

Two decades of trade and development partnerships

Trends and impact of the
Aid for Trade initiative



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Foreword

Back in 2005, at the WTO's 6th Ministerial Conference in Hong Kong, WTO members formally recognized that in a well-functioning multilateral trading system, all economies should have the capacity to benefit from global trade. Since then, the international community has taken action to support developing economies in improving trade-related infrastructure and building supply-side productive capabilities. The goal: boost developing countries' participation in global trade, and in so doing, accelerate economic growth, poverty reduction, and job creation.

Since 2006, US\$ 795 billion has been disbursed under the Aid for Trade initiative. In that time, developing economies' merchandise exports have more than doubled in value, while their share in the global total has risen from 38 per cent to nearly 50 per cent. Their services exports have increased fourfold in value terms, with their global market share increasing from one-quarter to one-third. These achievements provide a strong foundation for further progress to ensure trade expansion benefits all. Trade-related development cooperation has an important role to play.

This joint OECD-WTO report – *Two Decades of Trade and Development Partnerships: Trends and Impact of the Aid for Trade Initiative* – brings together data and evidence on what has worked over the past 20 years, where gaps remain, and how partnerships can evolve to meet current trade and development challenges. Aid and trade are both fundamentally about improving people's lives, and the impact stories highlighted in this report illustrate how bringing the two together has improved economic opportunities for millions of people.

The report pulls together a wide range of empirical evidence about Aid for Trade. It shows how support for trade policies and regulation can yield impressive

dividends. For example, the OECD estimates that implementation of the WTO Trade Facilitation Agreement has contributed to a 5 per cent reduction in trade costs globally over the last decade.

The report also documents how, over the past two decades, developing economies have emerged as more prominent and influential voices within WTO committees and negotiations. They have helped shape WTO rules and practices to respond more effectively to their needs. For instance, multilateral agreements on trade facilitation and fisheries subsidies have come with technical and financial support for developing countries to enhance capacity and implement their obligations. Taking into account developing economies' needs and priorities so that they can benefit more fully has become a standard theme throughout the work of the WTO. The WTO's own technical assistance continues to build human and institutional capacity for more effective participation in the multilateral trading system. Between 2006 and 2026, over 178,000 officials benefitted from the WTO's training and technical assistance.

In parallel, the OECD Development Assistance Committee has sought to advance shared approaches to effective development cooperation to ensure that trade-related support can have greater impact. This includes providing analysis and tools that help partners identify financing gaps, assess results and strengthen trade-related development partnerships. The OECD has also provided practical recommendations to support better border processes, more transparency and enhanced inter-agency co-operation.

For all the progress developing economies have made in global trade, there is still a long way to go. African countries still account for only 3 per cent of global merchandise exports, and around 2 per cent

of global services exports. Least-developed countries account for 1 per cent of global merchandise exports and only 0.5 per cent of global services exports. Many smaller developing economies still find it challenging to participate effectively in WTO negotiations. These persistently low shares represent challenges not just for the developing economies in question, but for the multilateral trading system itself.

The global trading landscape continues to evolve. New technologies and expanding markets are increasing opportunities for economic growth and development, even as intensifying geopolitical tensions and unilateral actions contribute to fragmentation and uncertainty. Development cooperation is also changing fast. Official development assistance is under severe pressure as governments face competing demands for public finances.

Despite the present disruptions to the trading system, the WTO continues to provide a stable and predictable core to the vast majority of global trade. Renewed, better-targeted development partnerships can help developing countries seize the opportunities that arise in an evolving global environment, even as governments work to deliver much-needed reforms to the WTO rulebook.

OECD data and standards remain an important foundation for effective and accountable development co-operation. The ongoing Development Assistance

Committee Review is examining how the Committee can better support members and partners, including how development cooperation, trade and investment can complement one another to strengthen productive capacity and expand economic opportunities in line with developing economies' priorities.

Making the most of every possible resource is more important than ever. First, scarce concessional resources must be channelled to where needs are greatest and financing gaps are widest. Second, support for trade-related sectors should continue, given their strong potential to leverage additional, growth- and employment-enhancing investments from the public and private sectors. Third, with traditional development assistance in decline, we need to broaden existing partnerships and build new ones to catalyse the financing required to meet the trade needs of developing economies, especially LDCs. Innovative financial tools are needed to mobilize additional resources from the public and private sectors. Developing economies are increasingly shaping such partnerships as traders, investors and providers of South-South development cooperation.

The task ahead is to use the foundations laid over the past two decades to forge partnerships grounded in developing economies' priorities – partnerships that help them turn trade opportunities into growth, jobs and better lives.



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Co-operation and
Development

Executive summary

Over the past 20 years, the global trading landscape has seen a profound transformation.

Development cooperation has also seen important shifts, most recently in the form of deep cuts in official development assistance (ODA). Despite challenging times, trade support remains a key area of development cooperation. The Aid for Trade initiative, launched in 2006 to help developing economies improve their capacity to trade, has provided critical resources in helping these economies adapt to economic and policy priorities. Yet, current trade and development challenges require renewed impetus on trade capacity building.

As the impacts of government spending cuts are still unravelling, this report takes stock of 20 years of trade development support and examines recent trends affecting trade and development cooperation. It outlines how the foundations of the Aid for Trade initiative built over the past 20 years can inform the future direction of trade support in a markedly different trade and development context.

Since 2006, Aid for Trade has helped strengthen trade capacities and create economic opportunities. Between 2006 and 2024, US\$ 795 billion was disbursed to help developing economies participate more fully in global trade. Africa was the largest recipient (38 per cent), followed by Asia (35 per cent). Least-developed countries (LDCs) received 28 per cent of total financing, with small and vulnerable economies accounting for 5.8 per cent. Empirical research over the past two decades suggests that Aid for Trade has had positive effects on boosting recipient economies' exports.

Support for trade policy-making and improving regulatory capacity has contributed to increasing developing economies' participation

in the work of the World Trade Organization (WTO).

The African Group, the Group of African, Caribbean and Pacific States and the LDC Group have become increasingly prominent and influential voices within WTO committees and trade negotiations. This can be seen in the more than 200 proposals they submitted for discussion between 2006 and 2025. Their increasing engagement has helped ensure WTO rules and practices respond more effectively to their needs. For example, the WTO's Trade Facilitation Agreement, which entered into force in 2017, allows developing economies and LDCs additional time to implement certain provisions, and links their future obligations to the provision of technical assistance and capacity-building support. In addition, the entry into force of the WTO's Agreement on Fisheries Subsidies in 2025 was accompanied by the creation of a fund to provide technical and financial support to developing economies and LDCs to help them implement obligations and bolster fisheries management capabilities.

In 20 years, developing economies have substantially increased their participation in global trade, but this progress has been uneven.

Their share of global merchandise exports rose from 38 per cent in 2006 to 48 per cent in 2024. Their share of global services exports also increased, from 25 per cent to 33 per cent. LDCs' participation has, however, remained broadly unchanged: their shares of global merchandise and services exports have remained at around 1 per cent and 0.5 per cent, respectively.

Trends in global trade are altering the capacities economies need to trade. The rapid digitalization of economic activity, the growing importance of environmental objectives, and changes in supply chains due to geopolitical pressures and heightened attention to resilience present significant opportunities for developing economies. But seizing these opportunities demands digital connectivity and skills, enabling

regulatory frameworks, and the ability to meet and prove compliance with regulatory standards and other technical requirements. In the future, Aid for Trade will therefore need to extend its reach beyond the traditional focus on addressing border and infrastructure constraints.

Development finance is undergoing profound transformations. ODA, of which Aid for Trade is a component, fell by 8.5 per cent in 2024 and by around 23 per cent in 2025, with further reductions expected in 2026. Aid for Trade proved relatively resilient in 2024, as higher disbursements from multilateral development banks offset cuts from bilateral providers. Total disbursements reached US\$ 51 billion in 2024, up 2 per cent from 2023. The outlook is nevertheless uncertain. Bilateral Aid for Trade could fall by around 22 per cent between 2024 and 2026 if current sectoral allocations are maintained, and continued pressure on ODA budgets could also affect future multilateral flows. At the same time, recent development cooperation strategies point to renewed attention to jobs, infrastructure and economic transformation – and to trade, which is deeply connected to all three.

Looking ahead, pressures on ODA budgets increase the importance of targeting scarce concessional resources effectively. Possible priorities for future activity include supporting trade policy-making and regulation, which accounted for only around 3 per cent of Aid for Trade disbursements in 2024, despite growing demands linked to regulatory standards and increasingly complex policy environments. Likewise, even after a 60 per cent increase in disbursements over the past five years, support for information and communications technology accounted for only around 3 per cent of the total support. Targeting also means tailoring support to country-specific constraints. Assessments of Aid for Trade indicate the value of sustained and comprehensive approaches that combine infrastructure, technical

assistance and capacity building. Greater collaboration among multilateral development banks, bilateral agencies and private actors can help bring these elements together.

Pressures on public support reinforce the importance of mobilizing additional resources for trade, including from the private sector.

Private finance mobilized in trade-related sectors is rising, reaching US\$ 68 billion in 2024. But financing flows tend to be highly targeted. In 2024, 74 per cent of mobilized private finance went to middle-income countries, and only 6 per cent to LDCs. Mobilization remains challenging in sectors that are not commercially attractive, such as trade policy-making. Aid for Trade needs to foster a framework for combining different forms of concessional and non-concessional finance and sequencing this financing while maintaining a focus on country-centred priorities and on delivering development outcomes, good-quality employment, higher wages and productivity gains.

Twenty years of development cooperation can serve as a platform on which to build new trade and development partnerships that meet developing economies' evolving needs and priorities. Trade, investment and development cooperation are becoming increasingly interconnected. Developing economies are playing a growing role as traders, investors and providers of South-South cooperation. Traditional providers of financing are drawing on a wider range of financial instruments and placing greater emphasis on mutually beneficial partnerships. Public and private finance are also being combined in innovative ways. The experience, expertise and channels for dialogue built over the past 20 years can help form effective partnerships in the future tailored to helping developing economies better use trade to drive growth, job creation and development.

Highlights

Twenty years of trade development

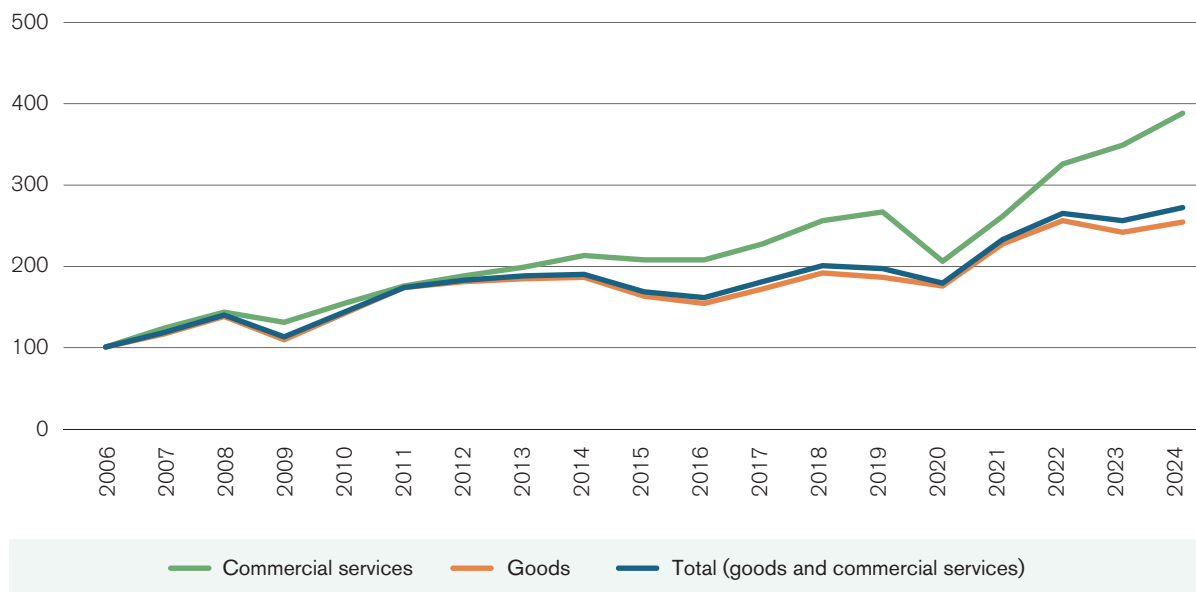
1. The last two decades have seen growing participation of developing economies in global trade

- Between 2006 and 2024, merchandise exports from developing economies more than doubled, rising from US\$ 4.6 trillion to US\$ 11.8 trillion in 2024.
- The value of services exports from developing economies quadrupled, from US\$ 736.2 billion in 2006 to US\$ 2.86 trillion in 2024.
- In 2024, developing economies represented nearly half of global trade.

Figure 1:

Evolution of exports of goods and commercial services from developing economies, 2006-2024

(Index 2006 = 100)

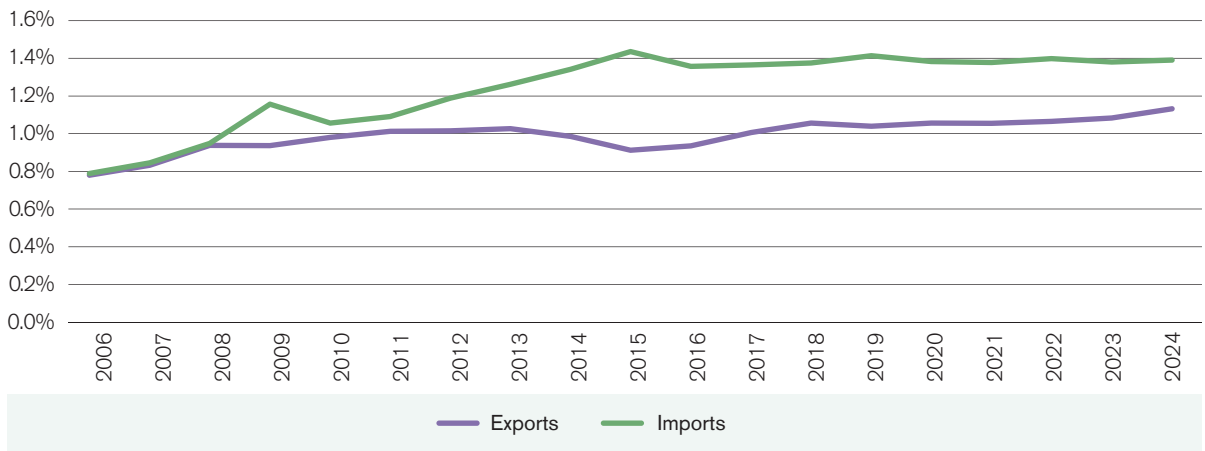


Source: WTO-UNCTAD estimates.

