (Bangladesh, Burkina Faso, Ethiopia, Nigeria and Ukraine) received 60 per cent of total disbursements in 2024.

Figure 1.19:
Evolution of flows to trade policies and regulations, 2006-2024



Source: OECD (2026d), Creditor Reporting System (dataset), <https://dataexplorer.oecd.org/s/52>, accessed September 2026; OECD (2026e), OECD Aid for Trade Dashboard, <https://www.oecd.org/en/data/dashboards/aid-for-trade.html>, accessed September 2026.

Recent discussions at the WTO have emphasized how a reallocation of Aid for Trade towards this area could provide valuable support in addressing some of the more prominent current needs of partner economies.

These needs include seizing opportunities to participate in environmentally sustainable value chains, facilitating adaptation to complex technical regulations and advancing the digitalization of economies.

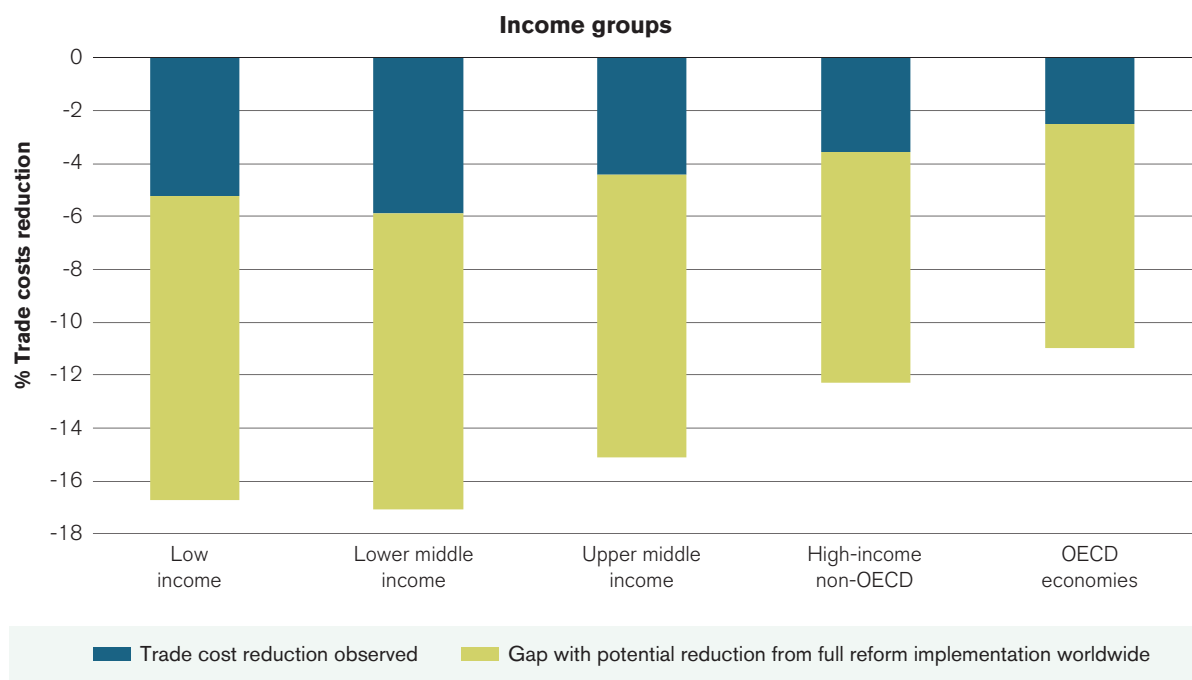
Trade facilitation emerges as a cost-effective, high-impact investment

Over the different rounds of monitoring and evaluation exercises of the Aid for Trade initiative, trade facilitation has consistently been highlighted as a key priority for donors and partners alike. The conclusion of the WTO Trade Facilitation Agreement (TFA), which entered into force in 2017, has created important opportunities to enhance the efficiency of border processes and boost economic growth through reduced trade costs.

Recent analysis based on the OECD Trade Facilitation Indicators estimates that trade

facilitation reforms since the conclusion of the TFA have helped reduce trade costs by almost 5 per cent on average worldwide. Impacts from reductions in bottlenecks at borders and red tape are strongest for developing economies, particularly low-income and lower-middle-income economies where trade costs remain the highest, and for manufacturing sectors such as chemicals, electrical equipment, machinery, paper and wood products, as well as textiles (see [Figure 1.20](#)).

Figure 1.20:
Trade cost reductions and gaps with potential reduction from full trade facilitation reform implementation worldwide



Source: OECD (2025b).

At regional level, the strongest potential impacts are in sub-Saharan Africa and Asia and the Pacific, with up to 6 per cent decreases in trade costs resulting from trade facilitation reforms (see [Box 1.13](#)). These are followed by Latin America and the Caribbean with 4.7 per cent, Europe and Central Asia with 3.4 per cent, and the Middle East and North Africa with around 3.3 per cent. Further trade facilitation reforms are critical for promoting competitiveness and economic growth through trade cost reductions. Continuing to improve the efficiency of border processes can deliver up to 12 percentage points more in trade cost reductions than those experienced so far across the regions covered (OECD, 2025b).

As discussed in Chapter 2, the TFA includes provisions to support implementation of

certain trade facilitation commitments through technical assistance and capacity-building support. This mechanism allows developing and LDC members to notify the WTO of their technical assistance and capacity-building needs, while donors can notify the WTO of assistance provided in response to such requests. The WTO's Trade Facilitation Agreement Facility has also played an important role in coordinating donor support and monitoring progress in the provision of technical assistance and capacity building. In 2025, the Facility noted that despite progress, a mobilization gap has persisted. Matching these needs is a clear opportunity to achieve impact at the economy level, aligned with national priorities and with added benefits for global trade efficiency.

Box 1.10:

From seven days to 16 hours: Japan's Aid for Trade support to a one-stop border post

A crossing on the border of Zambia and Botswana illustrates how Aid for Trade can translate the WTO's Trade Facilitation Agreement (TFA) into tangible development outcomes.

For years, freight operators passing through the border post at Kazungula in Zambia faced waiting times of up to a week. Queues of trucks carrying goods increased transport costs, disrupted supply chains and undermined export competitiveness. Today, clearance times have fallen sharply, totalling approximately 16 hours for traffic entering Botswana.

Kazungula is no ordinary border crossing: it connects Southern Africa's mining hubs to major seaports along the North-South Corridor. Copper and other critical minerals originating in Zambia and the Democratic Republic of the Congo pass through this route towards regional and global markets. Before the new Kazungula Bridge and adjacent one-stop border post (OSBP) facilities opened in May 2021, the border suffered from separate and poorly coordinated facilities on both sides and lengthy, unpredictable clearance procedures.

For Zambia, as a landlocked and mineral-exporting economy, a week-long delay directly translated into higher transport costs and reduced competitiveness in global markets. These constraints posed clear For Zambia, as a landlocked and mineral-exporting economy, a week-long delay directly translated into higher transport costs and reduced competitiveness in global markets. These constraints

posed clear challenges to effective implementation of key provisions of the TFA, particularly Article 7 on release and clearance of goods, and Article 8 on border agency cooperation. The OSBP also illustrates how trade facilitation support can contribute to broader regional integration objectives under the African Continental Free Trade Area.

On 10 May 2021, the Kazungula Bridge and the OSBP facilities were officially opened. Japan's support exemplifies Aid for Trade in action by combining financial, technical and institutional assistance aligned with the national priorities of both Botswana and Zambia. The project cost was approximately US\$ 259 million, co-funded by the Japan International Cooperation Agency, the African Development Bank and the governments of Botswana and Zambia.

Japan supported the development and operationalization of modern OSBP facilities in coordination with the Kazungula Bridge project. The OSBP enables joint processing of customs and border procedures by Zambian and Botswanan authorities within a single facility. Beyond the physical infrastructure, Japan assisted in harmonizing customs procedures, strengthening inter-agency coordination and supporting the legal framework necessary for OSBP operations. Training and operational support strengthened the capacity of customs and border officials to implement coordinated border management. This institutional alignment was essential for operationalizing TFA Articles 7 and 8.

Quantitative evidence demonstrates the impacts. Clearance time, formerly up to seven days in each direction, fell to two days when entering Zambia and just 16 hours when entering Botswana. Commercial traffic increased from around 130 trucks a day to 200 trucks. Improved coordination and infrastructure have enabled this higher volume without recreating prior bottlenecks.

By reducing border delays and uncertainty, the project has lowered trade transaction costs and improved scheduling reliability for transport operators, enhanced corridor efficiency along the North-South Corridor, and strengthened competitiveness in mineral and non-mineral exports. For Zambia, a landlocked developing country, improved predictability is as critical as speed. Reduced uncertainty strengthens integration into regional and global value chains by enabling firms to meet delivery timelines and manage logistics more efficiently.

The OSBP model proved effective in the Kazungula context, but there is no one-size-fits-all approach to trade facilitation. Trade facilitation challenges differ across regions depending on geography, trade patterns, institutional capacity and policy objectives. In some cases, alternative reforms may yield greater impact than institutional restructuring. Aid for Trade interventions must therefore be context specific.

This experience underscores the importance of tailoring Aid for Trade to the specific priorities of beneficiary members. In this case, support for the Kazungula OSBP responded directly to the strategic objectives of both Botswana and Zambia to reduce customs clearance times and improve corridor efficiency. Aid for Trade is most effective when it reinforces nationally identified reform agendas rather than introducing externally designed solutions.

Source: Contributed by the Japanese Ministry of Foreign Affairs.

Needs are growing to support implementation of sustainability standards and due diligence in supply chains

The rise of voluntary corporate sustainability standards and due diligence legislation applicable throughout supply chains has increased new needs to help businesses and government institutions navigate an increasingly complex landscape and adapt their processes. These standards and regulations, which often require being able to demonstrate environmental and social performance against specific criteria, can generate both opportunities and challenges for developing economies. Recent estimates suggest that nearly half of the US\$ 20 trillion of global trade flows are covered by product- or market-based due diligence or related legislation (WEF, 2025). Over 70 per cent of international investment agreements signed by G20 members include clauses related to responsible business conduct, covering areas such as labour standards and environmental protection (UNCTAD, 2024a).

Businesses in partner economies, notably SMEs, smallholders and informal workers, do not always have access to the necessary guidance, information, financial resources, technical expertise and skills to comply with administrative and reporting requirements linked with due diligence processes (OECD, 2025c). Information about regulatory and compliance expectations takes time to cascade across supply chains (FiftyEight, 2025), while official guidance documents rarely specify the type of information that should be collected from business relationships and suppliers, its format or its time frame (OECD, n.d.). This creates risks

of market exclusion for businesses in partner economies if they are not properly backed by adequate support measures (UNCTAD, 2024b).

To address these challenges, donor and partner economies are increasingly cooperating through structured dialogue on the design, development and implementation of such measures. For instance, 76 members of the WTO have been participating in Trade and Environmental Sustainability Structured Discussions to increase regulatory cooperation and coordination in the design and implementation of trade-related environmental measures (Keane, Mendez-Parra and Stern, 2024). In 2025, the OECD established the Inclusive Platform on Due Diligence Policy Co-operation, which facilitates dialogue among more than 70 economies to increase interoperability of measures and facilitate information sharing (OECD, 2025a). Aid for Trade support for trade policies and regulations is particularly relevant in this respect, including to strengthen capacities to negotiate and implement extensive trade agreements, support regulatory and technical interoperability in the implementation of relevant requirements, and assist with the automation of border processes and streamlining of documentation (OECD, 2025d).

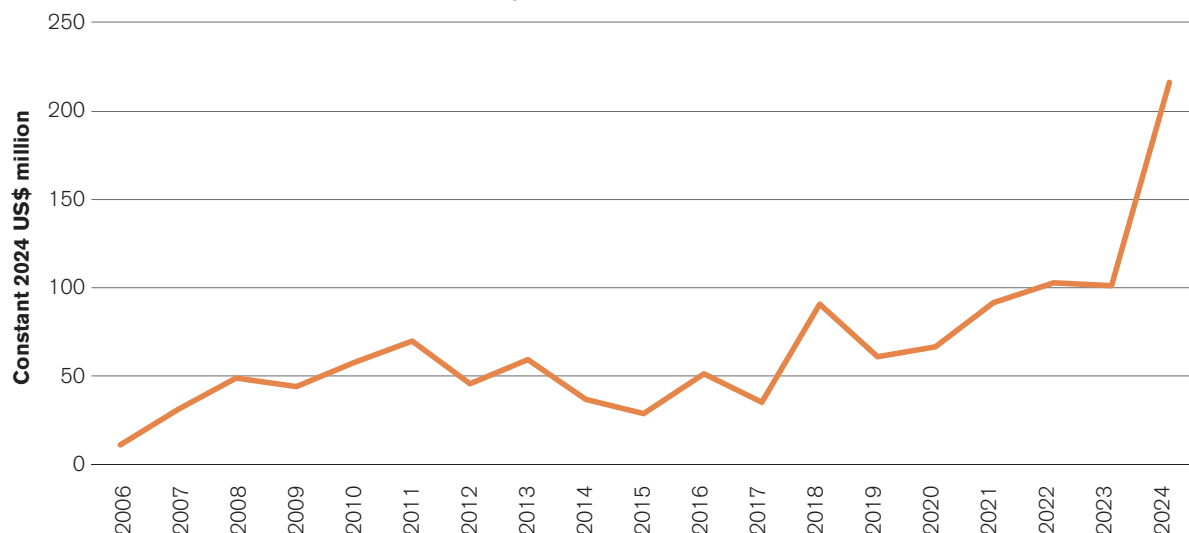
Donors are increasing their efforts to support implementation of responsible business conduct and due diligence standards. While this form of support, cross-cutting in nature,

is not easily captured in ODA statistics, recent methodologies developed by the OECD using text-mining methodologies scanning CRS project descriptions, have helped estimate donor support for responsible business conduct projects, which reached around US\$ 216 million in 2024, more than double its 2022 level (see [Figure 1.21](#)). In addition, members of the OECD DAC have been working towards the development of a guidance document clarifying how development cooperation can best support implementation of responsible business conduct and due diligence standards. It includes training and capacity building, targeting businesses in specific sectors (e.g. agriculture, manufacturing and mining), collaboration with governments to strengthen institutional capacities and implement policy

reforms, as well as certification programmes and value chain initiatives.

For example, in Côte d'Ivoire, Belgium's agency for international cooperation, Enabel, has helped smallholder farmers integrate environmental training and responsible sourcing practices, supported by traceability systems, into support for agricultural extension, which aims to make farmers aware of the latest practices for enhancing production. The EU has deployed efforts to help partners understand and navigate due diligence legislation - for example, through the EU Due Diligence Navigator, which offers a centralized, publicly accessible system mapping regulations, complemented by a database of support available from the European Commission, EU member states and partner organizations (European Union, 2026).

Figure 1.21:
Evolution of disbursements towards responsible business conduct, 2006-2024



Source: OECD estimations based on OECD (2026d), Creditor Reporting System (dataset), <https://data.explorer.oecd.org/s/52>, accessed September 2026.

Note: Estimation based on project descriptions. Data includes ODA support related to responsible business conduct which may include projects beyond the main Aid for Trade categories.

Aid for Trade disbursements also include direct access to finance to cover capital expenditures associated with adapting production processes, upgrading infrastructure and implementing the data and management systems that due diligence frameworks increasingly require. DFIs are playing a growing role in mitigating these costs. The ADB's Trade and Supply Chain Finance Programme, for example, provides guarantees, loans and knowledge products to local banks and SMEs involved in supply chain finance, integrating environmental and social objectives (ADB, n.d.). The ESG (environmental, social and governance) First Fund established by the German investment and development bank, KfW, invests directly in SMEs in trade partner economies within German business supply chains to provide funding for improvements to sustainability management systems and production facilities (KfW, n.d.).

Lastly, Aid for Trade supports the establishment of digital public infrastructure for traceability

systems and to underpin data movement – an area of growing importance as requirements increasingly demand verifiable evidence of product origin and end-to-end traceability. The GeoShare platform in Cameroon, supported by Germany's main development agency, GIZ, pools the geolocation data of cocoa and coffee farms and enables producers and exporters to share these directly with international buyers. Its launch was accompanied by outreach to smallholder farmers to support changes in agricultural practices and record-keeping, combining a digital public infrastructure investment with farmer-level capacity building (GIZ, 2025). More broadly, investments in interoperable data registries, land tenure digitalization and farm-level identification systems generate the data architecture that could make supply chain transparency scalable and ultimately reduce the verification costs borne by both exporters and their trading partners.

From aid to partnerships: working across flows, instruments and actors

How is the wider financing landscape for trade evolving? What role can Aid for Trade play in mobilizing private finance and bringing together different actors, instruments and forms of trade-enabling support?

Over the past decade, there has been a greater emphasis in development cooperation on

resources beyond ODA, including other official flows (OOF), South-South cooperation (SSC) and private finance mobilized through official interventions. This creates opportunities to draw on the complementary finance and expertise of all official development cooperation providers, MDBs, DFIs and private actors. Trade-related sectors are particularly relevant in private finance mobilization,

with guarantees, co-financing and other risk-sharing instruments increasingly combined with project preparation and technical assistance. However, different flows are not interchangeable: private finance tends to favour commercially viable sectors and middle-income economies, while grants and concessional finance remain essential where needs are greatest or financial returns are limited. Effective partnerships therefore require transparency, appropriate safeguards and a clear focus on partner-country priorities and development impact.

This section first situates Aid for Trade within the wider development finance landscape, including

OOF and SSC. It then takes a closer look at the growing role of private finance partnerships: how official providers mobilize private investment, how development agencies and financing institutions combine their respective capabilities, and where these approaches face limitations. It also looks beyond private finance mobilized through official interventions to examine the development impact of foreign direct investment (FDI) in trade-enabling sectors. Finally, it considers how Aid for Trade can connect various forms of support to strengthen markets, improve investment conditions and enhance the development benefits of trade and investment.

Various resources contribute to financing trade-enabling activities

Aid for Trade is, by definition, a subset of ODA – concessional finance provided by official agencies to the official sector of ODA-eligible economies with the promotion of the economic development and welfare of developing economies as its main objective (OECD, n.d.). The characteristics of ODA allow it to play a unique role in financing development, notably in contexts where other resources, whether public or private, are temporarily constrained or insufficient relative to economies' development needs. Being the form of ODA that focuses specifically on helping economies strengthen their capacity to trade, Aid for Trade has addressed a wide range of needs – from policy and institutional reforms and skills development to productive capacity and infrastructure – across different country contexts, including LDCs, small and vulnerable economies and conflict-affected settings.

ODA, however, is not the only source of development finance relevant to trade-related objectives. For example, in addition to Aid for Trade, official providers extend finance that does not meet the conditions to qualify as ODA, such as loans provided at market terms or with insufficient concessionality, recorded as “other official flows” (see [Annex 1.2](#)). Trade-related OOF has been growing over the years, with commitments reaching US\$ 95 billion in 2024 (see [Figure 1.22](#)). Beyond financing extended by bilateral and multilateral providers, cooperation increasingly involves other actors, including the private sector and South-South partners. These developments create opportunities to build meaningful partnerships that can shift and channel more financing towards the trade priorities of developing economies. They may, however, raise new questions as they blur some of the lines that have traditionally characterized development

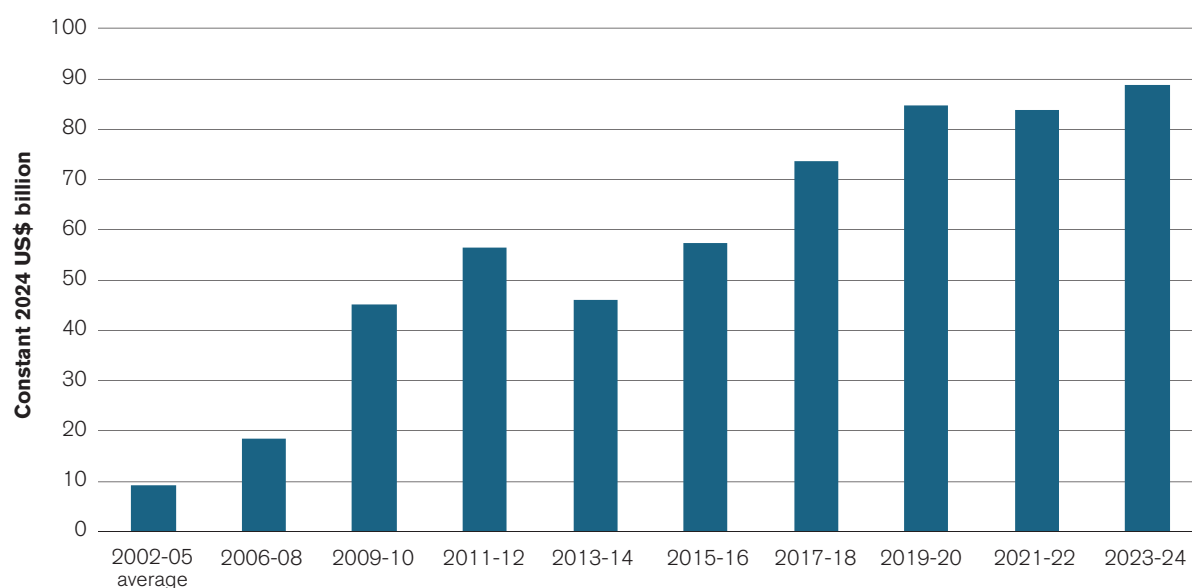
financing, including the distinction between donor and recipient, concessional and non-concessional financing, and developmental and commercial motives. Bringing different objectives, institutional mandates and flows together around shared goals requires clear strategies and appropriate safeguards, underpinned by transparency around the characteristics of different flows.

Recent efforts to enhance the measurement of development finance have placed emphasis on capturing the breadth of financing sources that can support economies' development. For example, the Total Official Support for Sustainable Development (TOSSD) framework was developed to track a comprehensive range of official and officially supported resources

beyond ODA (see [Box 1.11](#)). Most recently, the ongoing review of the DAC is considering how ODA fits within the wider development finance landscape, alongside other resources available to developing economies, including public finance, domestic investment, FDI and remittances.

The aim is to better understand where ODA adds value in relation to these resources, the constraints it can help address and where it can help mobilize additional finance. These developments provide a basis for comprehensive reporting and analysis of trade-related support, reflecting the contributions of various providers in financing of economies' trade priorities, and clarifying how different resources may be distinguished, combined or sequenced for maximum impact.

Figure 1.22:
Evolution of trade-related other official flows, 2002-2024 (US\$ billion)



Source: OECD (2026d), Creditor Reporting System (dataset), <https://data.explorer.oecd.org/s/52>, accessed September 2026.

Box 1.11:

Capturing total official support for sustainable development (TOSSD)

TOSSD is an international measure which encapsulates all official and officially supported resources of financing for developing economies. Responding to today's challenges of financing for development, TOSSD goes beyond traditional development cooperation. It tracks resource flows regardless of their nature (financial or in-kind), their concessionality or whether they are delivered bilaterally or through multilateral institutions. Adopting a recipient perspective, TOSSD captures all financial instruments (grants, debt instruments, equity, mezzanine finance which is financing that sits between debt and equity in a company's capital structure, guarantees), frameworks of collaboration (e.g. SSC, triangular cooperation) and financing arrangements (e.g. blended finance). To date, TOSSD offers the most comprehensive dataset on South-South and triangular cooperation, although data are still incomplete.