2. The expansion of global trade has not lifted all developing economies equally

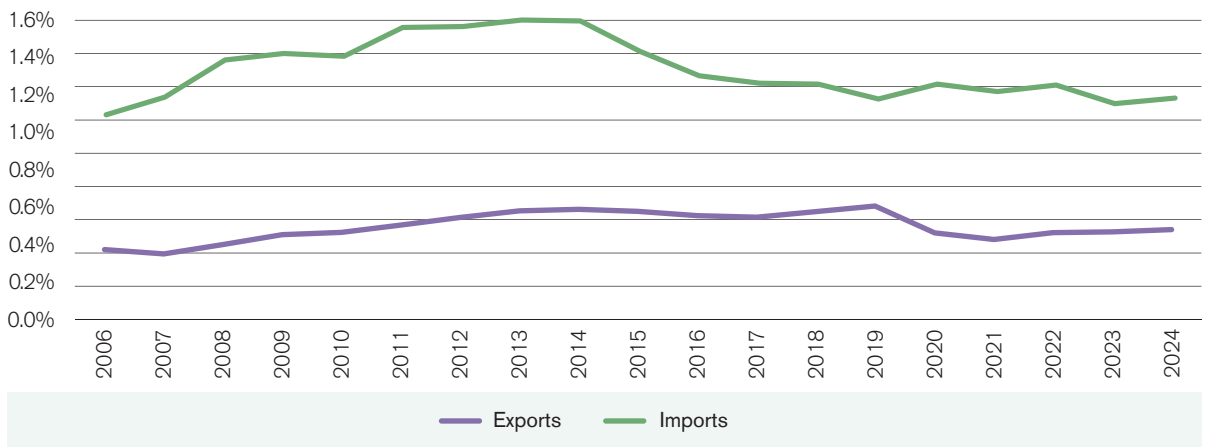
- While the participation of least-developed countries (LDCs) in merchandise exports tripled, from US\$ 95 billion in 2006 to US\$ 277 billion in 2024, their share in world merchandise exports remains around 1 per cent.
- The LDCs' exports of commercial services increased from US\$ 9.5 billion in 2006 to US\$ 47 billion in 2024, with their share in world commercial services exports remaining around 0.5 per cent.

Figure 2:
Share of LDCs' exports and imports in global merchandise trade, 2006-2024



Source: WTO Secretariat calculations based on WTO-UNCTAD estimates.

Figure 3:
Share of LDCs' exports and imports in global commercial services trade, 2006-2024

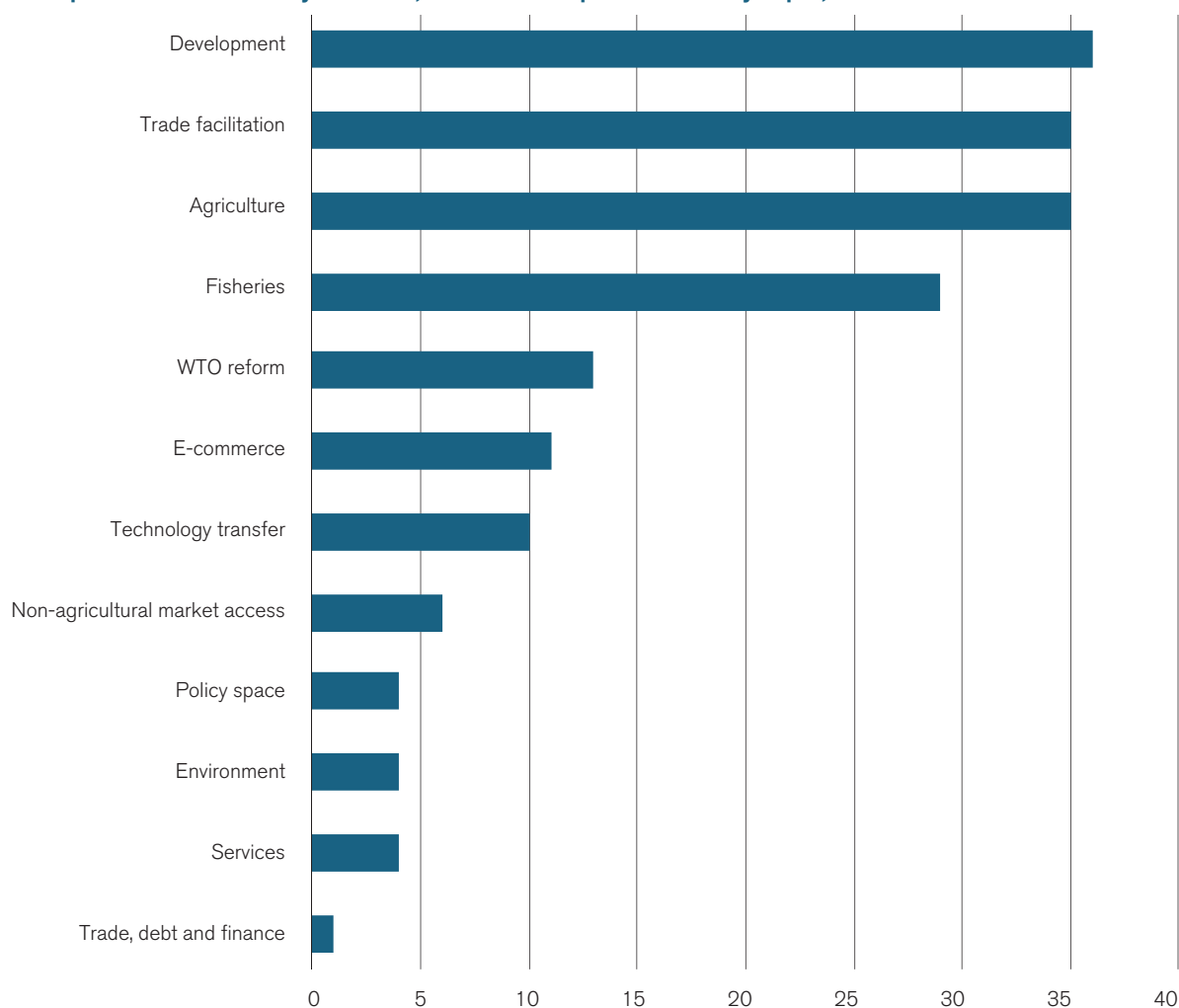


Source: WTO Secretariat calculations based on WTO-UNCTAD estimates.

3. **Developing economies have become increasingly active in World Trade Organization (WTO) work over the past 20 years**

- All groups of developing economies – including the African, Caribbean and Pacific Group of States (ACP), LDCs, the African Group and small economies – have made substantive contributions to WTO rule-making.
- An ecosystem of support, including technical assistance provided by the WTO, was created to support developing economies' participation in the WTO's work – from negotiations to implementation of rules and dispute settlement.
- Between 2006 and 2026, the WTO's technical assistance has helped 178,000 officials from developing economies build their skills on trade-related matters, including on the submission of notifications to the WTO.

Figure 4:
Proposals submitted by the ACP, African Group and LDCs by topic, between 2006 and 2025

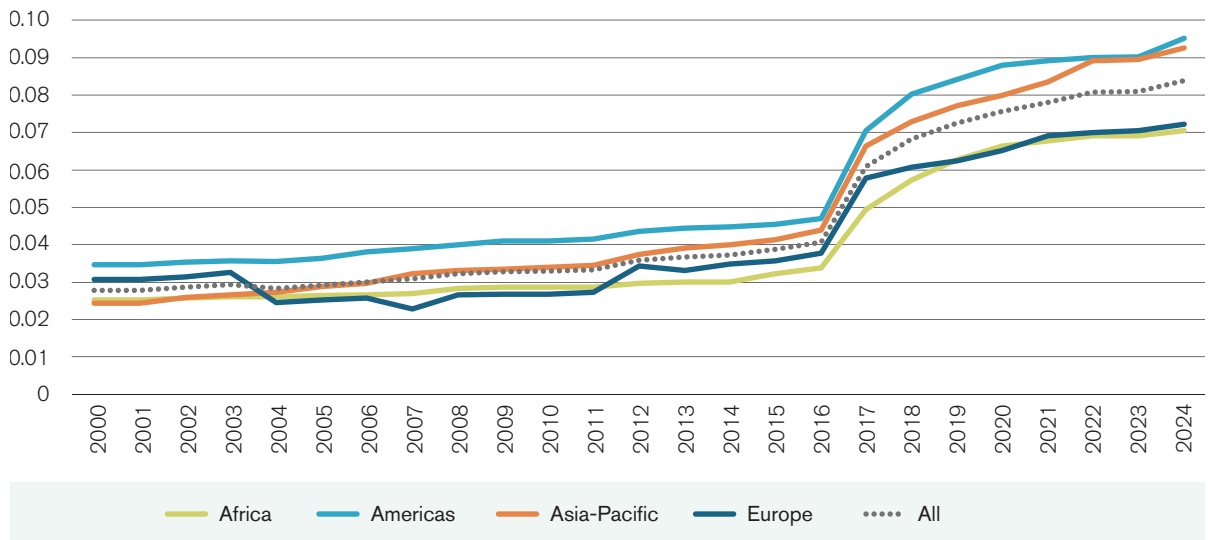


Source: WTO documents online, 2025.

4. Rapid technological and policy shifts are changing the trade and economic landscape

- Developing economies are exposed to rising trade policy uncertainty and risks of digital fragmentation.
- Progress towards digital trade integration is uneven across regions, with significant potential to increase digital opportunities through capacity building and regulatory interoperability.
- The Digital Trade Policy Alert finds that 163 jurisdictions have entered into digital trade commitments through regional and bilateral trade agreements.
- The Agreement on Electronic Commerce offers an opportunity to address digital fragmentation. The importance of the moratorium on the imposition of customs duties on electronic transmissions has been underlined by many economies.

Figure 5:
International integration and openness by region (OECD Index of Digital Trade Integration and Openness (INDIGO)), 2000-2024

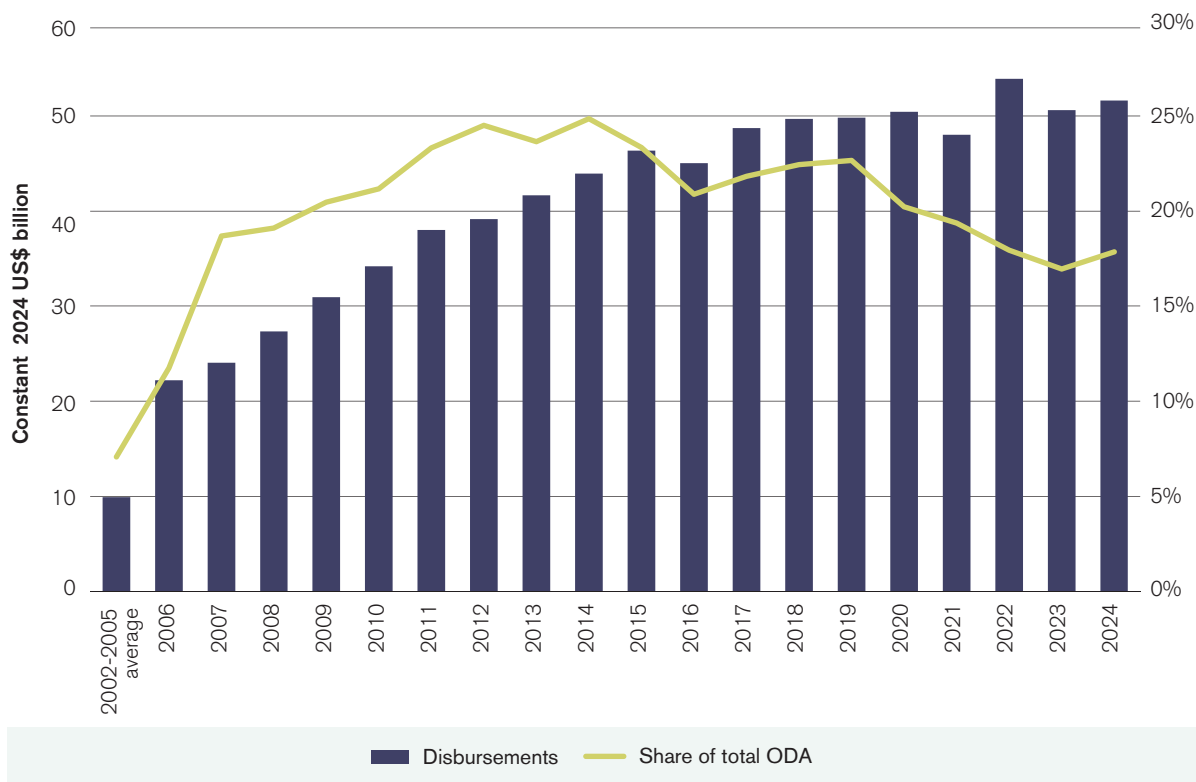


Source: OECD INDIGO.

5. Despite challenging times, trade support remains a key area of development cooperation

- Aid for Trade financing increased rapidly following the launch of the Aid for Trade initiative in 2005, and more moderately after 2015, as fiscal conditions tightened and official development aid (ODA) targeted a growing range of policy priorities.
- The share of Aid for Trade in total ODA has been on a downward trend since 2014 but rose from 17 per cent to 18 per cent in 2024, while trade gains renewed emphasis in development cooperation.
- Aid for Trade disbursements reached US\$ 51 billion in 2024 – a 2 per cent increase from 2023.

Figure 6:
Evolution of Aid for Trade disbursements, 2002-2024



Source: OECD Creditor Reporting System, 2026.

6. Trade support has adapted to evolving economic and policy priorities, including the growing emphasis on the energy and digital transitions

- Amidst successive shocks, Aid for Trade provided a counter-cyclical source of finance, supporting sectors essential to economies' economic resilience (e.g. agriculture, pharmaceutical industry, business and financial services).
- In 2024, financing to trade-related infrastructure accounted for 56 per cent of total disbursements, driven by growing demand linked to clean energy and digital transitions, reconstruction efforts and the emergence of transport corridor-based approaches.
- Support to strengthen productive capacities declined to 41 per cent in 2024, following an exceptional ramp-up of COVID 19-related support for business and financial services.
- Several sectors have recorded particularly rapid growth since 2022, including mining and mineral resources (+85 per cent), information and communications technology (ICT) (+23 per cent) and forestry (+24 per cent), reflecting growing demand linked to critical minerals, digitalization, and social and environment-related requirements.

Figure 7:
Evolution of Aid for Trade disbursements by category, 2006-2024



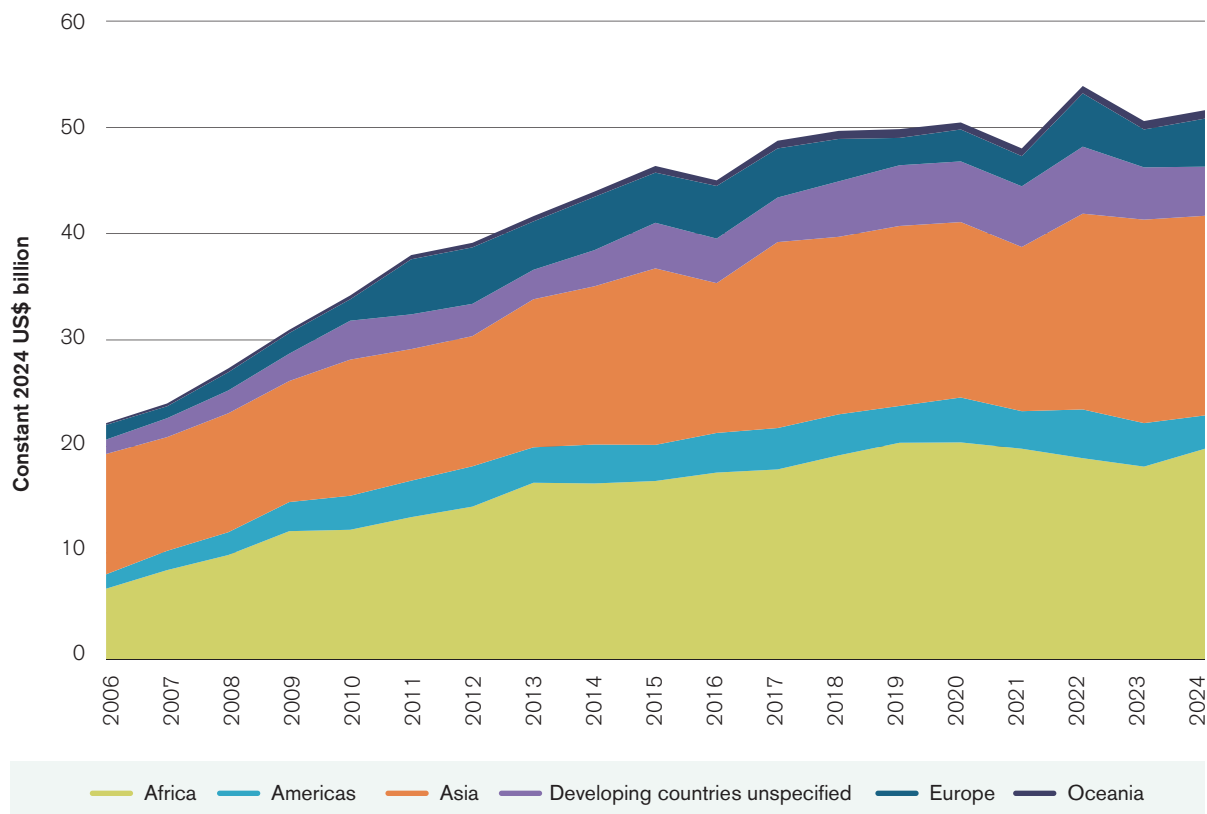
Source: OECD Creditor Reporting System (2026).