TOSSD relies on inclusive and balanced governance. Developing economies contribute to the development of the methodology and take part in decision-making on TOSSD on an equal footing with traditional donors, SSC providers and multilateral organizations. Since 1 January 2024, TOSSD has been governed by an independent entity, the International Forum on TOSSD (IFT) whose Secretariat is hosted by the OECD. The IFT replaced the International TOSSD Task Force (2017-2023), which had been established by the OECD to develop the TOSSD measure. The IFT coordinates with statistical entities at the UN level where important progress has been made in understanding SSC.

Source: IFT Secretariat.

South-South cooperation contributes to trade but remains under-reported

Developing economies have become increasingly important actors in both global trade and development cooperation. As noted in Chapter 2, the share of developing economy exports absorbed by developing economies rose from around 55 per cent in 2006 to nearly 64 per cent in 2024. South-South trade has grown rapidly, rising from around US\$ 500 billion in 1995 to US\$ 6.8 trillion in 2025. By 2025 it accounted for more than a quarter of global trade (UNCTAD, 2026). As developing economies strengthen trade and economic ties

between themselves, they occupy diverse roles as suppliers of inputs, producers, investors, markets, and sources of knowledge and technology, creating opportunities to exchange knowledge, experience and technology, including through SSC.

SSC has long been recognized as a key form of cooperation, making a significant contribution to trade-related development. Measurement issues have however prevented comprehensive reporting on this form of support. Key challenges include the

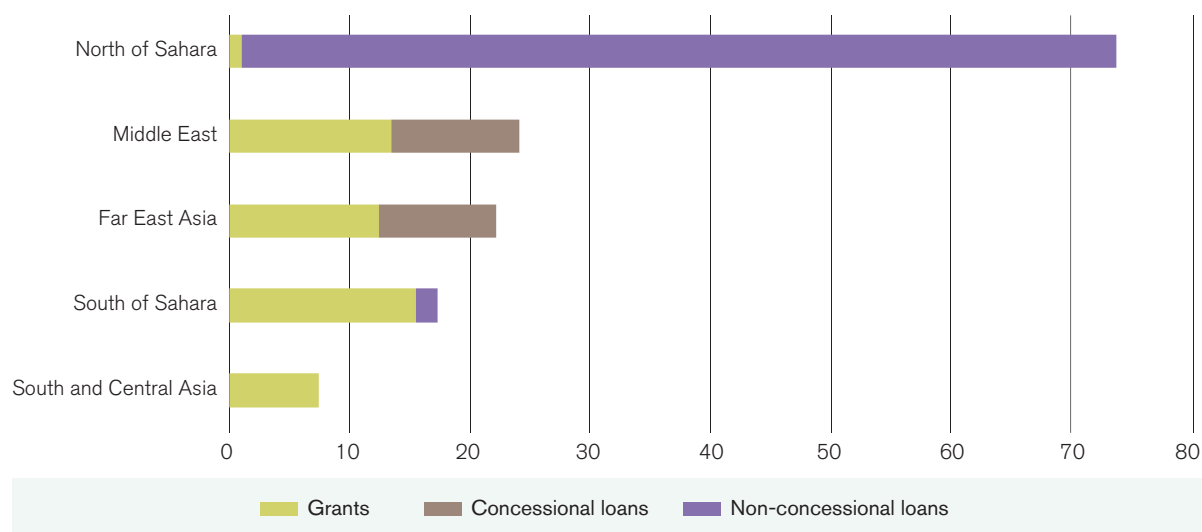
frequent non-financial nature of SSC, differences in granularity of data reported and under-representation of regions and actors. Since 2019, the IFT has been monitoring South-South and triangular cooperation, the latter involving three or more partners taking on beneficiary, pivotal and facilitating roles (OECD/IsDB, 2025), contributing to fill the information gap.

Progress has also been made at the United Nations. In 2022, the UN Statistical Commission welcomed a new framework for measuring SSC created by developing economies. The framework establishes a common set of concepts and a typology covering different financial and non-financial forms of SSC, allowing economies to capture the different ways in which this cooperation is provided. Preliminary data from pilots based on this framework in Brazil, Colombia and Mexico indicate that around 90 per cent of their reported SSC is in non-financial forms, including technical cooperation, joint research, scholarships, goods and materials, and infrastructure-related support (OECD/IsDB, 2025).

Data from TOSSD show that reported SSC activities increased steadily up to a peak in 2022, which moderated in subsequent years. Support for trade represents only a small share of total SSC, which predominantly focuses on humanitarian assistance and social sectors. In 2024, SSC support in trade-enabling sectors amounted to US\$ 82 million. Among South-South providers that report to TOSSD, top providers of trade-related support over the period 2022-2024 are Türkiye, with a yearly average of US\$ 104 million, followed by Thailand (US\$ 28 million) and Qatar (US\$ 24 million). Support includes a mix of grants and loans, but the type of finance provided varies significantly by region, with sub-Saharan Africa predominantly attracting grants, while North Africa is almost exclusively supported through non-concessional loans (i.e. loans provided at market terms or with a small grant element, that would typically not qualify as ODA or Aid for Trade) (see Figure 1.23).

Figure 1.23:

Top five recipient regions of South-South cooperation, total official trade-related financing by concessionality profile, yearly average 2022-2024 (US\$ million)



Source: TOSSD (2026), Data Visualisation Tool, <https://tossd.online>, accessed September 2026.

Note: ODA=official development assistance; TOSSD=total official support for sustainable development.

In terms of sectors, distribution is relatively similar to Aid for Trade, with a lesser focus on energy and larger investments in communication infrastructure. In 2023-2024, 30 per cent of SSC was in trade-related sector-targeted transport and storage, followed by 20 per cent in agriculture, forestry and fishing, 17 per cent in energy, and 12 per cent

in communication. Continuous improvements in the reporting and measurement of South-South and triangular cooperation could help better illuminate the specificities and complementarities of different forms of support, identify good practice and showcase the breadth of interventions that contribute to trade.

Private sector plays a growing role in financing trade-enabling sectors

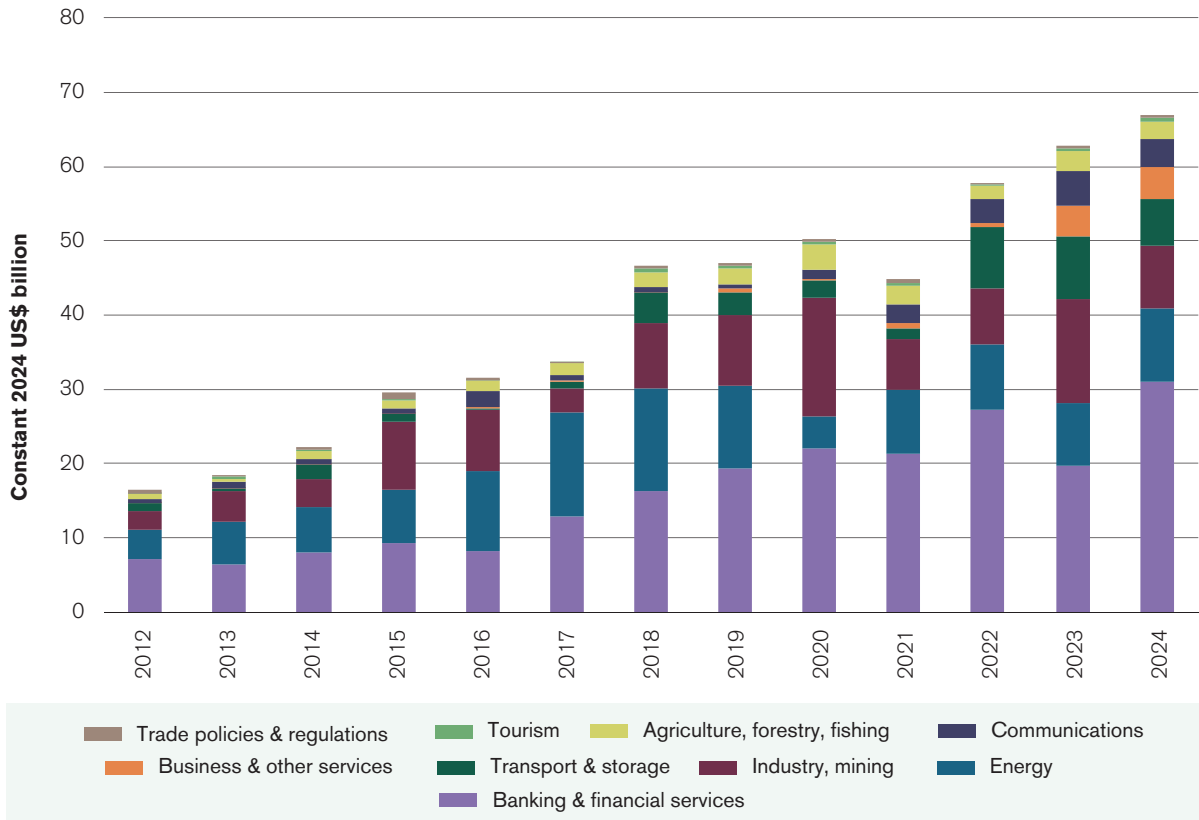
Aid for Trade crystallizes important shifts in trade and development cooperation. As ODA budgets come under pressure and the traditional donor–recipient model evolves, trade is regaining prominence as a development priority that can support self-sustaining growth and deepen economic ties. This is reflected not only in the growing prominence of trade in development cooperation policies, but also in changes in how some donors approach the links between trade, investment and development. Alongside ODA-based support for productivity, infrastructure and reforms through Aid for Trade, donors are placing greater emphasis on mobilizing private finance and investment to support trade (OECD, 2026a).

Private finance mobilization refers to unlocking and channelling commercial finance towards sustainable development objectives in developing economies through official development finance interventions (e.g. guarantees, syndicated loans, co-financing) (see [Annex 1.2](#)). Trade, as a development priority, lends itself particularly well to mobilization efforts, as sectors such as infrastructure and productive sectors offer investment opportunities with potential to generate both economic and development returns. Between 2012 and 2024, private finance mobilized

in trade-related sectors has been growing steadily, totalling US\$ 68 billion in 2024 (see [Figure 1.24](#)). This represents 85 per cent of total private finance mobilized in 2024. These amounts are predominantly in the banking and financial services sector (46 per cent in 2024), followed by energy (14 per cent), industry and mining (12 per cent), transport and storage (9 per cent), and the remainder distributed between other trade-related sectors.

Beyond this sectoral pattern, mobilization tools are increasingly being deployed for trade-related purposes. The EU's Global Gateway strategy, for example, has put forward objectives to mobilize US\$ 300 billion by 2027 from public and private sources, with a strong focus on connectivity and sustainable infrastructure (European Union, 2025a). Many MDBs have long used private finance mobilization to pursue trade-related objectives. The World Bank Group, for example, combines guarantees, co-financing and other private sector instruments with policy and regulatory support to mobilize investment in areas such as logistics, ports and trade finance (see [Box 1.12](#)). Similarly, the European Bank for Reconstruction and Development (EBRD) explicitly links private investment mobilization with its work on trade finance, SMEs, cross-border infrastructure and trade-enabling reforms. In 2024,

Figure 1.24:
Private finance mobilized in trade-related sectors, 2012-2024



Source: OECD calculations based on OECD (2026d), Creditor Reporting System (dataset), <https://data-explorer.oecd.org/s/52>, accessed September 2026; OECD (2026g), Data Explorer CRS – Private: Mobilised private finance for development, <http://data-explorer.oecd.org/s/n2>, accessed September 2026; OECD (2026h), OECD Private finance mobilization dashboard, <https://www.oecd.org/en/data/dashboards/mobilisation-of-private-finance-for-development.html>, accessed September 2026

multilateral providers accounted for 77 per cent of private finance mobilized in trade-related sectors.

Development partners have deployed a range of instruments and leveraging mechanisms (e.g. syndicated loans, guarantees and co-financing arrangements) to share or mitigate risks and address financing constraints, thereby mobilizing private finance that would not otherwise have been available for these investments. In trade-related sectors, guarantees were the largest mobilization mechanism in 2024, accounting for 31 per cent of the total, predominantly in

banking and financial services. Direct investment in companies and special purpose vehicles accounted for a further 23 per cent, with most financing directed to banking and financial services, business services and energy (see Figure 1.25). Syndicated loans accounted for 16 per cent of the total, allowing several lenders to finance a single borrower while sharing project risk, including in large-scale activities such as mining. Other approaches include co-investment and blended finance structures that improve the risk-return profile of investments and can help attract foreign commercial or institutional investors.

Box 1.12:

World Bank Aid for Trade: Strengthening trade capacity and leveraging private finance

The promotion of trade is embedded in the constitutional mandate of the World Bank. Trade is not merely an operational priority, but a core instrument for development. Since the launch of the Aid for Trade initiative in the mid-2000s, the World Bank has framed its engagement around a central proposition: open markets alone are not sufficient for successful development outcomes.

The ability of firms to integrate into regional and global value chains and attract investment depends on physical infrastructure and connectivity, effective institutions, and sound trade-related policies and regulations. Over the last decade, the World Bank has financed Aid for Trade activities averaging US\$ 7-8 billion per year, primarily through concessional resources from the International Development Association (IDA). World Bank IDA Aid for Trade disbursements increased from US\$ 5.6 billion in 2013 to US\$ 9.2 billion in 2023. During this period, and with the usual caveats regarding attribution, the total annual trade flows of IDA economies – representing many of the world's poorest – increased from approximately US\$ 1.7 trillion to US\$ 2.9 trillion.

More than half of Aid for Trade disbursements were allocated to economic infrastructure, reflecting extensive support for transport and logistics infrastructure, ports and trade corridors, and border management systems. Alongside these investments, support for trade policy, trade regulations and for building productive capacity has been designed to play a catalytic role. These categories include standards and quality infrastructure (institutions and frameworks which ensure products and services are safe and reliable), sectoral and value-chain development, and firm-level competitiveness support, all of which can improve the effectiveness of infrastructure investments and help unlock additional public and private financing.

Building on long-standing practice, the Bank has placed increasing emphasis on diagnosing country-specific trade constraints and sequencing reforms to maximize impact. The trade competitiveness diagnostic toolkit has become a central platform for structuring policy dialogue, often followed by policy-based financial support embedding trade-related reforms in broader development programmes. Targeted technical assistance has complemented these efforts: the Trade Facilitation Support Program disbursed around US\$ 60 million between 2014 and 2024, helping leverage more than US\$ 800 million in World Bank lending, most of it on concessional terms.

Yet, Aid for Trade is not sufficient to meet growing needs. Implementation of the WTO's Trade Facilitation Agreement remains unfinished, with many measures lacking secured financing. Beyond trade facilitation, competitiveness increasingly depends on regulatory capacity to meet standards and traceability requirements, frameworks enabling participation in services and digital trade, and overcoming the global trade finance gap, estimated at around US\$ 2.5 trillion.

These challenges come at a time when public resources are constrained. Aid for Trade as a share of donor GDP has declined, and the importance of mobilizing private sector finance and expertise has increased, not as a substitute but as a complement. Trade policy and regulatory reform play a central role in this transition by improving the returns on infrastructure investments, reducing risk and signalling commitment to reform.

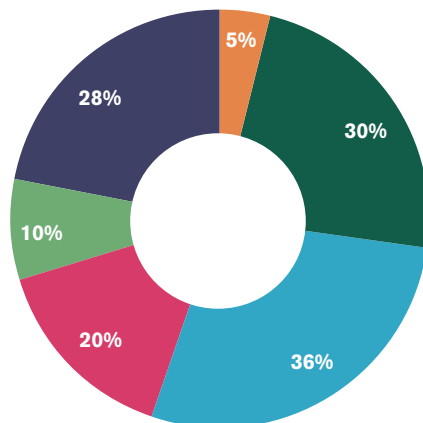
The World Bank Group supports this agenda through a combination of instruments, including co-financing and guarantees, blended public-private approaches, and policy and regulatory reforms that underpin private participation in logistics, ports and trade finance. The International Finance Corporation's Global Trade Finance Program and related instruments mobilized approximately US\$ 1.8 billion in fiscal year 2024. Recent institutional reforms within the World Bank Group further reflect this direction, recognizing that meeting development finance needs at scale requires closer integration of public policy reform and private capital mobilization.

Twenty years on, the World Bank's Aid for Trade engagement reflects continuity of mandate and adaptation of delivery. While infrastructure remains central, the effectiveness of Aid for Trade increasingly depends on policy and regulatory quality, implementation capacity, and the ability to attract private finance. This evolution is not a narrowing of the Aid for Trade agenda. Rather, it reflects a greater emphasis on sequencing, delivery and results, responding to donor expectations and client demand for reforms that translate into sustained reductions in trade costs.

Source: Contributed by the World Bank Secretariat.

Figure 1.25:

Share of leveraging mechanisms used for private finance mobilization in trade-related sectors, 2023-2024



— Credit lines — Direct investment in companies and SPVs — Guarantees
— Shares in CIVs — Simple co-financing — Syndicated loans

Source: OECD calculations based on OECD (2026d), Creditor Reporting System (dataset), <https://dataexplorer.oecd.org/s/52>, accessed September 2026; OECD (2026g), Data Explorer CRS – Private: Mobilised private finance for development, <http://data-explorer.oecd.org/s/n2>, accessed September 2026; OECD (2026h), OECD Private finance mobilization dashboard, <https://www.oecd.org/en/data/dashboards/mobilisation-of-private-finance-for-development.html>, accessed September 2026.

Note: SPVs=special purpose vehicles (separate legal entities created for a specific project, investment or asset); CIVs=collective investment vehicles (CIVs pool money from many investors and invest it in a portfolio of assets managed by professional fund managers).

The use of instruments and leveraging mechanisms may vary according to the financing constraint being addressed, the private actors involved and the type of investment being supported. For example, credit lines can expand the lending capacity of local financial institutions and improve access to finance for entrepreneurs and SMEs, including in sectors such as agriculture. Guarantees are often used to de-risk investment for large infrastructure projects.

Leveraging mechanisms can also help mobilize private finance by allowing providers to invest alongside private investors, share risks and make projects more attractive to commercial capital.

Table 1.3 provides a non-exhaustive and illustrative overview of how official interventions can generate additional private finance for trade and development.

Table 1.3:
Illustrative examples of actors and modalities to mobilize private finance for trade

Private actor	Key constraints	Instrument	Example
Institutional investors (e.g., asset managers, investment funds, pension funds)	Limited local capital market depth and availability of institutionally investable products	Shares in CIVs; syndicate loans	In 2026, MOBILIST – a UK government programme that mobilizes institutional capital for sustainable investment through listed financial products – supported Spearhead Africa Asset Management in listing the Spearhead Africa Infrastructure Fund on the Nairobi Securities Exchange. MOBILIST provided a KES 1.2 billion (US\$ 9.2 million) anchor investment alongside CPF Group, a Kenyan institutional investor, helping the fund achieve scale and attract broader domestic participation. The listing raised KES 3.4 billion (US\$ 26 million) in total to finance infrastructure across East Africa, including logistics, digital infrastructure and renewable energy (MOBILIST, 2026).
Multinational enterprises	High entry costs, high perceived political/regulatory risk	Guarantees; direct investment in companies/SPVs; syndicated loans	In 2025, Invest International provided a EUR 900,000 guarantee through the Dutch Good Growth Fund, a Dutch government facility supporting investment and entrepreneurship in developing and emerging markets. The guarantee enabled Rabobank, a Dutch commercial bank, to finance Skylla Europe, a Dutch medical-textiles company, in establishing a new production facility in Morocco. The guarantee helped mobilize commercial finance for an export-oriented manufacturing investment expected to create 350 jobs, primarily for women, while expanding Morocco-based production for international markets (Invest International, 2025).

Private actor	Key constraints	Instrument	Example
Domestic financial intermediaries	Limited lending and risk-bearing capacity, including access to long-term and local-currency funding	Credit lines; guarantees; syndicated loans	In 2026, the European Investment Bank provided Ethiopia's Zemen Bank with a EUR 20 million credit line, which the domestic commercial bank committed to match with an additional EUR 20 million. The resulting EUR 40 million in financing primarily targets SME exporters in the agricultural sector, including coffee and horticulture, with additional objectives related to climate action and women's economic empowerment. The operation is backed by the European Union through the EFSD+ guarantee and forms part of its Green Agri Value Chain programme (EIB, 2026).
Domestic firms	Limited access to affordable, long-term and local-currency finance	Direct investment in companies/ SPVs; guarantees/ insurance; simple co-financing arrangements	Sri Lanka's World Bank-supported Agriculture Sector Modernization Project used matching grants to co-finance productive investments by domestic agribusinesses, including in export-oriented activities. The project supported 512 firm-level matching grants – 341 small SME grants and 171 large grants – alongside grants to farmer clusters. For every US\$ 1 of project financing provided through matching grants, beneficiaries mobilized US\$ 2.25 in private finance, including US\$ 1.72 from their own resources and US\$ 0.53 in commercial borrowing. By project completion in 2024, export sales had increased fivefold among large-grant beneficiaries and 1.6 times among small-grant beneficiaries (World Bank, 2025).

Source: OECD Secretariat based on publicly available information.

Notes: CIVs=collective investment vehicles; SPVs=special purpose vehicles; EFSD+=European Fund for Sustainable Development Plus.

Beyond leveraging mechanisms, there is growing recognition that mobilization instruments alone may not be sufficient to attract private investment. Technical assistance can play a critical role to

help projects become investable and reach financial close, including through support to access external financing, transaction advisory services for public-private partnerships, feasibility

studies and other forms of project preparation (OECD, 2025c). Some development partners combine technical assistance with financing.

The French Development Agency (Agence Française de Développement – AFD) provides technical assistance for renewable-energy project preparation alongside a Proparco (the private sector financing arm of the AFD) guarantee facility; between 2017 and 2025, EUR 16.3 million in technical assistance supported 53 projects and contributed to mobilizing EUR 1.7 billion in investment (AFD, 2025).

Australian Development Investments – an Australian government-backed impact investment

fund of funds, which aims to mobilize private capital for development outcomes in the Indo-Pacific – similarly combines concessional finance with technical assistance to strengthen project bankability and development impact (ADI, 2025).

The EBRD applies a private sector-focused approach relying on complementary forms of support and collaboration with other development partners (see [Box 1.13](#)). Models that combine the grant and technical-assistance capabilities of development agencies with the financing and investment expertise of DFIs can help address project-specific constraints and strengthen development outcomes.

Box 1.13:

European Bank for Reconstruction and Development (EBRD): finance and reform in Europe and beyond

The EBRD has been an Aid for Trade partner since 2006, applying its distinctive private sector-focused model to build the institutions, infrastructure and business capabilities needed for economies to compete effectively in global markets. In 2025, the EBRD invested EUR 16.8 billion – 75 per cent of it to the private sector – to support open, competitive and well-governed market economies in more than 40 economies on three continents, including the Bank's new countries of operation in sub-Saharan Africa and in Iraq.

The EBRD contributes to Aid for Trade in four complementary areas through direct support and collaboration with other development partners: trade finance, development of small and medium-sized enterprises (SMEs), cross-border infrastructure and trade-enabling policy reform – all designed to mobilize private investment and foster inclusive, sustainable trade. These activities address global challenges identified through Aid for Trade monitoring, including logistics disruptions, rising digital and sustainability requirements and the increasing role of loan-based instruments.