Note: Trade-related adjustments represent 0.04% of total disbursements over the period 2006-2024.

7. Africa became the largest recipient of Aid for Trade in 2024

- After declining between 2020 and 2023, Aid for Trade disbursements to Africa rebounded in 2024, driven by large reform projects, reaching US\$ 19.8 billion.
- Disbursements to Asia remained relatively stable at US\$ 18.7 billion, with infrastructure financing, particularly in transport and storage, accounting for the largest share.
- Support to Ukraine continued to drive support growth in Europe, where disbursements reached US\$ 4.5 billion in 2024.
- Aid for Trade disbursements to Oceania totaled US\$ 795 million and play a critical role in supporting small, vulnerable economies.
- The Americas experienced the sharpest decline among regions, with Aid for Trade disbursements falling by 23 per cent between 2023 and 2024, to US\$ 3.1 billion.

Figure 8:
Disbursements by continent, 2006-2024



Source: OECD Creditor Reporting System, 2026.

8. Pressures on public spending create uncertain outlook for Aid for Trade financing

- ODA budget cuts by major bilateral aid providers will likely affect Aid for Trade levels going forward.
- The OECD estimates that bilateral Aid for Trade disbursements could fall by approximately 22 per cent between 2024 and 2026.
- Multilateral development banks could help cushion the impact of budget cuts in the short-term, but are also affected by reductions in their core funding.
- In 2024, the 10 largest providers accounted for 82 per cent of total Aid for Trade disbursements.

Figure 9:**Top 10 Aid for Trade providers, disbursements 2022–2024, US\$ million, constant 2024 prices**

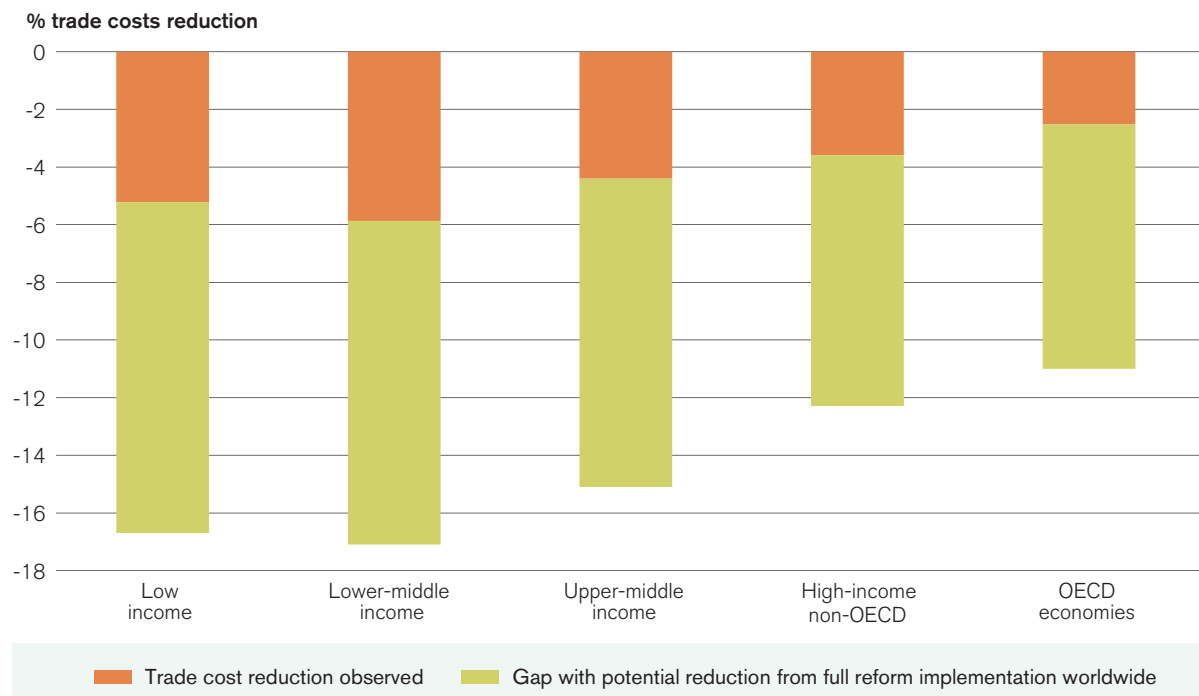
Institution	2022	2023	2024	5Y trend	Share of grants (2024)
World Bank (IDA)	8,478	9,398	10,820		
Japan	10,324	11,059	10,324		
EU institutions	7,688	5,590	5,436		
Germany	7,471	5,850	5,424		
United States	1,905	2,975	3,125		
France	3,947	2,579	2,376		
Asian Development Bank	1,887	1,482	1,671		
United Kingdom	1,248	1,185	1,325		
Republic of Korea	840	1,062	1,116		
African Development Bank	906	1,062	950		

Source: OECD Creditor Reporting System, 2026.

9. The development finance context reinforces the need to further target support towards high-impact interventions and emerging needs

- Experience from beneficiaries and development partners underscores the importance of tailoring Aid for Trade financing to specific trade objectives and country contexts and the need to combine Aid for Trade instruments for maximum impact.
- Support for trade policies and regulations, including trade facilitation, accounts for less than 2.7 per cent of total Aid for Trade disbursements while the implementation of the WTO Trade Facilitation Agreement is estimated to have contributed to a 5 per cent trade cost reduction globally over the last decade, suggesting a cost-effective opportunity to help economies comply with increasingly complex and fragmented standards and regulatory requirements.
- Disbursements targeting information and communication technologies, while growing, account for 3 per cent of total Aid for Trade disbursements in 2024, pointing to opportunities to enhance support in this area.

Figure 10:
Actual and potential trade cost reductions through trade facilitation improvements



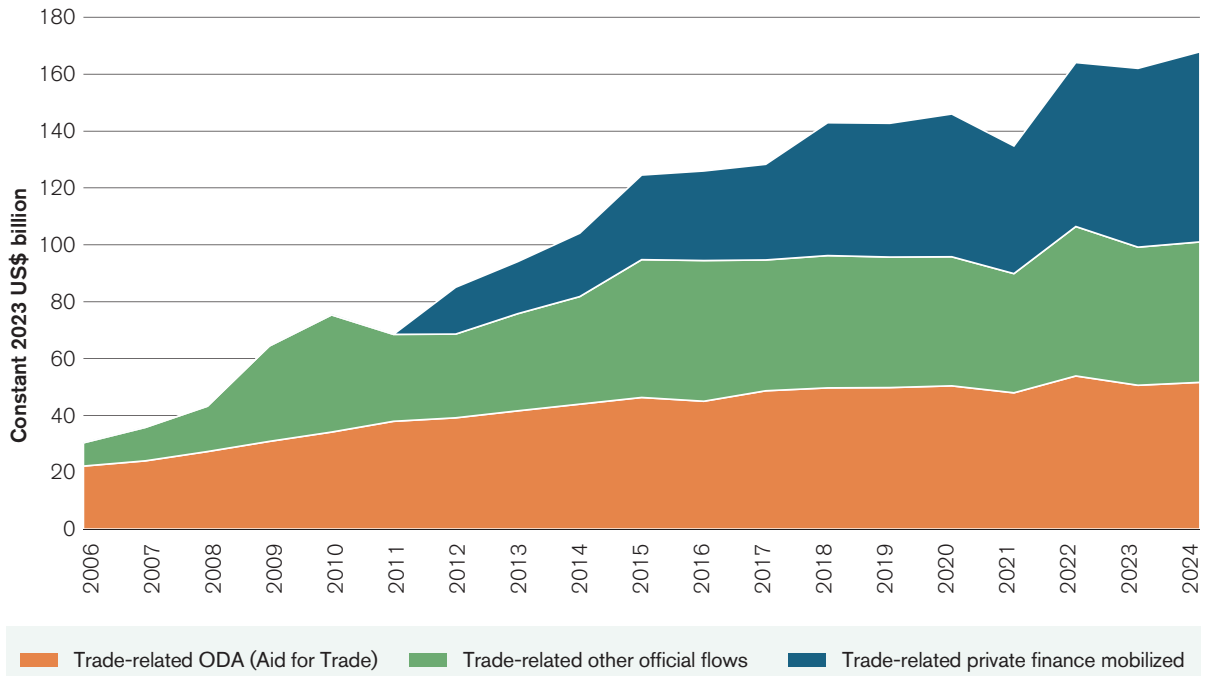
Source: OECD Trade Facilitation Indicators, 2025.

Note: The figure presents the trade cost implications of fully implementing trade facilitation reforms as measured by the TFIs. Analysis using trade costs (manufacturing and agriculture) from the UNESCAP–World Bank Database for the period 2012–22.

10. Meeting developing economies' growing needs requires pooling resources from various sources

- Declining ODA levels heightens the need to mobilize more resources and maximize the effectiveness and impact of various financing sources.
- In addition to ODA, various forms of support including South-South and Triangular Co-operation can contribute to trade development.
- Trade-related other official flows, including non-concessional loans extended to developing economies by multilateral development banks, reached US\$ 49 billion in 2024.
- In 2024, US\$ 68 billion was mobilized through official interventions in trade-related sectors in partner economies, exceeding ODA provided to these sectors.

Figure 11:
Total support for trade-related sectors, 2006-2024



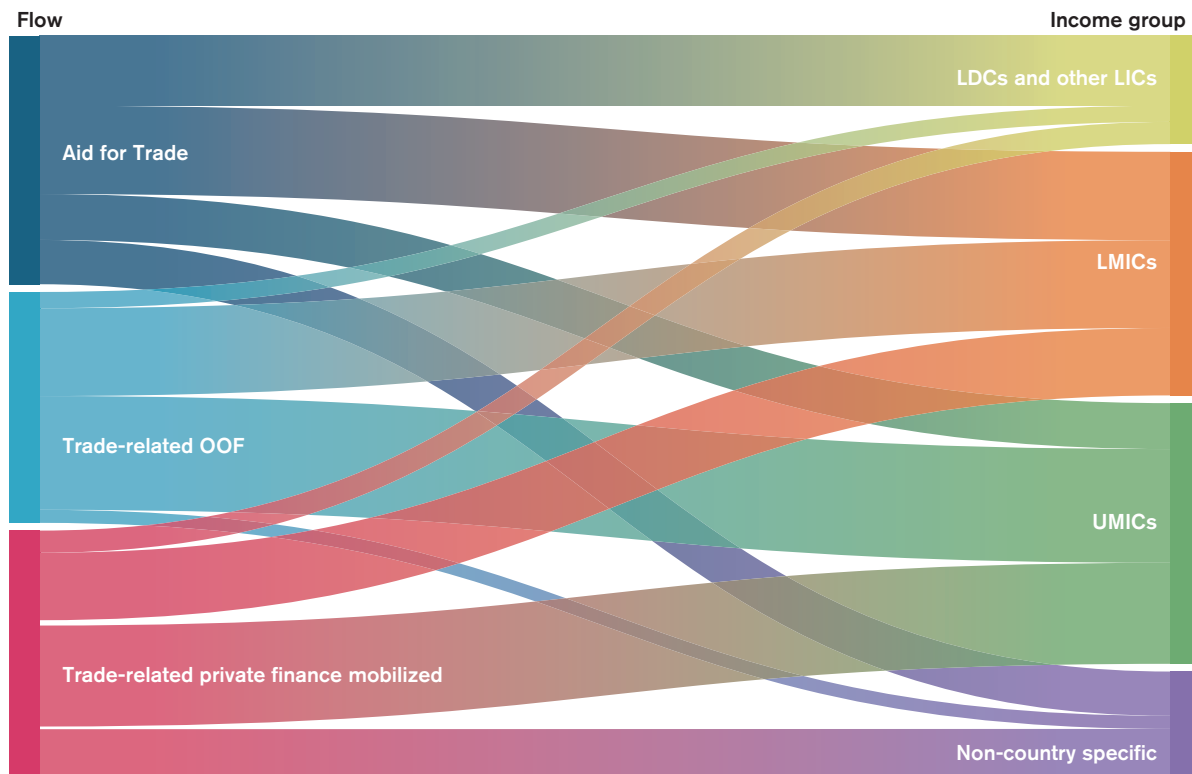
Source: OECD Creditor Reporting System (2026).

11. As efforts to mobilize private finance become more important, concessional finance remains essential, especially for the most vulnerable

- Emerging models and instruments, including co-financing arrangements and blended finance mechanisms, can help unlock additional resources from the private sector for trade needs.
- In 2024, LDCs represented 30 per cent of total Aid for Trade disbursements, up from 27 per cent in 2022. By contrast, LDCs attracted only 13 per cent of non-concessional trade-related development finance and 6 per cent of private finance mobilized.
- Ensuring context-specific use of financing instruments and safeguarding the most concessional sources of finance, is essential to effectively support developing economies, especially LDCs.

Figure 12:

Trade-related financing by income group, 2012-2024 (cumulative, constant 2024 US\$)



Source: OECD Creditor Reporting System (2026).

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

12. Lessons learnt from 20 years of Aid for Trade can inform reflections on the “who, what and how” of effective trade development partnerships

- Development partners have been exploring different approaches and mechanisms to increase the participation of all stakeholders, to address the growing trade needs of developing economies.
- Trade support discussions going forward need to weigh up different tools with a view to maximizing the impact of available resources for developing economies to fully realize emerging trade opportunities and benefit more from evolving global trade patterns.

Figure 13:
Illustrative view of the “who, what and how” of trade development partnerships

Economic growth		Poverty reduction	Sustainable development
 Building export markets		 Facilitating trade and market inter-operability	 Unlocking finance for trade
WHAT • Strengthening policies and institutions • Financing infrastructure • Strengthening productive capacities		WHAT • Implementing standards and norms • Enhancing border processes • Strengthening value chain linkages	WHAT • Enhancing access to finance • Promoting investment • Ensuring additionality and impact
TOOLS • Grants • Concessional loans • Technical assistance		TOOLS • Grants • Concessional and non-concessional loans • Technical assistance • Policy dialogue	TOOLS • De-risking instruments • Trade finance • Export credits • Information facilitation • Matchmaking • Safeguards and standards
ACTORS • Governments • Development agencies • DFIs/MDBs • Private sector • PPPs • Civil society		ACTORS • Governments • Border agencies • Businesses • Civil society • Multi-stakeholder initiatives • Development agencies	ACTORS • Governments • Development partners • DFIs • ECAs • Trade finance institutions • Private sector • Civil society
Foundations for effective partnerships			
Shared priorities		Effectiveness principles	Country-centred approaches

Source: OECD Secretariat.