The flagship Trade Facilitation Programme (TFP) operates through more than 130 partner banks to provide unfunded risk transfers, guarantees and short-term liquidity to expand access to trade finance. In 2025, the TFP supported EUR 4.2 billion in foreign trade. Complementary

technical finance. In 2025, the TFP supported EUR 4.2 billion in foreign trade. Complementary technical assistance strengthened partner banks' governance through training courses on financial crime prevention, due diligence and compliance. Complementary technical assistance strengthened partner banks' governance through training courses on financial crime prevention, due diligence and compliance. Within the TFP, the Green TFP has supported more than EUR 4.8 billion in green trade finance since 2016. New initiatives launched in 2026 aim to expand trade finance for women-led businesses and advance digital trade solutions.

The EBRD combines financing and development support to help SMEs integrate into international supply chains. In 2025, the EBRD invested around EUR 1.8 billion in SME projects and undertook 1,529 advisory assignments supporting competitiveness, trade readiness, digitalization and alignment with international standards. Between 2022 and 2024, SMEs supported by the EBRD's advisory services reported cumulative export growth of EUR 1.4 billion within one year of receiving assistance.

The EBRD also finances cross-border connectivity through investments in roads, railways, ports, airports and logistics centres that reduce bottlenecks and foster regional integration. It has deployed approximately EUR 1 billion to Ukrainian Railways, supporting the EU-Ukraine Solidarity Lanes (an EU initiative to help Ukraine export its goods and to import what it needs via road, rail and inland waterways) and agricultural exports. Complementary investments have supported strategic corridors in Moldova, Poland and Romania. In Morocco, EUR 110 million in financing for the Port of Nador Med was complemented by EUR 10 million in technical assistance to digitalize customs and improve efficiency.

Meanwhile, the EBRD's policy reform and institutional capacity building have a growing focus on regulatory quality and digitalization. Joint work with the Food and Agriculture Organization of the United Nations on digital phytosanitary certificates has contributed to policy reforms in Ukraine. In cooperation with UN Trade and Development, the EBRD has supported the transition to paperless customs in economies including Moldova and Mongolia. Since 2014, it has also supported five economies in aligning procurement frameworks with WTO Government Procurement Agreement rules, strengthening transparency and access to international procurement markets.

As the EBRD expands into sub-Saharan Africa and Iraq, it will focus on rolling out the TFP and SME solutions, strengthening food and agribusiness supply chains, and supporting further regulatory and institutional reforms

Source: Contributed by Christoph Saenger and Elena Gandini, EBRD.

Development finance providers can play an important convening role, helping coordinate efforts, anchoring projects in developing economies' priorities, structuring transactions and signalling confidence to other investors. MDBs and DFIs often play a leading role in

structuring blended finance instruments, while project preparation, technical assistance and demonstration effects can help build investment pipelines and strengthen investor confidence. For example, through the Africa AgriTrade Coalition, Proparco is bringing together 16 financial

institutions to identify and structure agricultural trade-finance transactions, combining co-financing and risk-sharing tools with a convening role that connects banks and helps build a pipeline of operations (see [Box 1.14](#)). These roles can be particularly important where information gaps, limited track records or coordination challenges constrain private investment (OECD, 2025c).

Finally, the broader enabling environment remains critical to attract private investment and foster positive outcomes on development. Development partners have longstanding experience supporting reforms to strengthen the investment climate, public institutions and regulatory frameworks. Emerging partnership models create opportunities

to connect this policy support more closely with the constraints identified by investors and firms, drawing on the expertise of DFIs, export and investment promotion agencies, embassies and private sector organizations. In Cambodia, for example, consultations involving the Japanese embassy, the Japan International Cooperation Agency, the Japanese Business Association of Cambodia and the Japan External Trade Organization helped identify and address business-environment constraints affecting foreign investors. More systematic exchanges between development agencies, DFIs and embassies help align support for the enabling environment more closely with the constraints encountered by firms (OECD, 2026m).

Box 1.14:

Africa AgriTrade Coalition: narrowing a multi-billion-dollar financing gap in agricultural trade

Agricultural trade in Africa faces a financing gap of over US\$ 50 billion, holding back key value chains across the continent. This affects sectors ranging from cocoa and cashews in West Africa to cereals and fertilizers in East and Central Africa, to maize, soy and sugar in Southern Africa.

Reducing even a small part of this gap could unlock hundreds of millions of dollars in additional financing, with tangible effects on market access, employment, supply chain resilience and the security of food supply chains. At a time of ongoing supply chain disruptions and geopolitical tensions, access to trade finance is becoming increasingly critical to keep agricultural markets functioning.

In May 2026, on the occasion of the Africa Forward Summit – an Africa–France summit for innovation and growth – Proparco, the private sector financing arm of the French Development Agency, launched the Africa AgriTrade Coalition, bringing together 16 leading financial institutions to scale up trade finance for agricultural value chains across Africa.

Through this coalition, Proparco aims to strengthen cooperation between partner banks by promoting risk-sharing approaches and enabling larger, more structured transactions across key agricultural corridors. Building on its experience in trade finance and guarantee mechanisms, Proparco will act as a facilitator and will be supporting partner institutions through co-financing and risk-sharing tools and by connecting banks to help generate more transactions.

Source: Proparco (2026).

Promoting coherence, managing trade-offs

As ODA budgets decline and trade-related financing needs continue to grow, strengthening the contribution of the private sector to the financing of trade-enabling activities presents significant potential to unlock resources for trade. Different flows, however, are not interchangeable. For example, trade policies and regulations accounted for only 0.6 per cent of private finance mobilized in trade-related sectors in 2024, illustrating the challenges of mobilizing private capital for policy-oriented and non-revenue-generating activities (OECD, 2026n). Agriculture captured 3 per cent of these flows. These figures underscore the need to tailor instruments and financing modalities to objectives pursued, considering synergies and complementarities between various forms of finance, and their ability to contribute to the trade priorities of partner economies.

Similarly, different financing instruments may be more or less suited to different contexts. Mobilized private finance tends to be concentrated in middle-income countries, as is trade-related OOF (see [Figure 1.26](#)). In 2024, middle-income countries accounted for 74 per cent of total private finance mobilized through official interventions, while only 6 per cent targeted LDCs. This distribution points to a persistent challenge of going beyond markets where private capital is easiest to attract, while adapting instruments and approaches to contexts where perceived risks are higher and investment opportunities more difficult to finance on commercial terms.

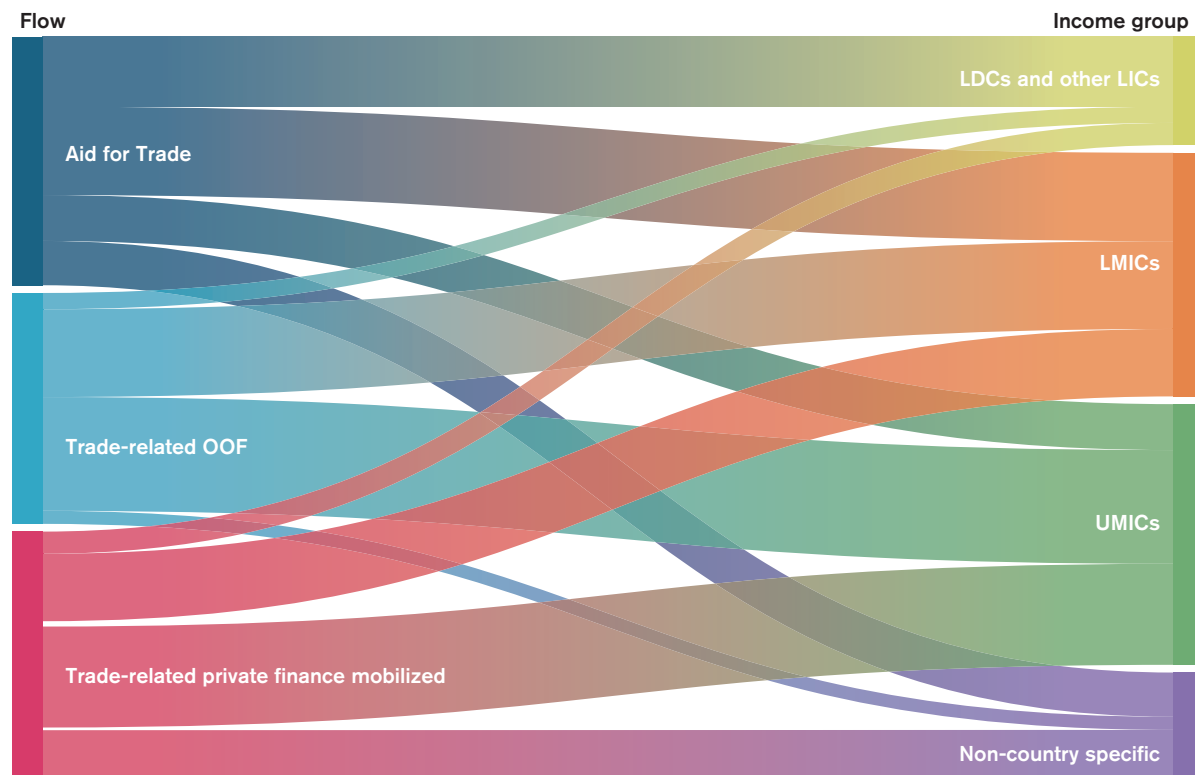
At the same time, lower levels of mobilization do not necessarily imply that mobilizing more private finance is the appropriate response. In some contexts, other forms of finance, including grant-based and highly concessional financing,

may be better suited to supporting market development, with the appropriate financing mix evolving over time. The *OECD Guidance on Reducing Poverty and Inequalities through Development Cooperation* underscores the importance of embedding poverty and inequality considerations in mobilization strategies, directing the most concessional resources where needs are greatest and using less concessional instruments strategically to complement these efforts (OECD, 2026l).

As trade, investment and development cooperation become more closely intertwined, maintaining a country-centred approach anchored in partner-country priorities and development effectiveness principles, becomes increasingly important. In this context, the 2022 DAC report on the recommendation on untying ODA remains relevant, providing a framework for open competition and avoiding restrictions that limit procurement to suppliers from provider economies. Looking at overall bilateral ODA, the share that is reported as untied declined in 2024, from 83 per cent to 79 per cent. However, this does not indicate a major shift at this stage and will require monitoring over the years. The OECD has developed an interactive dashboard facilitating access to information on untied ODA (OECD, 2026j).

Ultimately, whether private resources can complement public ones to support development depends not only on volumes mobilized, but on whether they advance partner-country trade priorities and contribute to quality job creation, productivity gains, skills and technology transfer, as well as linkages with local firms in the economy where they take place.

Figure 1.26:
Trade-related financing by income group



Source: OECD calculations based on OECD (2026d), Creditor Reporting System (dataset), <https://dataexplorer.oecd.org/s/52>, accessed September 2026; OECD (2026e), OECD Aid for Trade Dashboard, <https://www.oecd.org/en/data/dashboards/aid-for-trade.html>, OECD (2026g), Data Explorer CRS – Private: Mobilised private finance for development, <http://dataexplorer.oecd.org/s/n2>, accessed September 2026; OECD (2026h), OECD Private finance mobilization dashboard, <https://www.oecd.org/en/data/dashboards/mobilisation-of-private-finance-for-development.html> accessed September 2026.

Note: OOF=other official flows; LDCs=least-developed countries; LICs=low-income countries; LMICs=lower-middle-income countries; UMICs=upper-middle-income countries.

Effective design considering additionality, alignment with national trade and development priorities, affordability and distributional effects, and potential unintended consequences for local markets, contributes to enhancing the impact and effectiveness of mobilization interventions. As the private sector gains prominence in financing trade and development partnerships, social and

environmental safeguards, meaningful engagement with local communities and other stakeholders also influences how investment adds value locally and how local interests are reflected. Transparency on the contribution and characteristics of various flows remains central to monitoring and promoting the positive impacts of private finance for development.

Harnessing FDI for trade, jobs and inclusive development

Data on private finance mobilization capture private finance mobilized through specific leveraging mechanisms used by official providers, based on the OECD methodology's causality principle. Private actors can, however, contribute to financing trade-enabling activities in developing economies beyond these flows. FDI, for example, represents an important source of investment in productive capacity and can contribute to job creation, technology transfer and market integration.

Development partners have long supported both investment attraction and efforts to strengthen the contribution of FDI to sustainable development, including through investment policy and facilitation, financial and technical assistance, and support for linkages with domestic firms and supply chains (OECD, 2022a). These forms of support are well established in Aid for Trade and are particularly relevant as greater attention is given to the role of private investment in supporting national trade and development priorities.

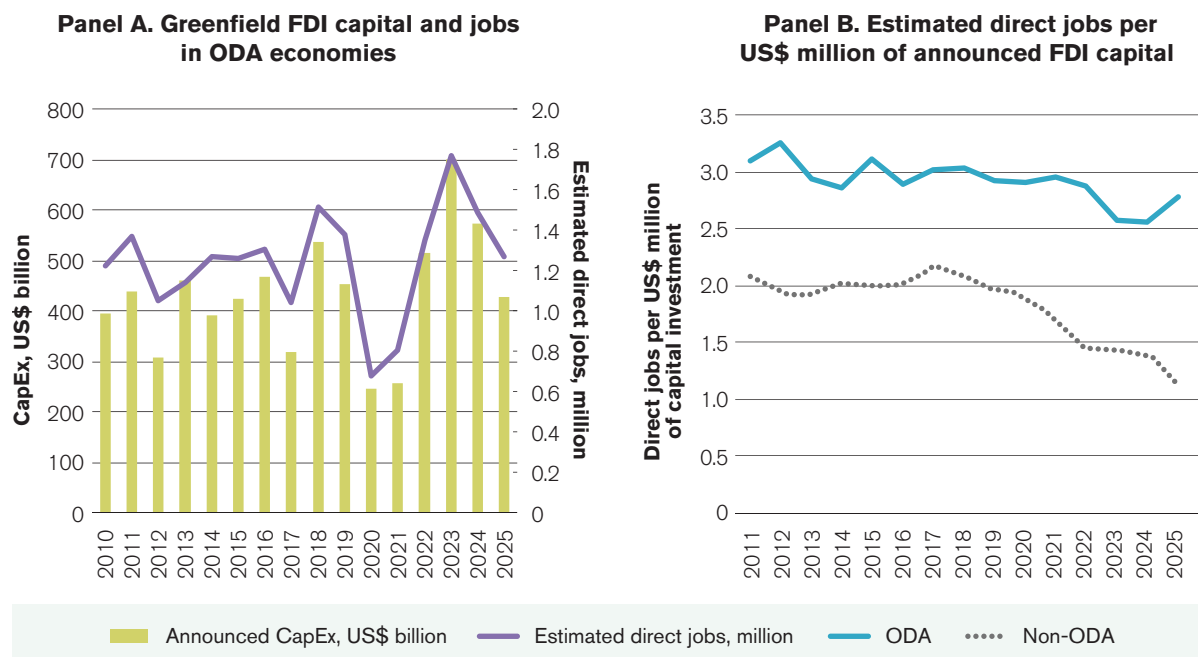
Greenfield FDI – a type of FDI in which a foreign company establishes new operations from scratch in another country, rather than acquiring or investing in an existing local company – is an important source of finance in trade-related sectors, although this resource has been under pressure as developing economies face high capital costs and debt pressures. In ODA-eligible economies, announced capital expenditure fell by 46 per cent in 2020, from US\$ 452.8 billion to US\$ 245.2 billion, before peaking at US\$ 699.3 billion in 2023 and moderating to US\$ 427.6 billion in 2025 (see [Figure 1.27](#), Panel A). These flows are particularly relevant to job creation and technology transfer, which can in turn support export

diversification and participation in regional and global value chains. In ODA-eligible economies, announced greenfield projects in trade-related sectors were estimated to generate 1.3 million direct jobs in 2025.

The post-COVID-19 rebound in greenfield FDI has, however, been less employment intensive than earlier periods. In ODA-eligible economies, estimated direct jobs per US\$ million of announced capital expenditure declined from 2.9 in 2019 to 2.6 in 2023 and 2024, before recovering slightly to 2.8 in 2025 (see [Figure 1.27](#), Panel B). ODA-eligible economies nevertheless continued to generate more direct jobs per dollar invested than non-ODA economies, where job intensity was lower throughout the period and declined from 2.0 in 2019 to 1.4 in 2023–2024 and 1.2 in 2025. This indicates that FDI continues to have a stronger direct employment channel in ODA-eligible economies, but that channel has weakened over time.

The weakening of job intensity reflects, in part, a shift in the sectoral composition of greenfield FDI to support the green and digital transition. Manufacturing remained the largest trade-relevant sector in ODA-eligible economies, but its share of announced capital expenditure declined from 42 per cent in 2015–2019 to 36 per cent in 2020–2025. Over the same period, energy increased from 20 per cent to 25 per cent, while ICT and communications more than doubled from 6.5 per cent to 14 per cent. The post-COVID recovery therefore did not restore the previous investment pattern; it reflected a stronger role for more capital- and skills-intensive sectors. These changes reinforce the importance of looking beyond aggregate FDI volumes to assess what type of investment is being attracted and what development outcomes it is likely to support.

Figure 1.27:
Greenfield FDI has recovered since COVID-19, but job intensity has weakened



Source: OECD calculations based on fDi Markets database, Financial Times Ltd.

Notes: Panel A shows announced greenfield FDI capital expenditure and estimated direct jobs in ODA-eligible economies. Panel B shows FDI-related job intensity, measured as estimated direct jobs per US\$ million of announced greenfield FDI capital expenditure, for ODA-eligible and non-ODA economies. Panel B reports a two-year moving average, with each value assigned to the second year of the two-year window. Data cover greenfield FDI projects in Aid for Trade-relevant sectors. ODA=official development assistance; CapEx=Capital expenditure.

The changing profile of greenfield FDI is also reflected in rising skills requirements. In ODA-eligible economies, FDI-related jobs have become more skills intensive relative to national employment, widening the gap between the skills profile of FDI and the wider labour market. Although non-ODA economies have higher overall skills intensity, the gap between FDI-related jobs and national employment is smaller. This suggests that workforce development and absorptive capacity are particularly important in ODA-eligible economies, where FDI-related jobs are moving further away from the skills profile of the broader workforce.

FDI can also support higher-value economic activity through productivity, wages, skills, technology and access to international markets. In ODA-eligible

economies, foreign-owned firms report labour productivity as being 148.7 per cent higher than domestically owned firms, while average wages are 51.1 per cent higher. Foreign-owned firms are also more likely to provide formal training, export directly and use foreign technology, pointing to several channels through which FDI can contribute to productive upgrading and integration into international markets.

Taken together, these trends point to a role for development cooperation in helping partner economies attract investment, but also maximize its contribution to trade and development priorities, by linking investment attraction with workforce development, supplier upgrading and firm-level

capabilities. This is consistent with OECD work on FDI qualities and development cooperation, which highlights how development partners can support investment that contributes to productivity, job quality, skills and sustainable development (OECD, 2022b; OECD, 2022a).

The characteristics of FDI (e.g. sectoral composition, employment and skills profile, links with domestic

firms) influence the benefits it can generate and can inform where support is directed. As greenfield FDI becomes less employment intensive and more skills intensive, the policy challenge is not only to attract investment, but also to strengthen the domestic absorptive capacity needed to benefit from it. In trade-related sectors, these considerations are particularly relevant to diversification, upgrading and participation in regional and global value chains.

Implications for Aid for Trade

As the financing landscape for trade development evolves, Aid for Trade provides an established framework that can help connect the growing range of actors, instruments and resources that contribute to developing economies' trade priorities. Its long-standing role fostering alignment between donor and partner priorities becomes particularly pertinent as donors and partners increasingly emphasize the notion of partnerships, which requires alignment on shared goals and support mechanisms.

Ongoing reflections on the future of development finance, and advances made in capturing a broad range of financing flows, provide a basis for considering different forms of finance together, recognizing their distinct objectives and characteristics while identifying where they can be combined or sequenced.

Building on 20 years of experience and lessons learned on trade development support, Aid for Trade is well placed to anchor financial innovations in the trade priorities, challenges and needs of developing economies, articulating complementarities with established development cooperation tools ranging from infrastructure financing to trade facilitation and policy support. By analogy with the distinction between measures “at” and “behind” the border in trade policy,

support could be considered “at”, “around” and “behind” the transaction:

- “At” the transaction: financing investments through instruments such as loans, equity, guarantees and co-investment arrangements, including where official interventions can mobilize additional private finance.
- “Around” the transaction: supporting project preparation, feasibility studies, technical assistance, advisory services, market information and connections between firms, investors and financial institutions.
- “Behind” the transaction: strengthening the wider conditions for trade and investment through policy and regulatory reform, institutional capacity, infrastructure, skills and productive capabilities.

Different flows may cater to different objectives and markets, requiring careful consideration of the specific needs and contexts of developing economies. By bringing together trade and development cooperation communities and maintaining a focus on its core poverty reduction mandate, Aid for Trade has the potential to help target concessional financing where it is most needed, while working with a broader ecosystem of financing actors to strengthen the positive contributions of various sources of finance to trade and development.

Annex 1.1:

Key international Aid for Trade commitments (non-exhaustive list)

Forum	Year	Initiative	Key commitment	References
United Nations	2015	Sustainable Development Goals (SDGs)	Increase Aid for Trade support for developing countries, in particular LDCs.	SDG 8, “Decent Work and Economic Growth” Target 8.a: “Increase Aid for Trade support for developing countries, in particular least developed countries, including through the Enhanced Integrated Framework for Trade-Related Technical Assistance to Least Developed Countries.” Indicator 8.a.1: “Aid for Trade commitments and disbursements.”
	2015	Addis Ababa Action Agenda	Strive to allocate an increasing proportion of Aid for Trade to LDCs, according to development cooperation effectiveness principles.	Addis Ababa Action Agenda of the Third International Conference on Financing for Development Para. 90: “Aid for Trade can play a major role.... We will strive to allocate an increasing proportion of Aid for Trade going to least developed countries, provided according to development cooperation effectiveness principles. We also welcome additional cooperation among developing countries to this end. Recognizing the critical role of women as producers and traders, we will address their specific challenges in order to facilitate women’s equal and active participation in domestic, regional and international trade. Technical assistance and improvement of trade- and transit-related logistics are crucial in enabling landlocked developing countries to fully participate in and benefit from multilateral trade negotiations, effectively implement policies and regulations aimed at facilitating transport and trade, and diversify their export base.”
	2022	Doha Programme of Action for the Least Developed Countries 2022-2031	Significantly increase Aid for Trade support for LDCs, which is expected to double by 2031 from 2018 levels.	Doha Programme of Action for the Least Developed Countries 2022-2031 (A/RES/76/258) Para. 172: “Target: Significantly increase Aid for Trade support for least developed countries, which is expected to double by 2031 from 2018 levels.” Para. 173: “We also call for increased support from multilateral development banks and the private sector to meet trade financing needs. We urge private and public sector actors to work together to address trade finance gaps, by enabling a rapid transition to paperless trading and addressing regulatory constraints that hinder trade finance.”