Note: DFI=development finance institution; MDB=multilateral development bank; PPP=public-private partnership; ECA=Agreement on E-commerce.



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.

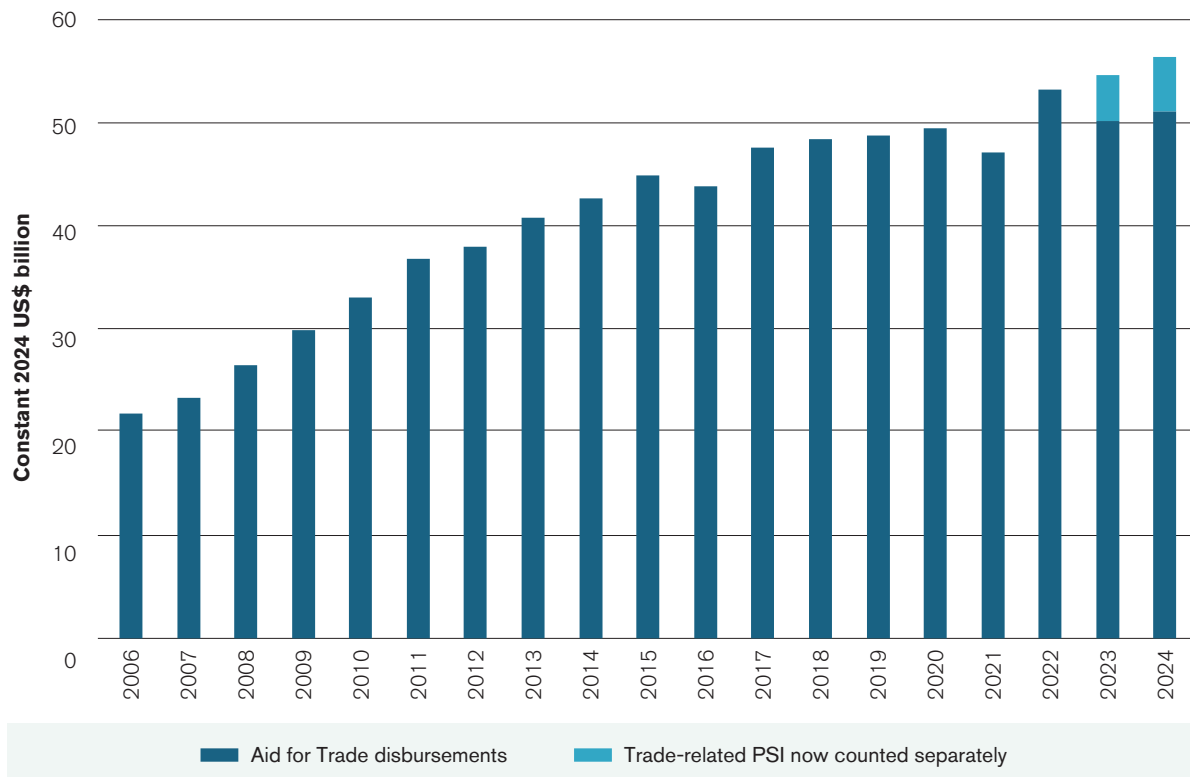
Against a backdrop of declining ODA budgets, Aid for Trade disbursements increased moderately in 2024

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://dataexplorer.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.

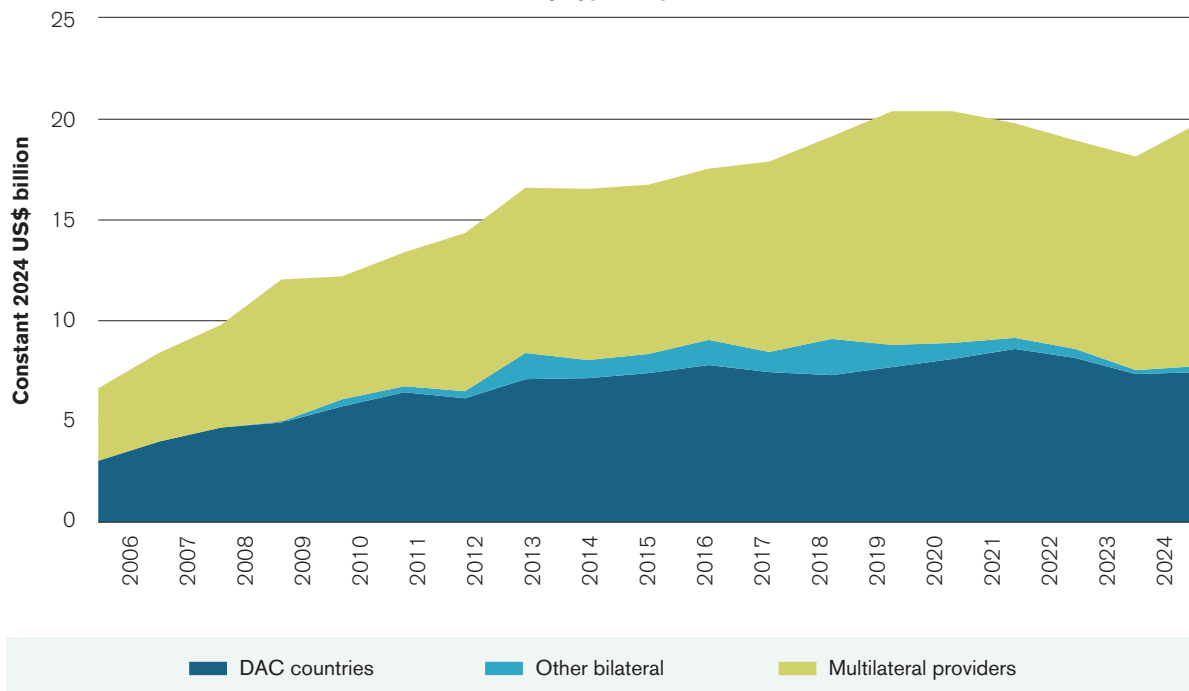
Note: PSI=private sector instruments.

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.

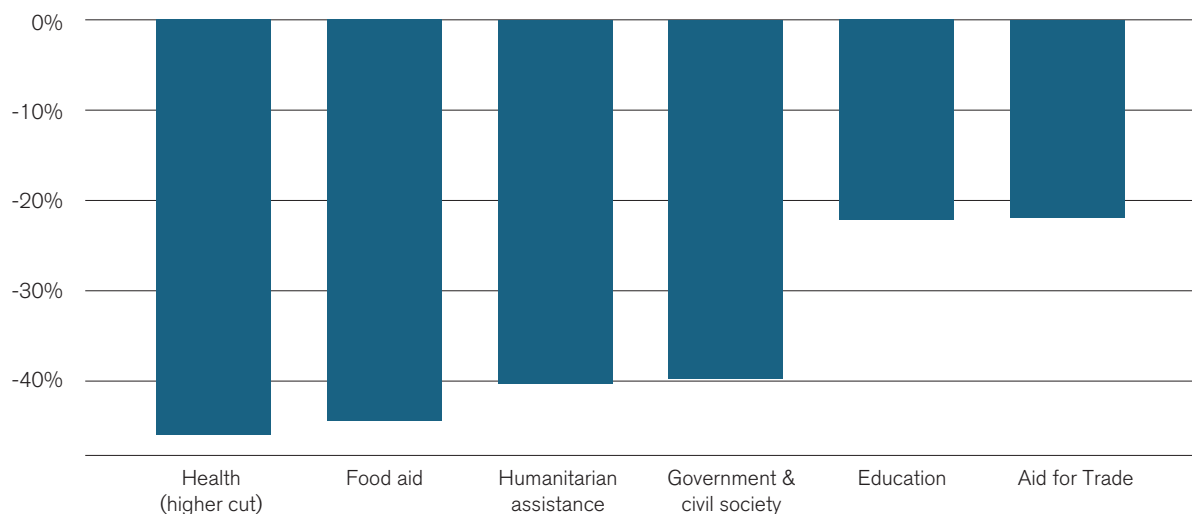
In 2024, disbursements by bilateral OECD Development Assistance Committee² (DAC) donors totalled US\$ 28 billion (55 per cent of all Aid for Trade), a decline of 3 per cent from 2023. Based on a survey of DAC members and other reporting institutions, as well as their official announcements,³ the OECD 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>.

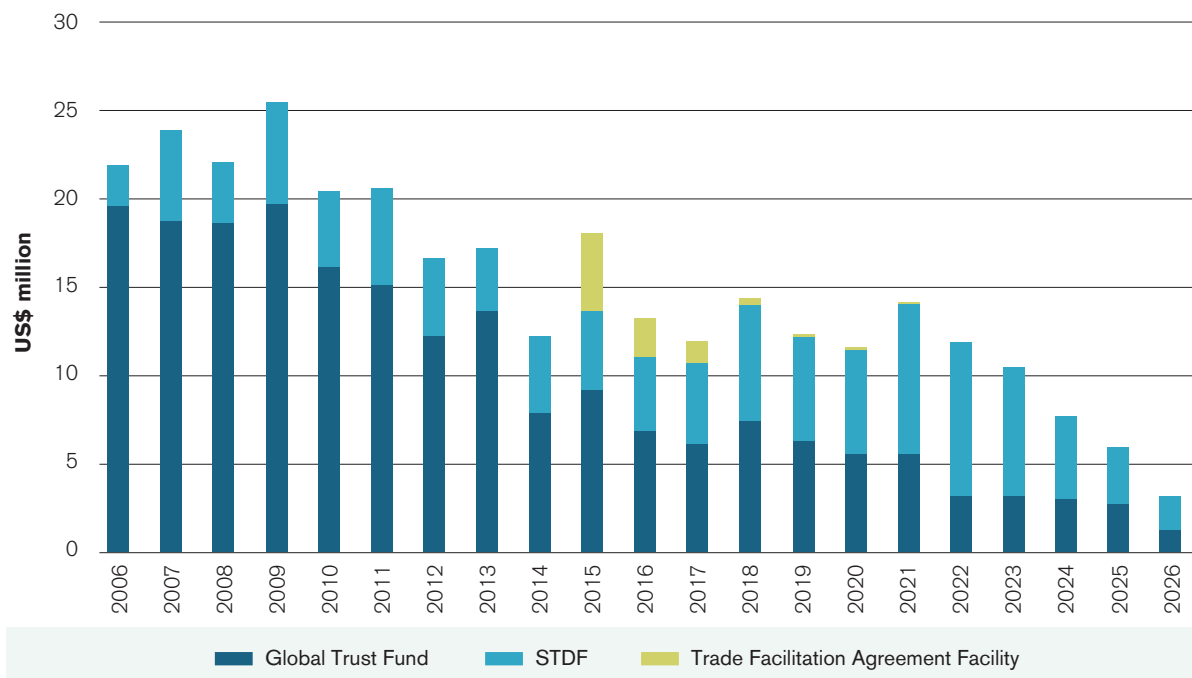
Note: The 2026 sectoral breakdowns are estimated based on 2024 shares applied to preliminary total ODA.

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.

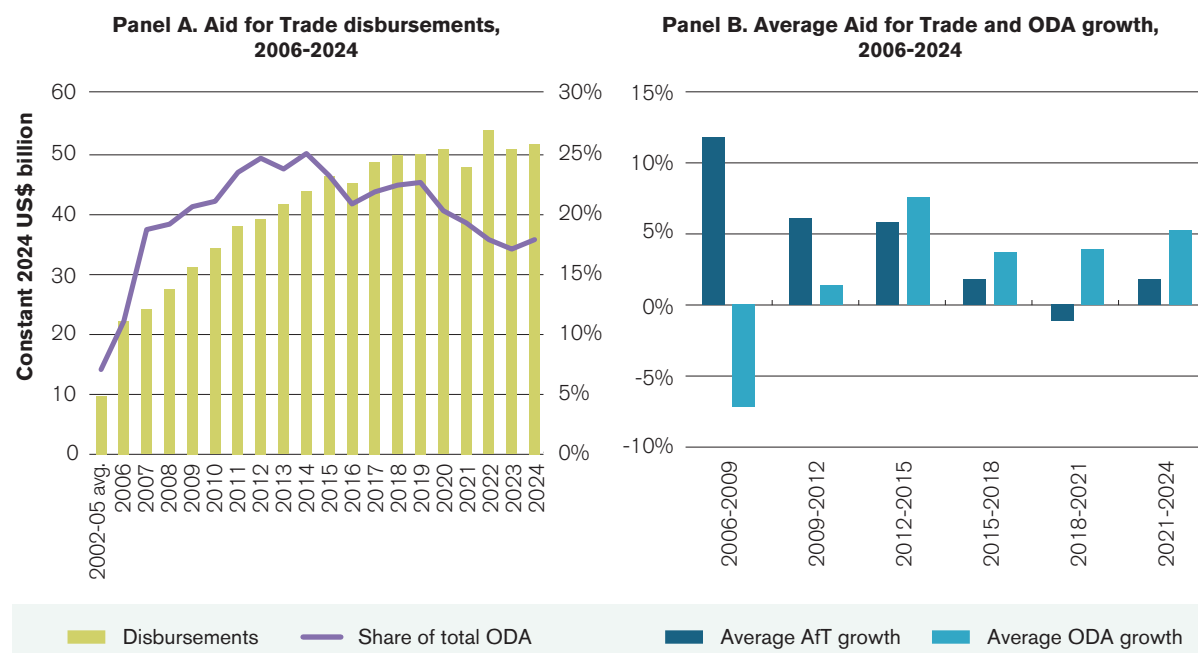
This growth, however, was not uniform over time. The evolution of Aid for Trade disbursements since 2006 can be broadly divided into two periods: relatively rapid growth between 2006 and 2015, followed by more moderate growth from 2015 onwards.

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).

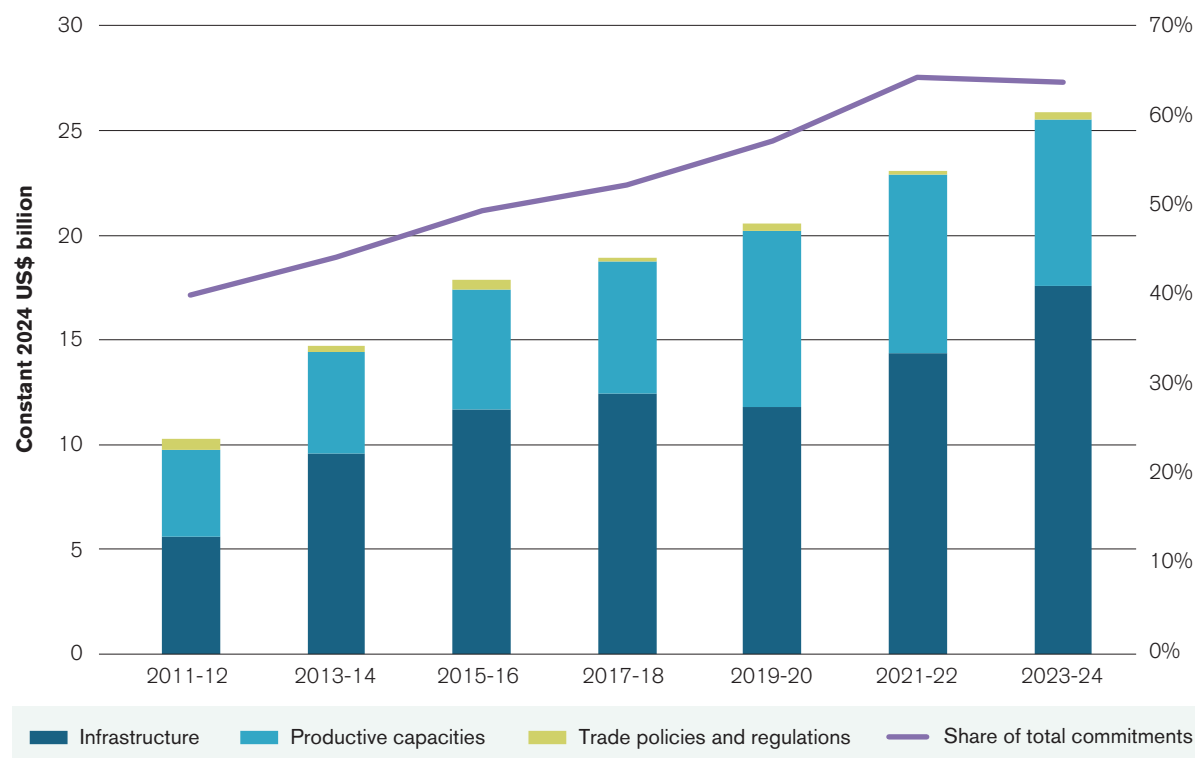
In a second trend, rapid digitalization, combined with efforts to transition towards low-carbon and resource-efficient economies, are creating new opportunities and requirements for participation in global value chains. Several donors have integrated these considerations in Aid for Trade support. Between 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.

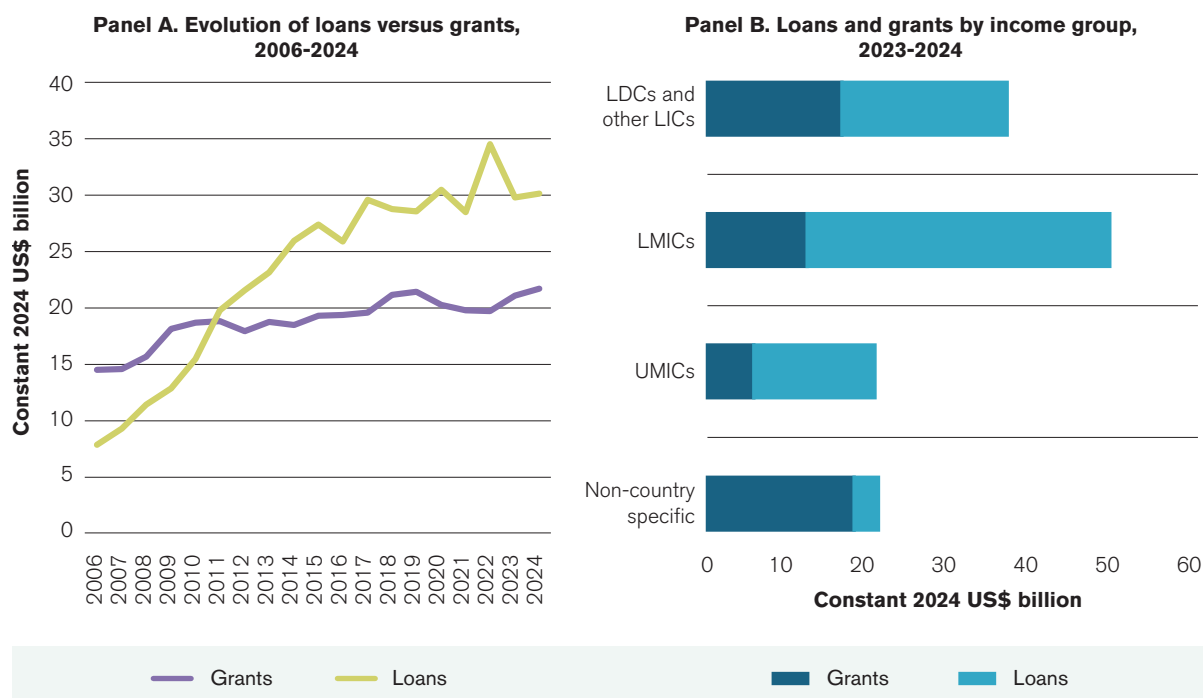
Monitoring and evaluation exercises over the years have highlighted the importance of ensuring access to grant-based financing, particularly for LDCs.⁹ Following a period of decline between 2020 and 2022, the share of grants in total Aid for Trade disbursements rose from 36 per cent in 2022 to 42 per 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.

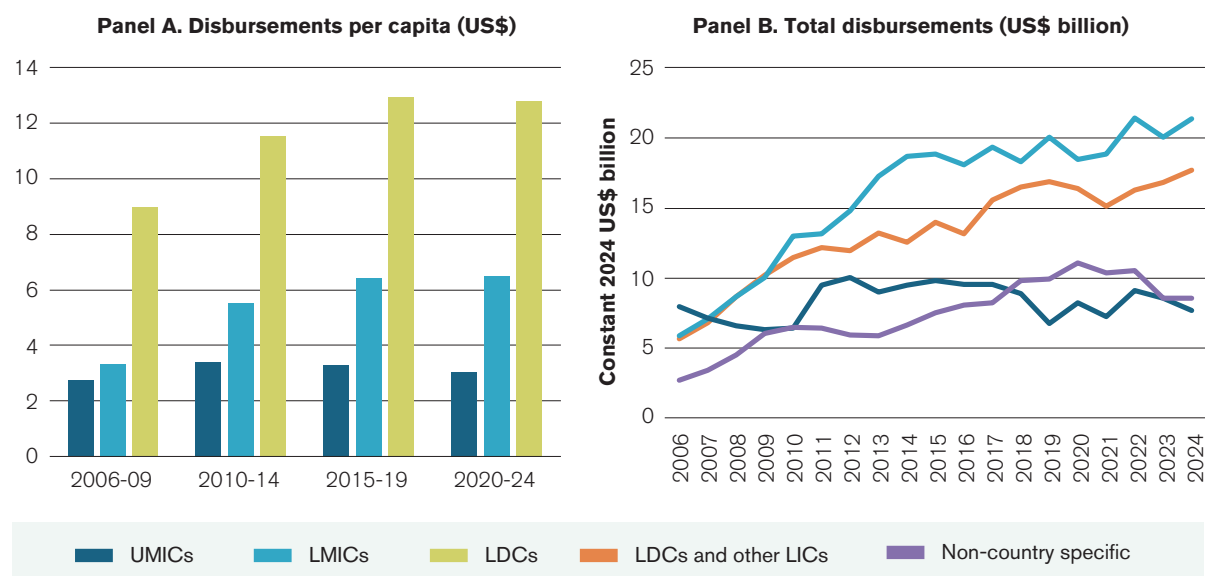
Support to LDCs has been growing, but remains insufficient to meet international targets

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://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; 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

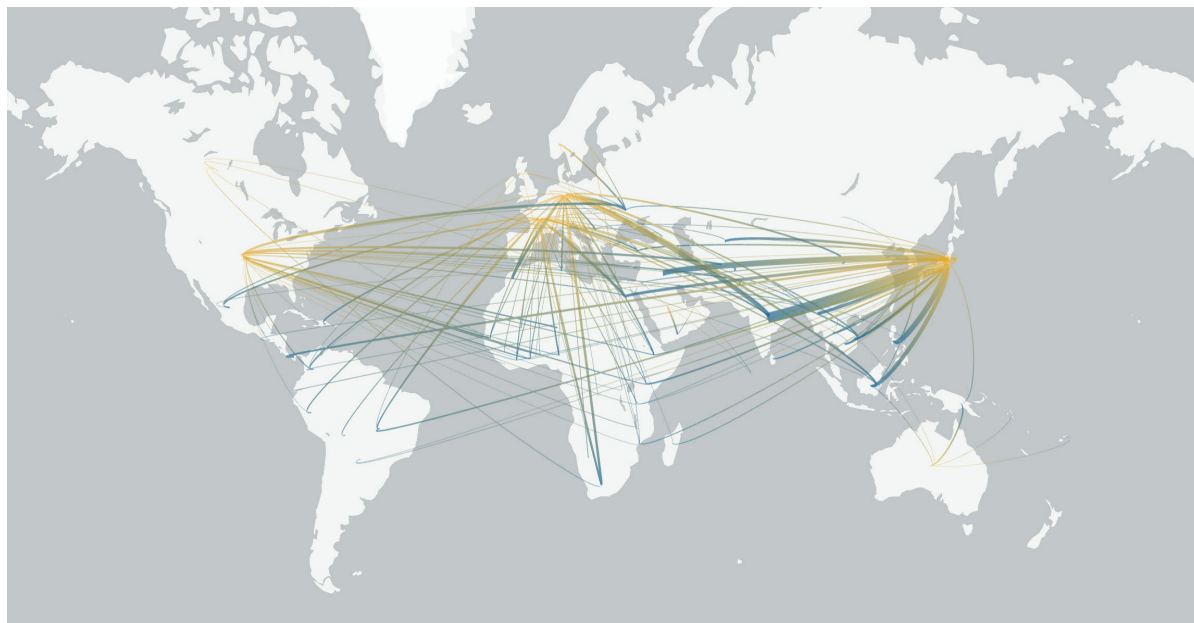
As part of efforts to target and tailor Aid for Trade interventions to local contexts, donors often integrate geographical considerations into programming and implementation. This may take the form of enhanced engagement with economies that are geographically close, linked with value chains in which 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.

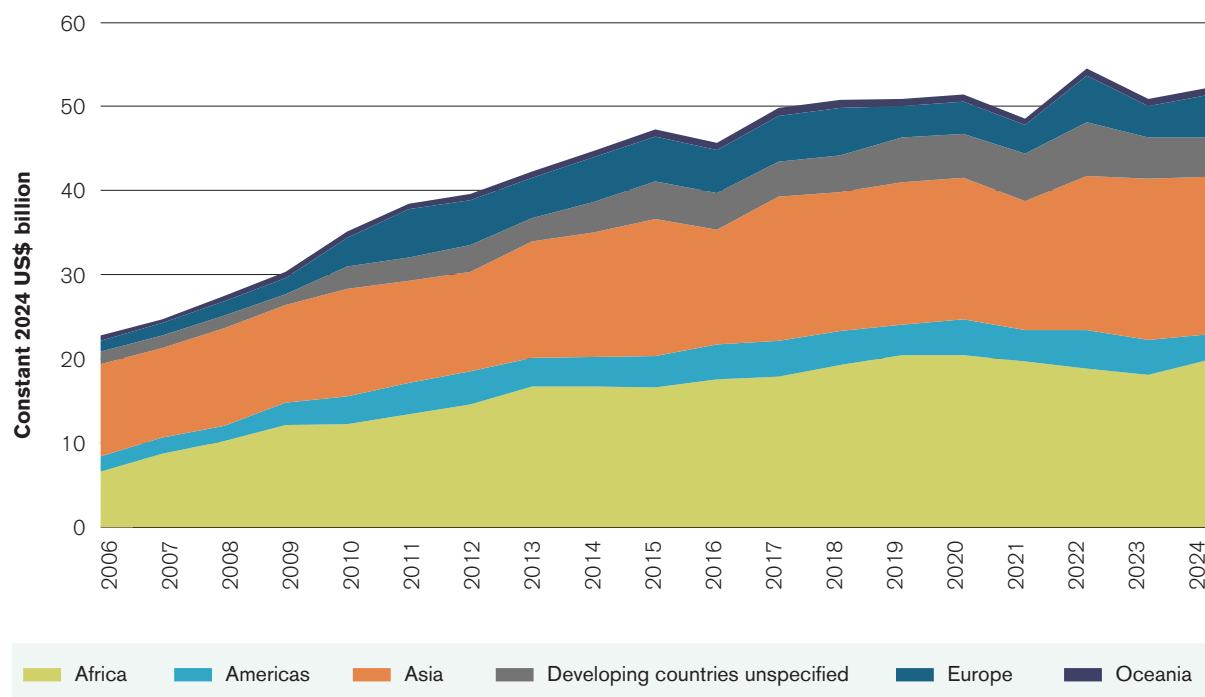
The regional evolution of Aid for Trade reflects a diversity of needs and priorities

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

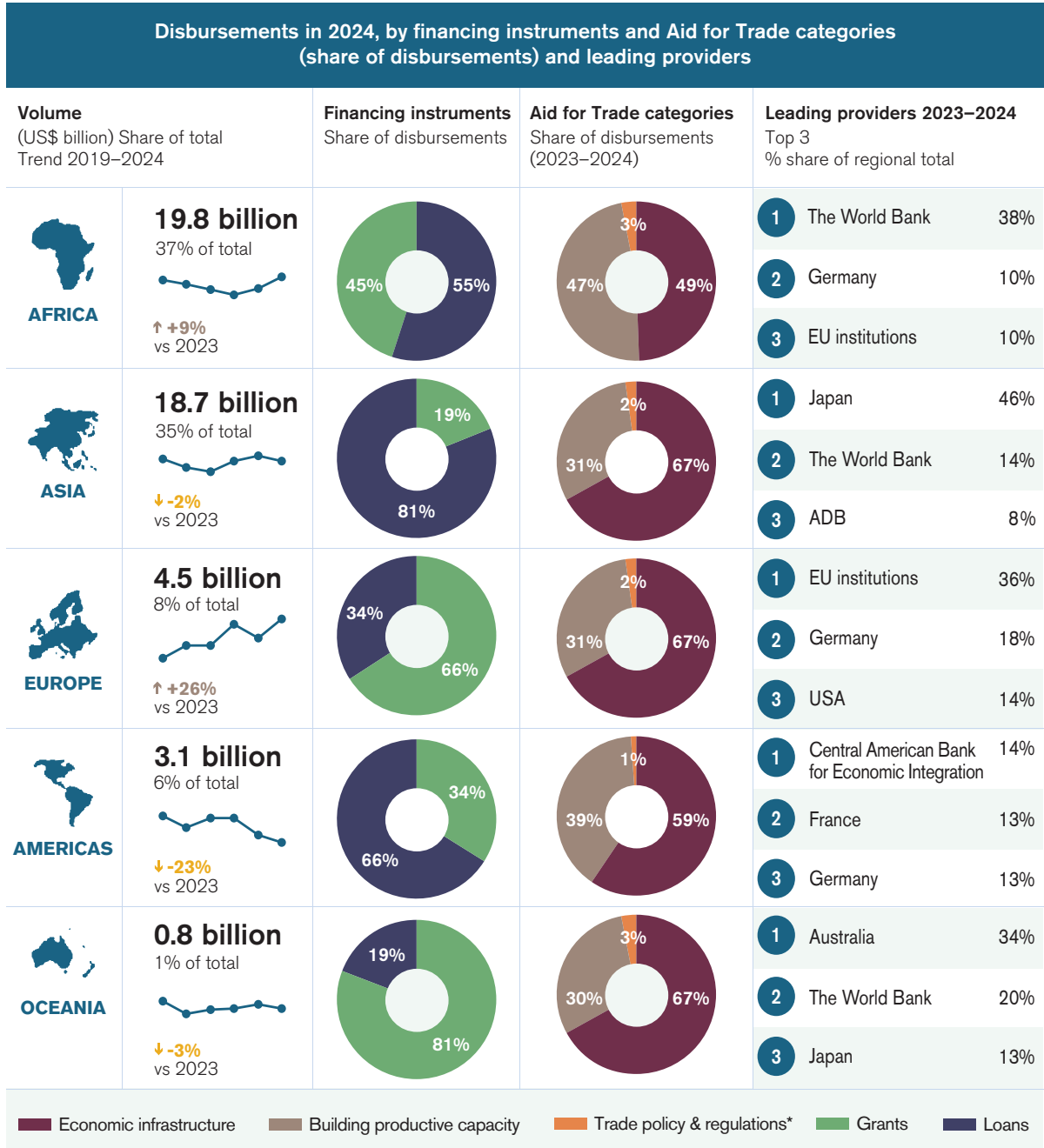
economic infrastructure (67 per cent and 68 per cent, respectively, of disbursements in 2022-2024), while Aid for Trade allocated to Africa, the Americas and Europe is more diversified. Types of financing also differ across regions. In Asia, over 80 per cent of disbursements take the form of concessional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