Forum	Year	Initiative	Key commitment	References
United Nations			Increase support from multilateral development banks and the private sector to meet trade financing needs.	Para. 277: “We urge development and trading partners and the United Nations system to continue their support for the implementation of smooth transition strategies so as to avoid any abrupt reductions in either ODA, special and differential treatments, Aid for Trade or other technical and financial assistance.” Para. 281: “We recognize the need for enhanced support to countries before and after graduation, ... including in the following areas: ... (f) consider extending access to dedicated funds for addressing adverse impacts of climate change and vertical funds such as the Gavi Alliance, Aid for Trade and Technology Bank for the Least Developed Countries for graduated countries for a fixed period and in a predictable manner.”
	2025	Fourth International Conference on Financing for Development	Encourage scaling up Aid for Trade, especially for LDCs and reaffirm commitment to the Doha Programme of Action on Aid for Trade. Continue to allocate at least 50 per cent to building trade-related infrastructure.	4th International Conference on Financing for Development Outcome Document: Sevilla Commitment (A/RES/79/323) Para. 45: “(f) We encourage scaling up aid for trade, especially for least developed countries, and commit to enhancing the efficiency and effectiveness of aid for trade provided, with a particular focus on addressing the interest of least developed countries. We also reaffirm our commitment in the Doha Programme of Action to significantly increase Aid for Trade support for least developed countries, which is expected to double by 2031 from 2018 levels, and continue to allocate at least 50 per cent to building trade-related infrastructure.”
World Trade Organization (WTO)	2005-2024	Ministerial Conferences	Recognize the importance of the Aid for Trade initiative for developing country members, including LDCs, to build trade capacity and recommend that such programmes prioritize the objectives identified by the LDCs.	2005 Hong Kong Ministerial Declaration Para. 57: “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.” 2013 Bali Ministerial Decision (WT/MIN(13)/34, WT/L/909) “We reaffirm our commitment to Aid for Trade and reiterate the mandate given to the Director-General to pursue actions in support of Aid for Trade.”

Forum	Year	Initiative	Key commitment	References
WTO				2015 Nairobi Ministerial Declaration (WT/MIN(15)/DEC) Para. 16: “We recognize the importance of the Aid for Trade initiative in supporting developing country Members to build supply-side capacity and trade-related infrastructure and we shall accord priority to the LDCs’ needs. We take note of the outcomes of the WTO global reviews on Aid for Trade, in particular the Fifth Global Review, and recognize the continuing need for this initiative.” 2024 Abu Dhabi Ministerial Declaration (WT/MIN(24)/DEC) Para. 12: “We recognise the importance of the Aid for Trade Initiative for developing Members, including LDCs, for trade-related capacity building, and for contributing to their integration into the multilateral trading system.”
	2006	Aid for Trade Task Force	Ensure predictable, sustainable and effective financing for Aid for Trade from donors and agencies.	Recommendations of the Task Force on Aid for Trade (WT/AFT/1) Para. C: “The effectiveness of the following recommendations for operationalizing Aid for Trade requires substantial additional targeted resources for trade-related programmes and projects as pledged at the WTO’s Hong Kong Ministerial Conference, and against the background of the broader international commitment at the UN’s Monterrey Conference and the G8 Summits in Gleneagles and St. Petersburg to significantly scale up development assistance by 2010. The Task Force urges the Director-General to seek confirmation from donors and agencies that funds are readily available for the implementation of the Aid for Trade initiative as part of his mandate to consult on ‘appropriate mechanisms to secure additional financial resources for Aid for Trade.’”
G20	2010	Toronto Summit Declaration	Maintain momentum for Aid for Trade and strengthen international agency support for trade facilitation.	Toronto Summit Declaration Para. 39: “We commit to maintain momentum for Aid for Trade. We also ask international agencies, including the World Bank and other Multilateral Development Banks to step up their capacity and support trade facilitation which will boost world trade.”
	2010	Seoul Development Consensus for Shared Growth	At least maintain, beyond 2011, Aid for Trade levels that reflect the average of years 2006 to 2008.	Seoul Summit Document Para. 44: “We note our commitment to at least maintain, beyond 2011, Aid for Trade levels that reflect the average of the last three years (2006 to 2008); ... to call on relevant international agencies to coordinate a collective multilateral response to support trade facilitation; and to support measures to increase the availability of trade finance in developing countries, particularly [low-income countries].”

Forum	Year	Initiative	Key commitment	References
G20	2015	Antalya Leaders' Communiqué	Continue to support developing countries in need of capacity-building assistance on trade through Aid for Trade.	Antalya Leader's Communiqué Para. 12: "We emphasize the important role of trade in global development efforts and will continue to support mechanisms such as aid for trade in developing countries in need of capacity building assistance."
	2021	Italy Ministerial Statement on Trade and Investment	Provide appropriate Aid for Trade support to developing countries and LDCs to seize sustainable trade opportunities.	Italy Ministerial Statement on Trade and Investment Para. 21: "We affirm the importance of providing appropriate support to developing and least developed countries in order to help their national transition towards resource-efficient, sustainable, climate and environment-friendly development, enhance their resilience and better enable them to seize sustainable trade opportunities through Aid for Trade."
	2023	Jaipur Ministerial Statement on Trade and Investment	Recognize the Aid for Trade initiative and welcome all efforts to mobilize necessary resources to help developing countries, especially LDCs, participate effectively in global trade, including by enhancing local value creation.	Jaipur Trade and Investment Ministerial Meeting, Outcome Document and Chair's Summary Para. 5: "We recognize the importance of WTO's 'Aid-For-Trade Initiative' to enable developing countries, notably LDCs, to effectively participate in global trade, including through enhanced local value creation. We welcome all efforts to mobilize necessary resources in this regard."
	2023	New Delhi Leaders' Declaration	participate effectively in global trade, including by enhancing local value creation.	New Delhi Leaders' Declaration Para. 19: "(vi). Recognize the importance of WTO's 'Aid for Trade' initiative to enable developing countries, notably LDCs to effectively participate in global trade, including through enhanced local value creation. We welcome all efforts to mobilize necessary resources in this regard."
G7	2005	Gleneagles Leaders' Communiqué	Increase assistance to developing countries, particularly LDCs, to strengthen physical, human and institutional capacity to trade, including trade facilitation.	The Gleneagles Communiqué Para. 22: "We agree: (a) to increase our help to developing countries to build the physical, human and institutional capacity to trade, including trade facilitation measures. We are committed to granting additional support for trade capacity building to assist LDCs, particularly in Africa, to take advantage of the new opportunities to trade which will result from a positive conclusion of the Doha Development Agenda. We call on the IFIs to submit proposals to the annual meetings for additional assistance to countries to develop their capacity to trade and ease adjustment in their economies."

Forum	Year	Initiative	Key commitment	References
G7	2006	Russia Leaders' Statement on Trade	Expect spending on Aid for Trade to increase to US\$ 4 billion, including through enhancing the Integrated Framework. Promote trade-related technical assistance through training and encourage multilateral development institutions to make Aid for Trade a priority.	Russia Leaders' Statement on Trade Para. 6: "We acknowledge the importance of Aid for Trade as essential in helping many developing economies to benefit from trade. We expect spending on Aid for Trade to increase to \$4 billion, including through enhancing the Integrated Framework.... We reaffirm our commitment to Aid for Trade and Trade Capacity Building. We will promote trade-related technical assistance through training and education. We recognize the important contribution that multilateral development institutions can make in this field, and encourage them to give this priority."
	2014	Brussels Summit Declaration	Continue to provide, within current Aid for Trade commitments, substantial support and capacity building for implementation of the WTO Trade Facilitation Agreement, especially for least-developed countries.	Brussels Summit Declaration Para. 5: "We welcome the successful outcomes of the 9th World Trade Organization (WTO) Ministerial Conference. We will prioritise full and swift implementation of the Bali Package, in particular the Trade Facilitation Agreement. We will continue to provide, within our current Aid for Trade commitments, substantial support and capacity building to help implement this agreement, in particular to the benefit of the Least Developed Countries."
	2016	Ise-Shima Leaders' Declaration	Coordinate approach on Aid for Trade for the swift implementation of the Trade Facilitation Agreement.	Ise-Shima Leaders' Declaration P. 8: "We welcome the successful conclusion of the Nairobi Ministerial Conference, and in order to solidify our achieved outcomes in the recent Ministerial Conferences, call for a swift entry into force of the Trade Facilitation Agreement (TFA) by the end of 2016 and its full implementation, including through a coordinated approach to Aid for Trade, and the implementation of the Information Technology Agreement (ITA) expansion as agreed."

Forum	Year	Initiative	Key commitment	References
G7	2018	Charlevoix Progress Report	Align Aid for Trade with the needs and priorities of developing country partners, supported by technical assistance and capacity building to facilitate trade.	Charlevoix Progress Report, Women's Economic Empowerment as a Driver for Innovation, Shared Prosperity and Sustainable Development P. 34: "The G7 recognizes that gender gaps across sectors and industries leads to economic losses. It has therefore prioritized advancing trade by committing to align aid for trade with the needs of developing-country partners, and by providing technical assistance and capacity building that facilitates trade."
	2021	Carbis Bay Trade Ministers Communiqué	Share Aid for Trade experiences that advance women's economic empowerment to contribute to the WTO Informal Working Group on Trade and Gender.	Carbis Bay Trade Ministers' Communiqué Para. 2: Women's economic empowerment: "We will contribute to discussions under the WTO Informal Working Group on Trade and Gender to share experiences that advance women's economic empowerment through trade, including but not limited to, issues regarding Aid for Trade and the development of comparable data on women in trade."
	2023	Osaka-Sakai Trade Ministers' Statement	Recognize the importance of the Aid for Trade initiative.	Osaka-Sakai Trade Ministers' Statement P. 9: "... we recognize the importance of projects and initiatives that G7 members have implemented, for example, (i) Aid for Trade initiatives..."

Annex 1.2: Statistical note

This note provides additional information on the sources and methodology used for calculating and presenting Aid for Trade figures.

Aid for Trade data collection and measurement

The collection of Aid for Trade data relies on the OECD Creditor Reporting System (CRS), which is an international database providing readily available, granular data on who is giving what aid, to where, and for what purpose. The policy and guidelines for CRS reporting are approved by Development Assistance Committee (DAC) members as represented at the DAC Working Party on Statistics (WP-STAT). The OECD collects, collates and verifies the consistency of the data, and maintains the database. Further information on development finance reporting, including the statistical reporting directive, is available on the OECD website:

<https://www.oecd.org/en/data/insights/data-explainers/2024/10/resources-for-reporting-development-finance-statistics.html>.

As a subset of Official Development Assistance (ODA), Aid for Trade includes both grants and loans to the official sector of countries and territories on the DAC List of ODA Recipients, international non-governmental organizations (INGOs) and multilateral development institutions that meet certain ODA-eligibility conditions, including:

- Administered with the promotion of the economic development and welfare of developing economies as its main objective; and
- Concessional in character. In DAC statistics, this implies a grant element of at least:

- 45 per cent in the case of bilateral loans to the official sector of LDCs and other low-income countries (*calculated at a rate of discount of 9 per cent*).
- 15 per cent in the case of bilateral loans to the official sector of lower-middle-income countries (*calculated at a rate of discount of 7 per cent*).
- 10 per cent in the case of bilateral loans to the official sector of upper-middle-income countries (*calculated at a rate of discount of 6 per cent*).
- 10 per cent in the case of loans to multilateral institutions¹³ (*calculated at a rate of discount of 5 per cent for global institutions and multilateral development banks, and 6 per cent for other organizations, including sub-regional organizations*).
- 10 per cent in the case of loans to INGOs¹⁴ (*calculated at a rate of discount of 6 per cent*).

Loans whose terms are not consistent with the International Monetary Fund Debt Limits Policy and/or the World Bank's Non-Concessional Borrowing Policy/Sustainable Development Finance Policy are not reportable as ODA.