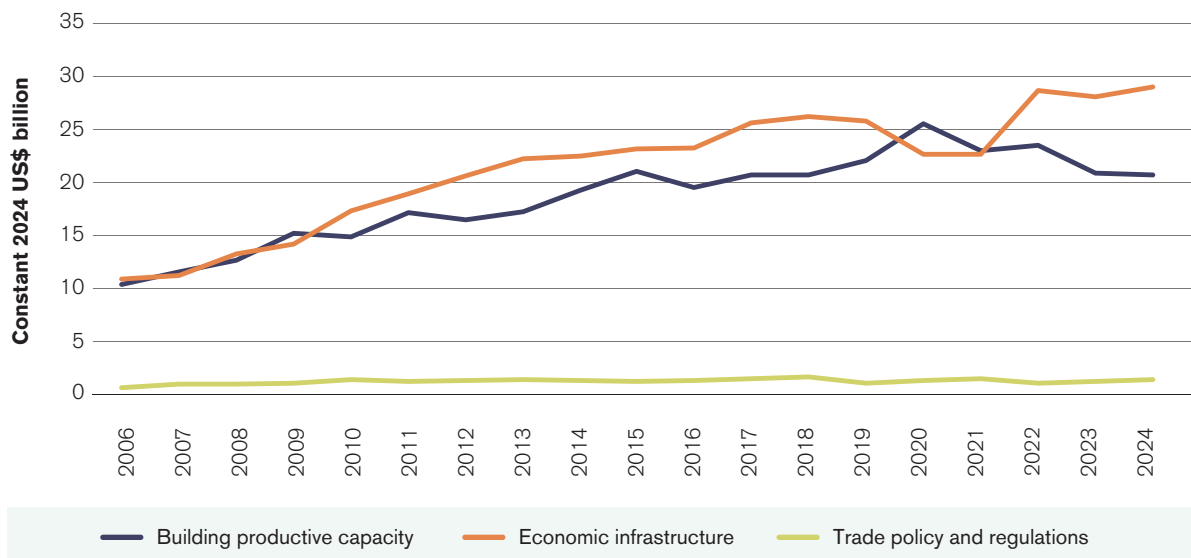
When analysing the distribution of flows across categories, the financing instruments are important to consider. There has been a tendency to finance economic infrastructure projects through loans (68 per cent), while support for trade policies and regulations and productive capacities has more often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

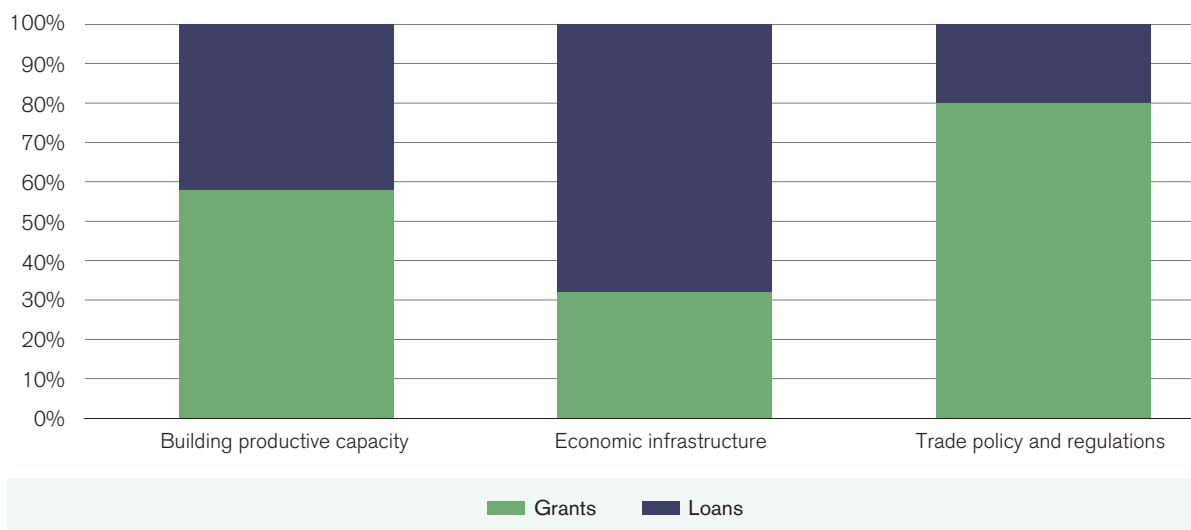
Figure 1.12:
Evolution of disbursements by category, 2006-2024



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.

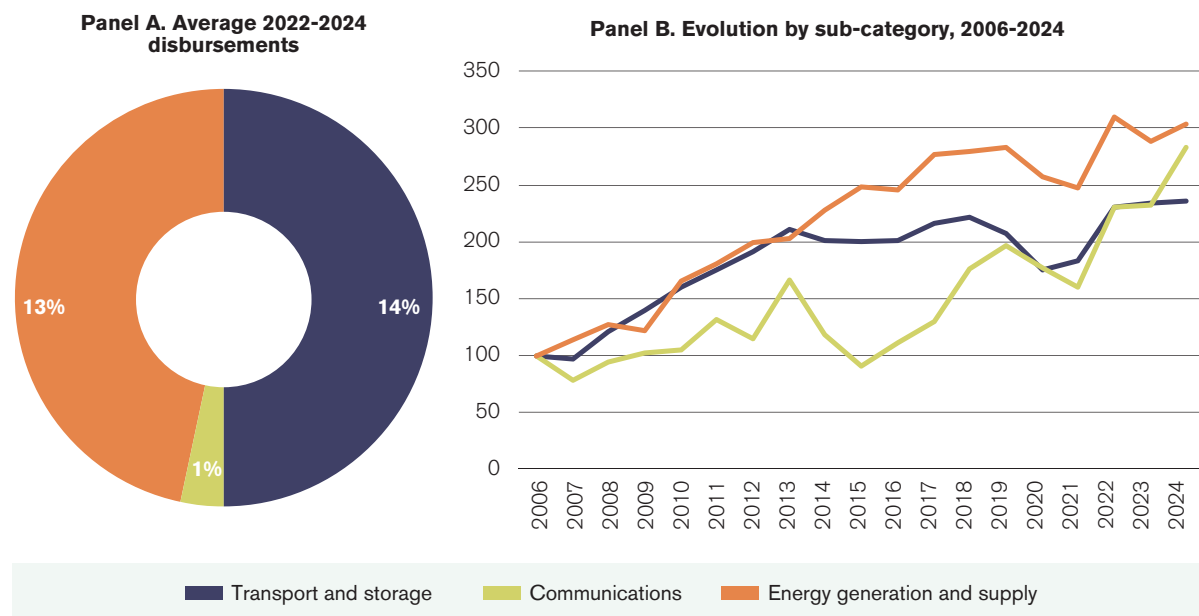
Aid for Trade plays a critical role in narrowing the finance gap for infrastructure

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

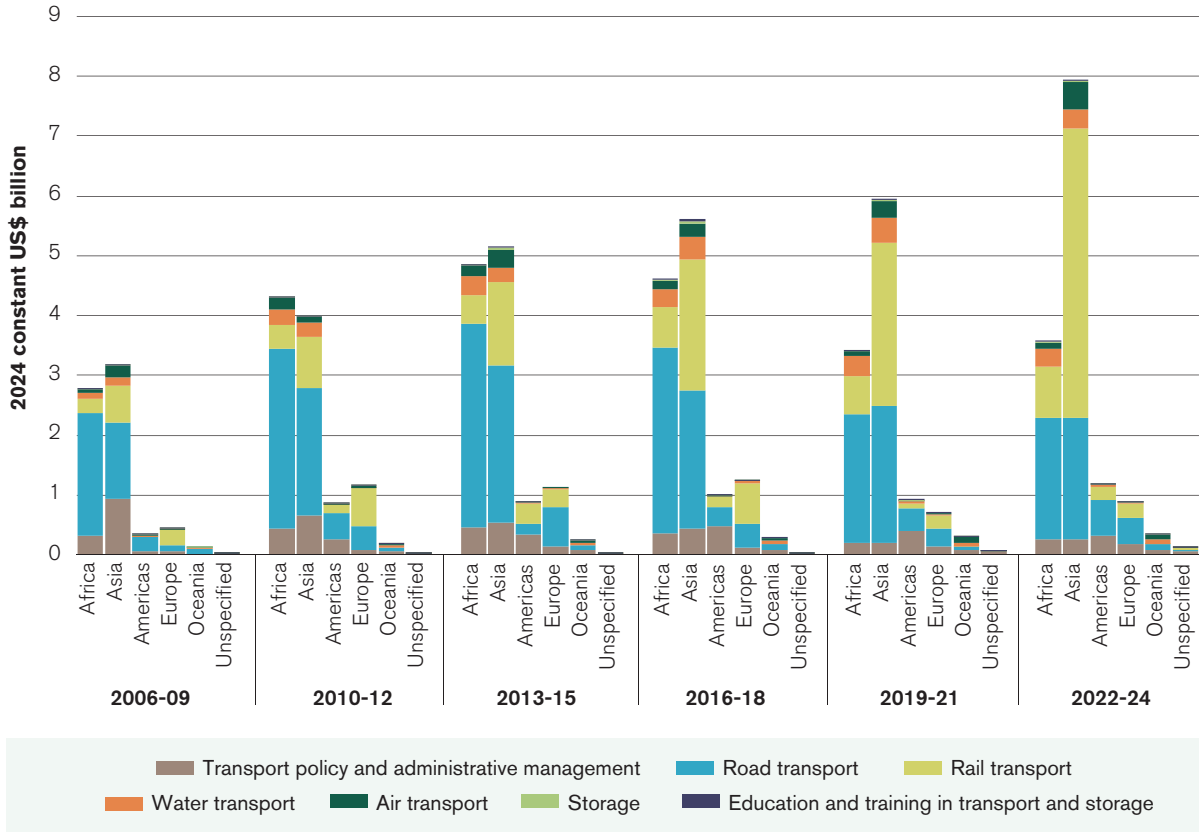
constitute the bulk of infrastructure disbursements, but the growing emphasis on digitalization is visible in the rapid growth of donor funding in the information and communications technology (ICT) sector (see Figure 1.14).

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.

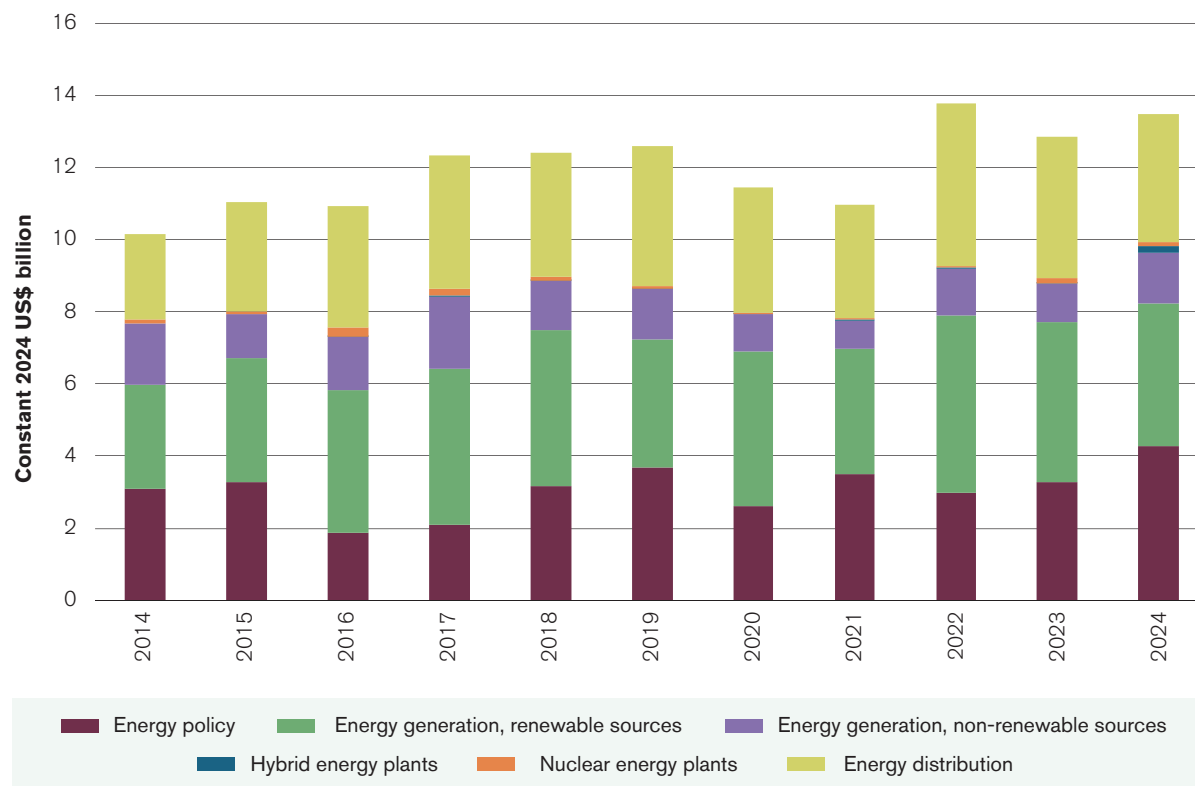
Recent global developments have bolstered support for energy infrastructure

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



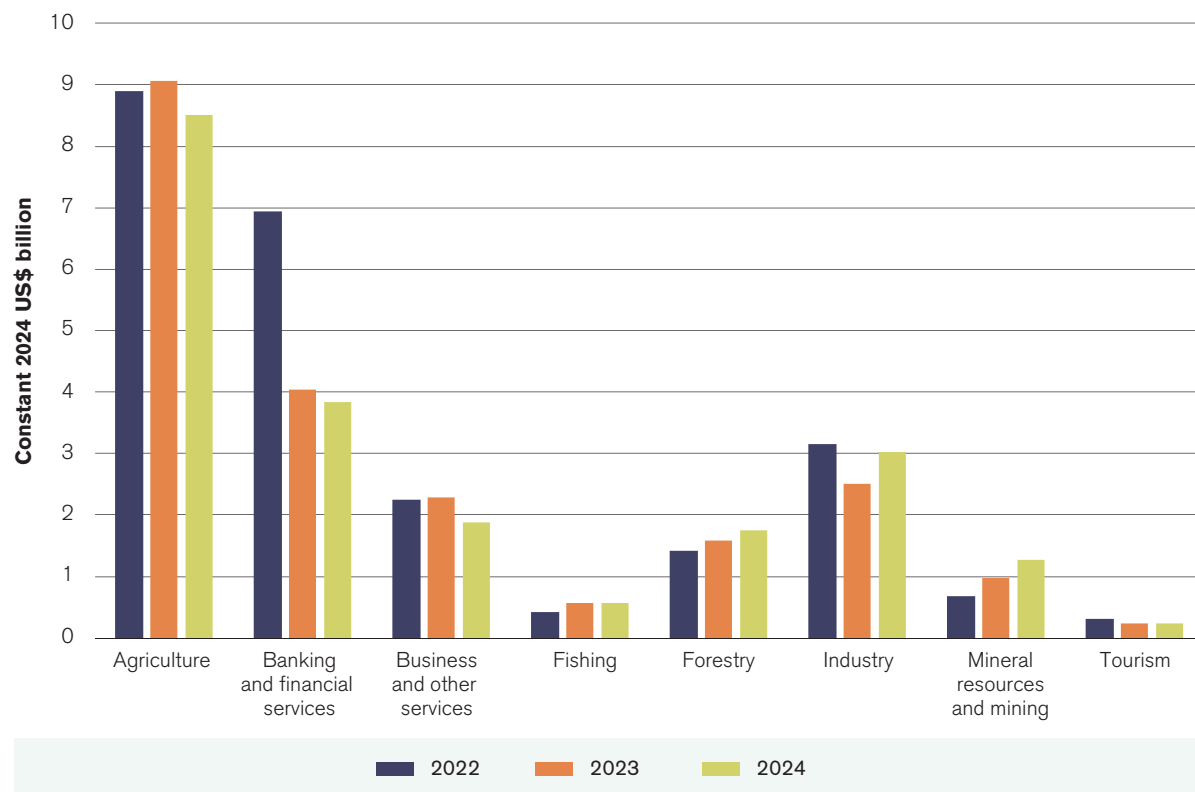
Source: OECD (2026d), Creditor Reporting System (dataset), <https://data.explorer.oecd.org/s/52>, accessed September 2026; OECD (2026e), OECD Aid for Trade Dashboard, <https://www.oecd.org/en/data/dashboards/aid-for-trade.html>, accessed September 2026.

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).

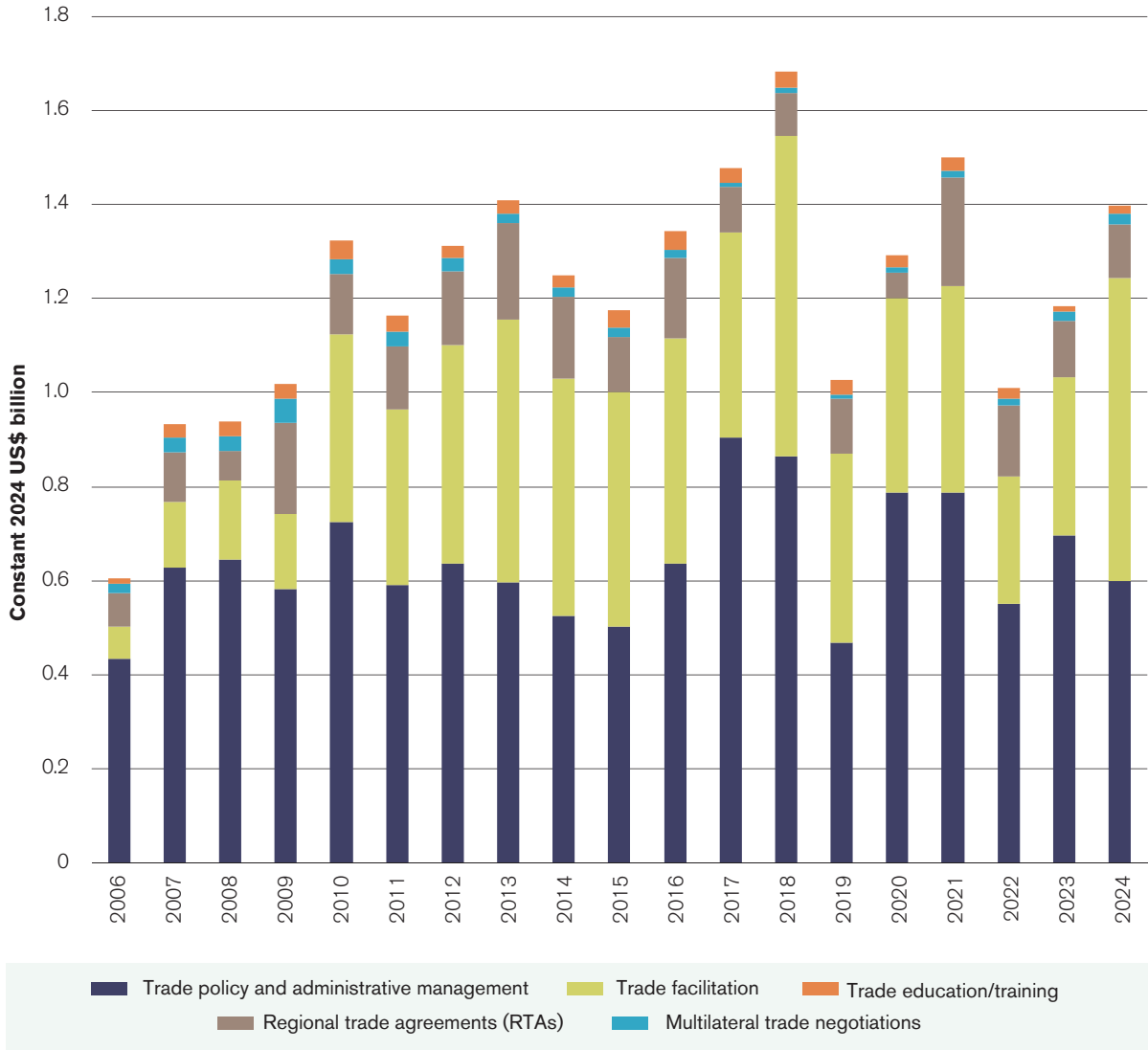
These types of projects, however, tend to be widely dispersed and highly vulnerable to budget cuts. Effectively targeting and delivering support to productive capacities requires long-term engagement, integration into national priorities and complementarities with other trade-related projects and policies.

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://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.

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.

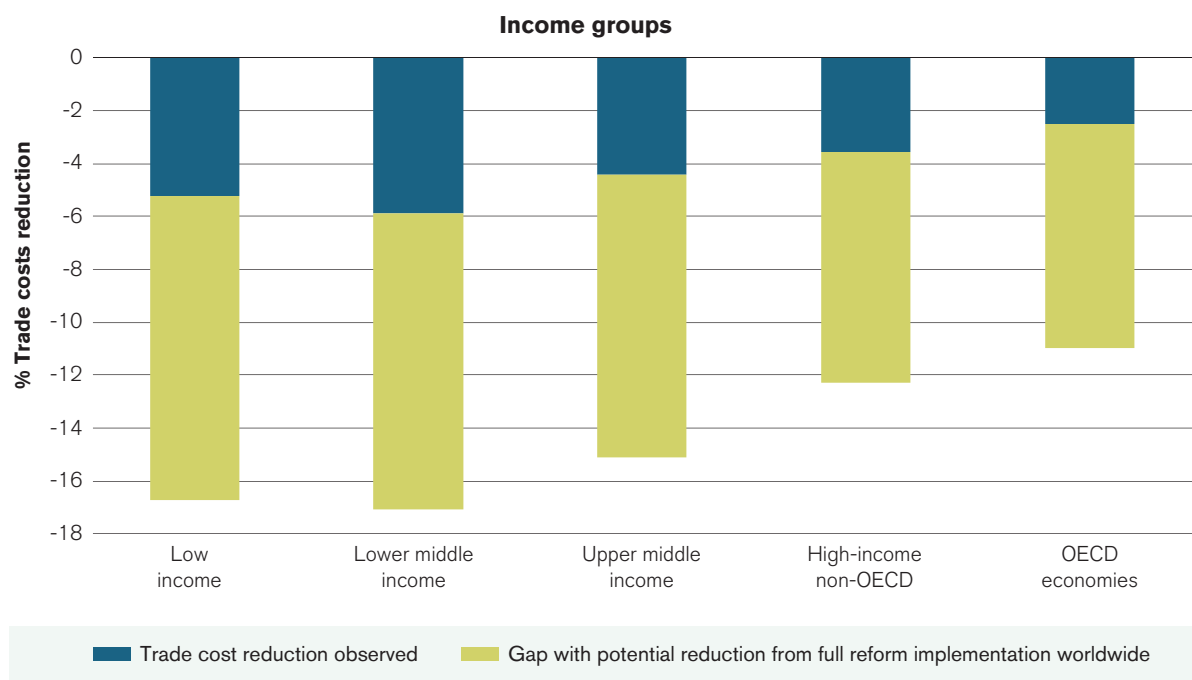
Trade facilitation emerges as a cost-effective, high-impact investment

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,

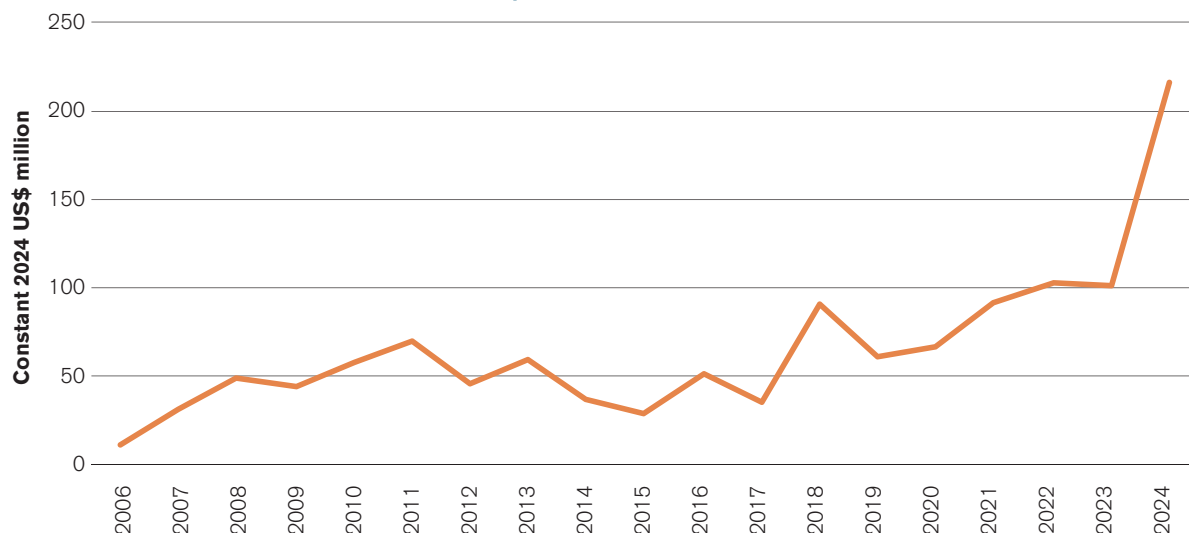
is not easily captured in ODA statistics, recent methodologies developed by the OECD using text-mining methodologies scanning CRS project descriptions, have helped estimate donor support for responsible business conduct projects, which reached around US\$ 216 million in 2024, more than double its 2022 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://dataexplorer.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

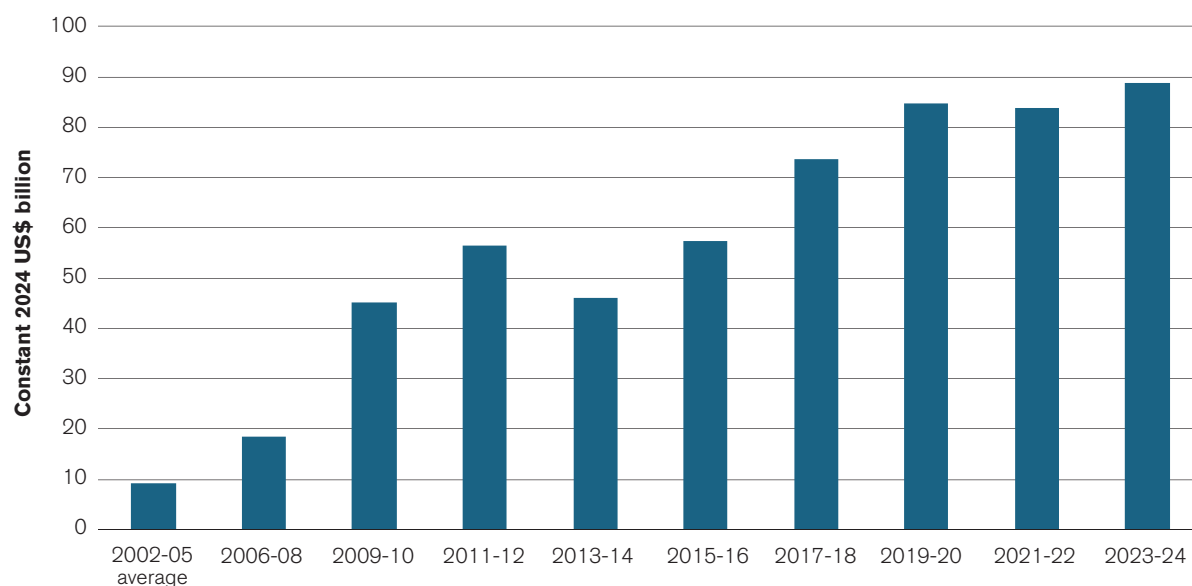
financing, including the distinction between donor and recipient, concessional and non-concessional financing, and developmental and commercial motives. Bringing different objectives, institutional mandates and flows together around shared goals requires clear strategies and appropriate safeguards, underpinned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

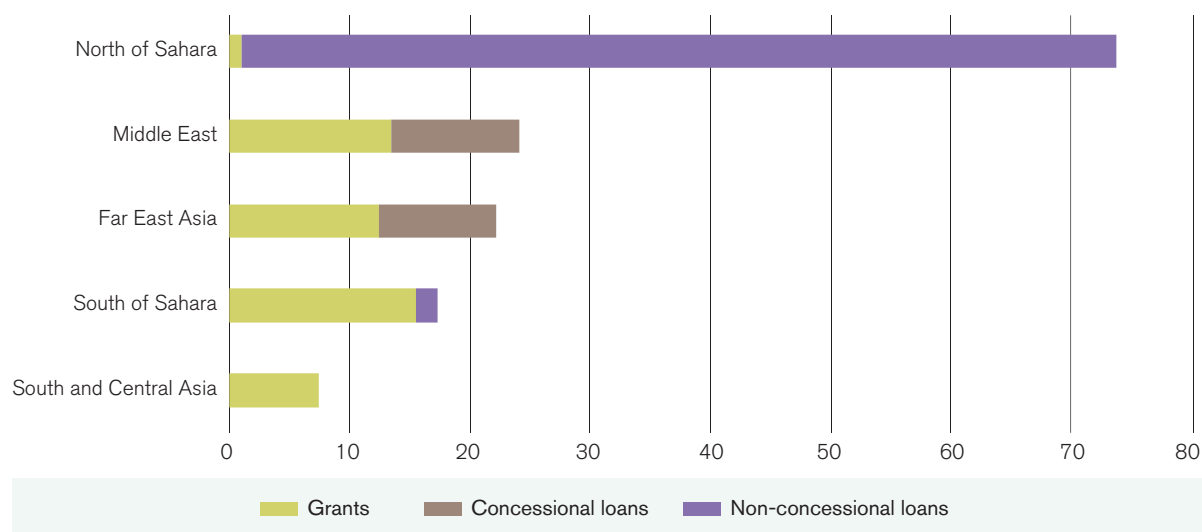
frequent non-financial nature of SSC, differences in granularity of data reported and under-representation of regions and actors. Since 2019, the IFT has been monitoring South-South and triangular cooperation, the latter involving three or more partners taking on beneficiary, pivotal and facilitating 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