Within ODA, only flows that relate to trade are considered Aid for Trade. The 2006 WTO Aid for Trade Task Force clarified the scope and definition of Aid for Trade, identifying key categories of support. To turn a policy definition into measurable statistics, the OECD uses proxies (measurable indicators) approximating the different Aid for Trade categories. The CRS provides proxies under four headings:

- **Trade policy and regulations.** In the CRS, five purpose codes are used to cover trade policy and regulations activities. These five sub-categories are: trade policy and administrative management; trade facilitation; regional trade agreements; multilateral trade negotiations; and trade education/training.
- **Economic infrastructure.** Amounts related to trade-related infrastructure cover transportation and storage; communications; and energy generation and supply.
- **Building productive capacity, including trade development.** The CRS

captures full data on all activities in the productive and services sectors, including agriculture; forestry; fishing; industry; mineral resources and mining; business and other services; and banking and financial services.

- **Trade-related adjustment.** This category was introduced in the CRS as a separate data item in 2007 to track flows corresponding to trade-related adjustment. It identifies contributions to developing country budgets to assist the implementation of trade reforms and adjustments to trade policy measures by other economies, and to alleviate balance-of-payments shortfalls due to changes in the world trading environment. However, at the time of reporting, some donors may have difficulty in differentiating trade-related adjustment from other trade-related activities, particularly those relating to trade policies and regulations. This may reflect upon the accuracy of these data.

Providers and recipients

Providers report to the OECD on their aid and other financial flows to developing economies include DAC members, other economies that are not members, multilateral institutions and several of the largest private philanthropic foundations working for development.

The Development Assistance Committee (DAC) is a unique international forum that includes many of the largest providers of ODA. It includes 34 members and Associates: <https://www.oecd.org/en/about/committees/development-assistance-committee.html>.

The list of ODA-eligible economies is available on the OECD website at: <https://www.oecd.org/en/topics/sub-issues/oda-eligibility-and-conditions/dac-list-of-oda-recipients.html>. It is reviewed every three years.

Regional groupings used throughout the report are based on OECD classifications. For more information see: <https://www.oecd.org/en/data/insights/data-explainers/2024/10/resources-for-reporting-development-finance-statistics.html>.

Development finance resource flows

Aid for Trade figures include both bilateral aid and so-called “multilateral outflows”. The list of providers is split into DAC member countries, other bilateral donors and multilateral organizations.

Bilateral aid, or bilateral ODA, represents flows from official (government) sources directly to the recipient economy.

Multilateral organizations’ outflows generally correspond to their expenditures on projects and programmes in developing economies. These flows are different from what is traditionally referred to as multilateral ODA, i.e. flows from an administration to ODA-eligible multilateral organizations. Multilateral organizations report

their outflows to the DAC, including details of the recipients, such as the country or region. To calculate total Aid for Trade figures, the total flows reported by bilateral donors are used except their core contributions to multilateral agencies. Data recorded on outflows from multilateral organizations to a recipient country are added to bilateral flows.

This methodology helps provide granular information on how ODA is spent for trade-related purposes, reflect the role of multilateral providers and match more closely the reality experienced by partner economies. More information on resource flows in development finance statistics is available on the OECD website: Official development assistance (ODA): Frequently asked questions.¹⁵

Distinguishing flows and grant equivalents

Since 2018, headline ODA figures produced by the OECD have been reported on a grant-equivalent basis, which is a measure of donor effort. Under this method, instead of recording the actual flows of cash between lender and borrower, the headline measure of ODA is based on the loans’ “grant equivalents”. This methodology aims to better reflect the actual effort by donor countries: only the “grant equivalent” of loans is recorded as ODA. The more generous the loan, the higher the ODA value.

This methodology is not applied for the reporting of Aid for Trade. The grant-equivalent measure is not usually used to present ODA figures disaggregated by sectors and activities and is not readily available for multilateral outflows.

Aid for Trade data is presented on a gross cash-flow basis, by reporting flows of cash granted or the face value of loans lent by official providers to ODA-eligible economies. This presentation aligns with the methodology developed by the Inter-Agency and Expert Group on SDG Indicators and was agreed at the 48th session of the United Nations Statistical Commission, held in March 2017, for the measurement of SDG Target 8.a: “Increase Aid for Trade support for developing countries, in particular least developed countries, including through the Enhanced Integrated Framework for Trade-related Technical Assistance to Least Developed Countries”. To reflect the different nature of financing instruments used, the OECD provides granular information on the share of Aid for Trade loans and grants.

Since 2018, under broader efforts to modernize ODA reporting, the OECD started collecting information on “Private sector instruments (PSI)”, which include loans to the private sector, guarantees, equity investments, mezzanine finance instruments and reimbursable grants. Under the grant-equivalent methodology, the donor effort in providing PSI can be included in ODA if they are (i) allocated to countries and territories on the DAC list of ODA recipients; (ii) administered

with the promotion of economic development and welfare of developing economies as their main objective; and (iii) additional financially and/or in value, together with their development additionality.

Because Aid for Trade remains measured on a cash-flow basis, PSI are not included in Aid for Trade reporting. Data on PSI targeting activities relevant to trade may be provided separately.

Commitments and disbursements

ODA information, including Aid for Trade, is available for commitments and disbursements.

Commitments measure donors' intentions and make it possible to monitor the targeting of resources to specific purposes and recipient economies. They fluctuate as aid policies change and reflect how donors' political commitments translate into action. They give an indication of future flows.

Disbursements show actual payments made each year. They show the realization of donors'

intentions and the implementation of their policies. They are necessary for examining the contribution of donors' actions to development achievements. They describe aid flows better from the recipient's point of view.

For the purpose of monitoring reports, the OECD traditionally presents the information primarily on disbursements. However, it can also show commitments, for example when presenting flows targeting policy objectives, which are more accurately measured through commitments.

Other trade-related flows

The OECD development finance statistics include data on flows beyond ODA, including:

Other official flows (OOFs), which are transactions that do not meet the conditions for eligibility as ODA, either because they are not primarily aimed at development, or they are not sufficiently concessional. The subset of OOF that matches the Aid for Trade categories is referred to as trade-related OOF.

Private finance mobilized, which refers to commercial financial resources channelled towards sustainable development or public goals in developing economies through official development finance interventions. The subset of private finance mobilized that matches the Aid for Trade categories is referred to as trade-related private finance mobilized.

Private finance mobilized

The OECD methodology for measuring private finance mobilized by official interventions has been developed in partnership with experts from development and international finance institutions. Since 2017, reporting on mobilized private finance is an integral component of the Creditor Reporting System data collection on development finance (ODA, private sector instruments and other official flows). Private finance mobilization is also a component of the TOSSD framework. The OECD and the International Forum on TOSSD co-ordinate their efforts to ensure streamlined reporting by actors that report to both frameworks, for data consistency and transparency.

The methodology to measure and report these amounts to the OECD is instrument-specific and was developed according to the principles of:

- accuracy (avoiding double-counting when aggregating data from multiple providers)

- fairness (as per attribution, in cases where more than one official provider is involved in a project mobilizing private finance)
- feasibility (pragmatism in terms of data availability).

The methodology used to report mobilized private finance to the DAC is based on the principle of causality (a key condition of the OECD methodology), under which private investors would not have invested in the development activity without official sector intervention, and pro-rated attribution.

It covers the main leveraging mechanisms identified as being used by providers to generate private finance, namely syndicated loans, guarantees, shares in collective investment vehicles, direct investment in companies or special financing structures, credit lines, project finance, simple co-financing arrangements and, to some extent, technical assistance.

Access to Aid for Trade data

Most of the data shown in the report are sourced from the CRS. The full set of CRS data can be found on the OECD website: OECD Data Explorer. CRS: Creditor Reporting System (flows).¹⁶

In addition, to make Aid for Trade information more readily accessible to the public, the OECD

developed a dedicated interactive Aid for Trade dashboard, allowing users to access and visualize key aid for trade facts by individual provider and recipient. The dashboard is available on the OECD website: <https://www.oecd.org/en/data/dashboards/aid-for-trade.html>.¹⁷

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Endnotes

- 1 As part of the ODA modernization agenda, the DAC developed a methodology to take into account instruments targeting the private sector in the calculation of ODA. From 2018, these flows, provided they met certain criteria, were integrated into ODA reporting. Since 2023, these flows have been reported under a separate category.
- 2 The OECD Development Assistance Committee is a unique international forum of many of the largest providers of aid, comprised of 34 members and Associates. More information is available on the OECD website: <https://www.oecd.org/en/about/committees/development-assistance-committee.html>.
- 3 More information on methodology can be found in “ODA projections for 2026 and the near-term”, https://www.oecd.org/en/publications/oda-projections-for-2026-and-the-near-term_d7c74fa2-en/full-report.html.
- 4 See, for example, OECD (2018), *Global Outlook on Financing for Sustainable Development 2019: Time to Face the Challenge*, Paris: OECD Publishing.
- 5 See 2006 WTO–OECD Task Force Recommendations, which state that “Aid for Trade should be guided by the Paris Declaration on Aid Effectiveness, applicable to all parties involved (donors, agencies and beneficiaries), including key principles such as country ownership, mutual accountability, aligning aid to national development strategies, effective donor coordination, harmonization of donor procedures, use of programme-based aid modalities, managing for result, transparency, and predictable and multi-year commitments, which should be built into all programming.”
- 6 See, OECD, “Development finance for climate and the environment”, available at <https://www.oecd.org/en/topics/sub-issues/development-finance-for-climate-and-the-environment.html>.
- 7 Disbursements by EU institutions are reported under disbursements by multilateral providers. Total disbursements by OECD DAC members, including EU institutions, represented 65 per cent of Aid for Trade in 2024.
- 8 The table presents the largest providers for the year 2024. For these providers, yearly Aid for Trade figures are provided for the period 2022–2024.
- 9 For example, in 2024, availability of grant-based financing was the most cited challenge when it comes to access to Aid for Trade resources among partner economies that responded to a joint WTO–OECD questionnaire (OECD/WTO, 2024).
- 10 Calculations based on OECD Creditor Reporting System and World Bank Development Indicators, for individual bilateral recipients. Regional projects and unallocated disbursements are excluded from the analysis.

- 11 Calculations based on OECD Creditor Reporting System and World Bank Development Indicators, for individual bilateral recipients. Regional projects and unallocated disbursements are excluded from the analysis.
- 12 For example, projects such as the Just Energy Transition in South Africa supported by GIZ, green and climate resilient development in Bangladesh financed by the World Bank, climate energy policy support in Uzbekistan supported by France, or support by the Republic of Korea for the energy transition and promotion of investment in Ecuador's energy sector, are among the largest disbursements under energy policy in 2024.
- 13 OECD, "Official development assistance – definition and coverage", Note 1. Available at <https://www.oecd.org/en/topics/sub-issues/oda-eligibility-and-conditions/official-development-assistance--definition-and-coverage.html#note-1>.
- 14 OECD, "Official development assistance – definition and coverage", Note 2. Available at <https://www.oecd.org/en/topics/sub-issues/oda-eligibility-and-conditions/official-development-assistance--definition-and-coverage.html#note-2>.
- 15 OECD, "Official development assistance (ODA): Frequently asked questions". Available at <https://www.oecd.org/en/data/insights/data-explainers/2024/07/frequently-asked-questions-on-official-development-assistance-oda.html>.
- 16 OECD, "Data Explorer. CRS: Creditor Reporting System (flows)". Available at https://data-explorer.oecd.org/vis?lc=en&df%5bds%5d=DcdDisseminateFinalDMZ&df%5bid%5d=DSD_CRS%-40DF_CRS&df%5bag%5d=OECD.DCD_FSD&dq=DAC..1000.100._T._T.D.Q._T..&lom=LAST-NPERIODS&lo=5&to%5bTIME_PERIOD%5d=false.
- 17 OECD Dashboard, Aid for Trade. Available at <https://www.oecd.org/en/data/dashboards/aid-for-trade.html>.