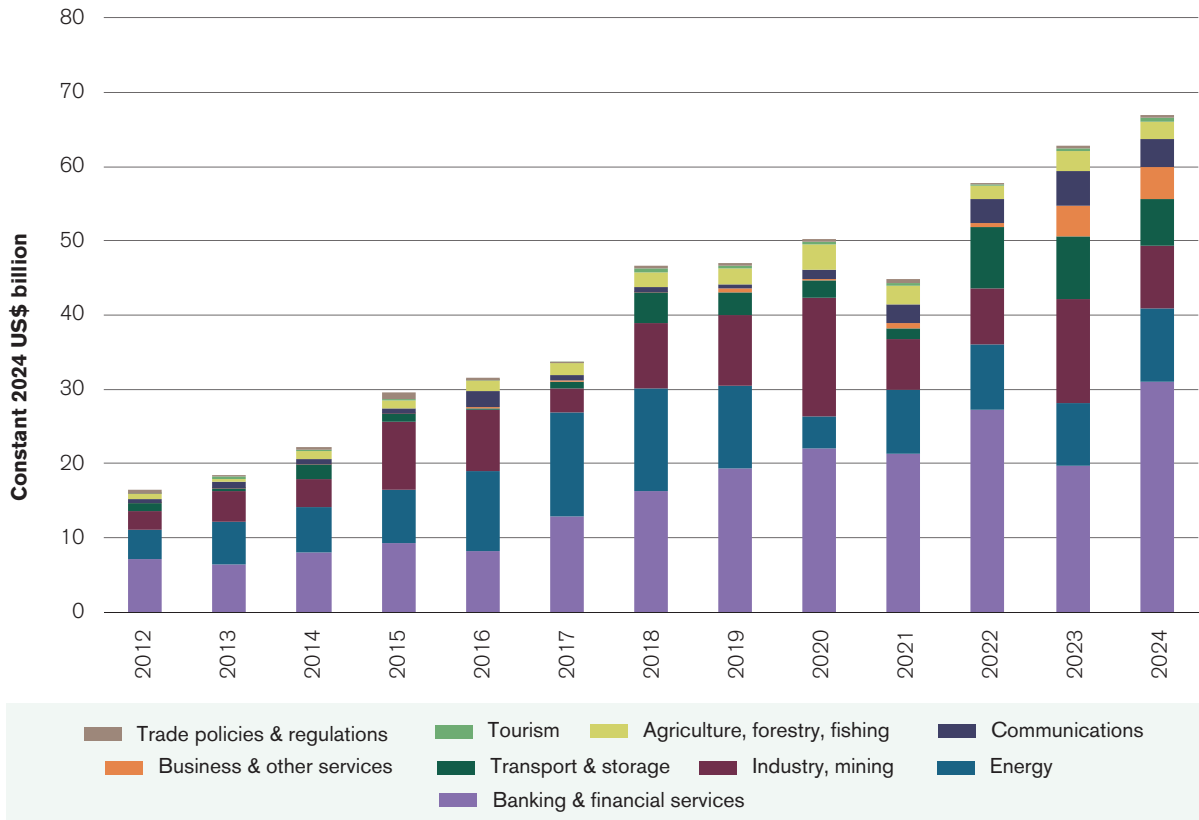
Aid for Trade crystallizes important shifts in trade and development cooperation. As ODA budgets come under pressure and the traditional donor–recipient model evolves, trade is regaining prominence as a development priority that can support self-sustaining growth and deepen economic ties. This is reflected 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.

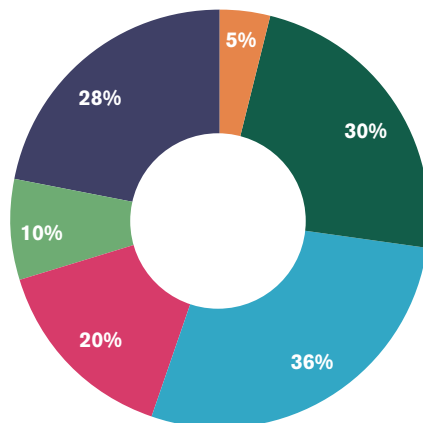
The World Bank Group supports this agenda through a combination of instruments, including co-financing and guarantees, blended public-private approaches, and policy and regulatory reforms that underpin private participation in logistics, ports and trade finance. The International Finance Corporation's 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.

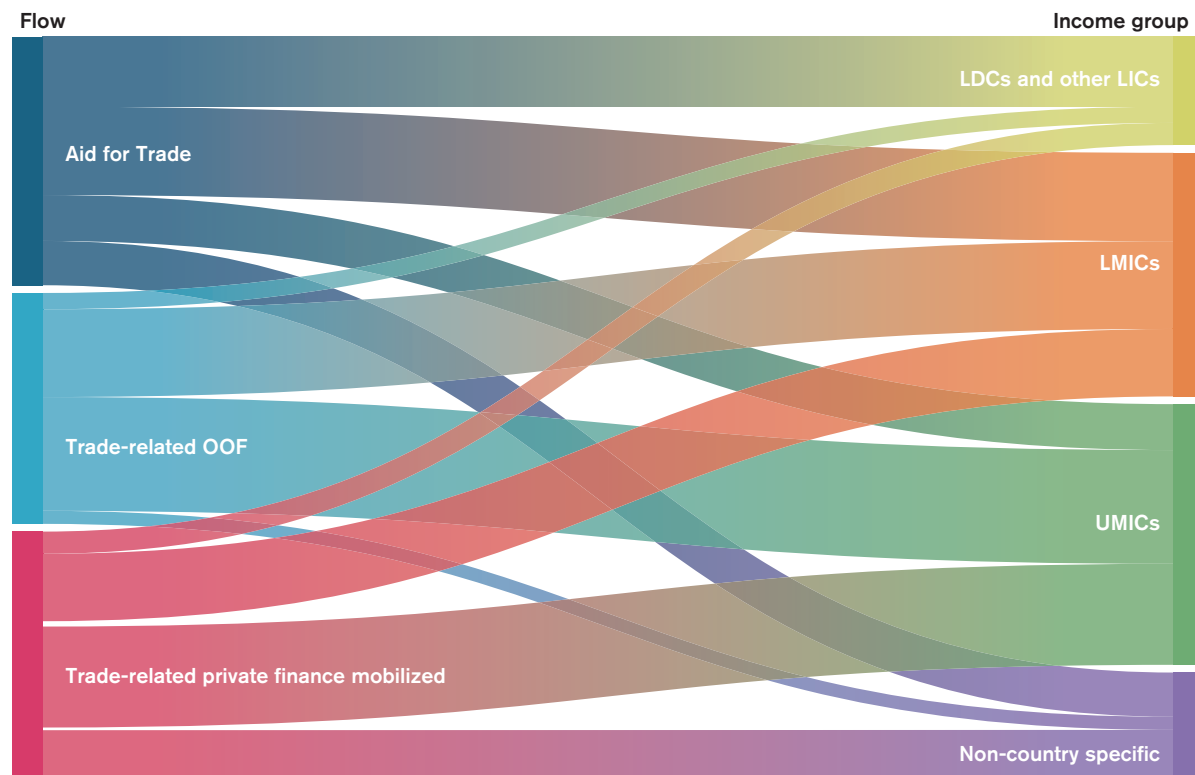
At the same time, lower levels of mobilization do not necessarily imply that mobilizing more private finance is the appropriate response. In some contexts, other forms of finance, including grant-based and highly concessional financing,

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.

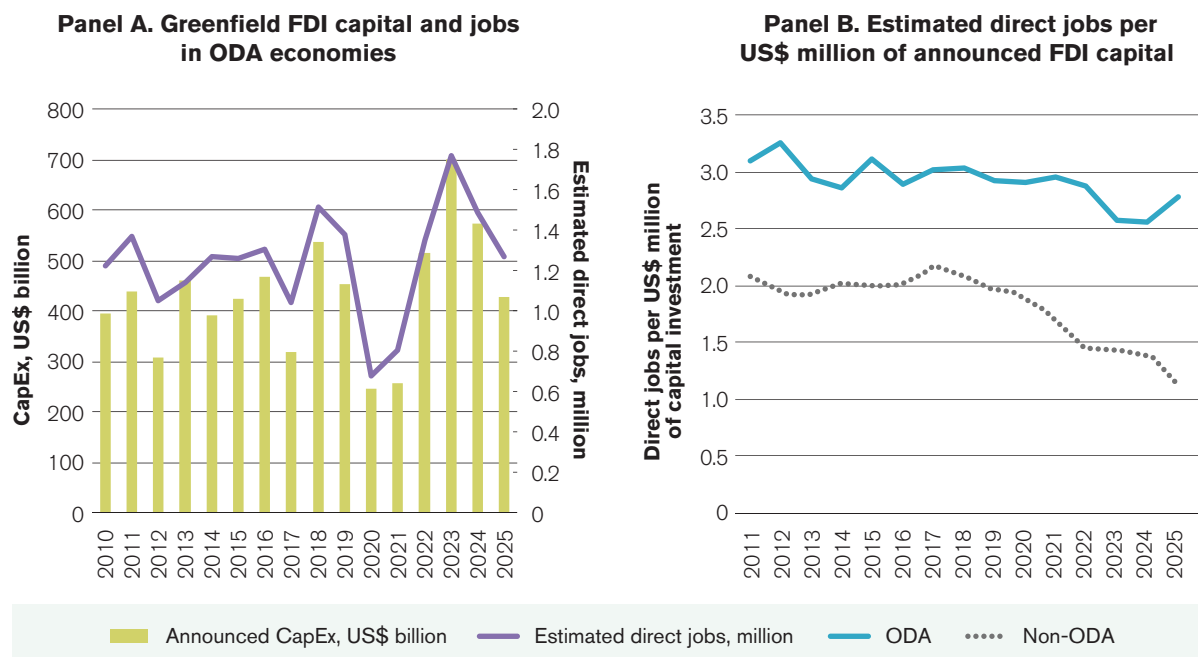
Greenfield FDI – a type of FDI in which a foreign company establishes new operations from scratch in another country, rather than acquiring or investing in an existing local company – is an important source of finance in trade-related sectors, although this resource has been under pressure as developing 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>.



Seasonal agricultural workers.

Chapter 2

**Twenty years of increasing
integration of developing
economies into global trade**

Evolution of trade in developing economies

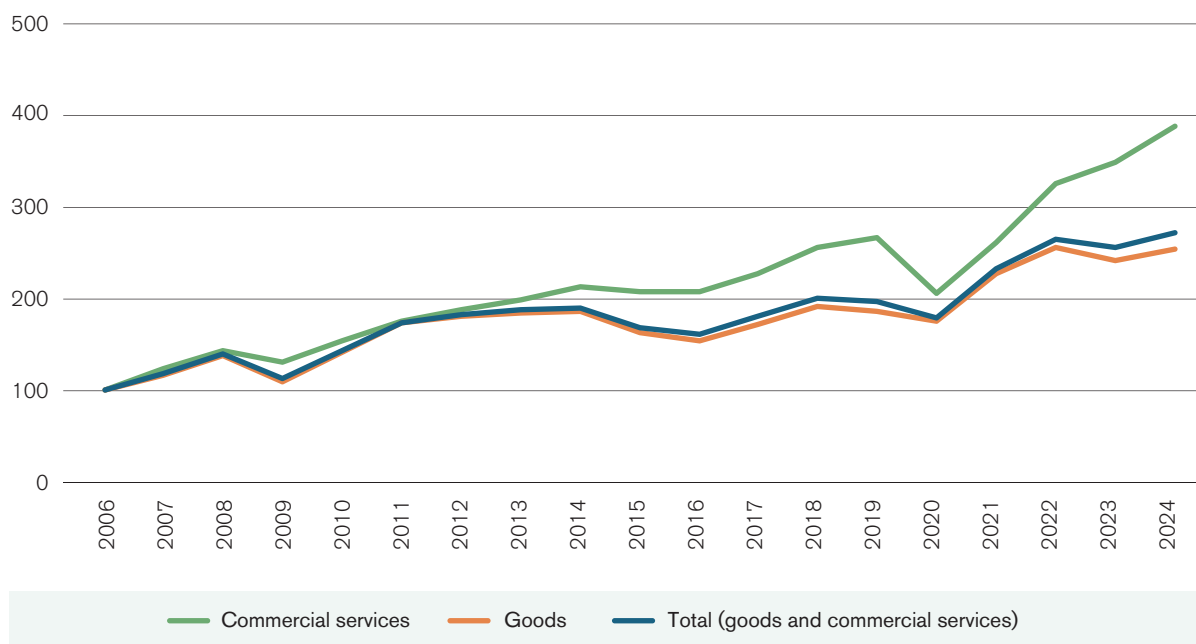
Over the past two decades, growth in trade and in gross domestic product (GDP) have followed a similar trajectory. This long-term trend suggests a positive correlation between trade and economic growth, with expanding trade contributing to rising living standards across many developing economies (see [Box 2.1](#)). Between 2006 and 2024, exports of goods and services from

developing economies increased at an average annual rate of 5.7 per cent, exceeding total world exports (+4.5 per cent) (see [Figure 2.1](#)). Commercial services exports from developing economies grew much faster than merchandise exports (7.8 per cent vs 5.3 per cent), outpacing the global average (6.2 per cent and 4.0 per cent, respectively) (see [Table 2.1](#)).

Figure 2.1:

Evolution of exports of goods and commercial services from developing economies, 2006–2024

Index 2006 = 100



Source: WTO-UNCTAD estimates.

Table 2.1:**Trends in exports of goods and commercial services from developing economies, 2006–2024**

US\$ million and percentages; balance of payments/BPM6

	Value (US\$ million)		Annual percentage change (%)					
	2006	2024	2020	2021	2022	2023	2024	2006–2024
Exports								
Total goods and commercial services	5,377,519	14,662,064	-8.6	29.1	14.1	-3.4	6.5	5.7
Goods	4,641,337	11,804,964	-5	29	12	-6	5	5.3
Commercial services	736,182	2,857,100	-23.1	27.2	24.5	7.4	11.1	7.8
Imports								
Total goods and commercial services	4,982,098	13,946,355	-11	29	14	-3	5	5.9
Goods	4,120,280	11,065,016	-8	31	12	-6	5	5.6
Commercial services	861,818	2,881,339	-22	19	20	11	8	6.9

Source: WTO-UNCTAD estimates.

Note: BPM6 = Balance of payments and International Investment Position Manual, 6th edition.

Box 2.1:**Trade and growth: 20 years of progress**

The early 2000s were characterized by trade growth exceeding GDP growth, reflecting rapid globalization and deepening global value chains (see [Figure 2.2](#)). This pattern was interrupted by two major shocks: the global financial crisis in 2009 and the COVID-19 pandemic in 2020, when trade contracted more sharply than GDP. Trade sharply rebounded in 2010 following the financial stabilization. Thereafter, trade growth moderated for nearly a decade. The rebound from the COVID-19 pandemic, in 2021, was largely fuelled by pent-up demand and fiscal stimulus. In 2025, the annual trade growth rate reached 5 per cent higher than the GDP growth of 3 per cent.

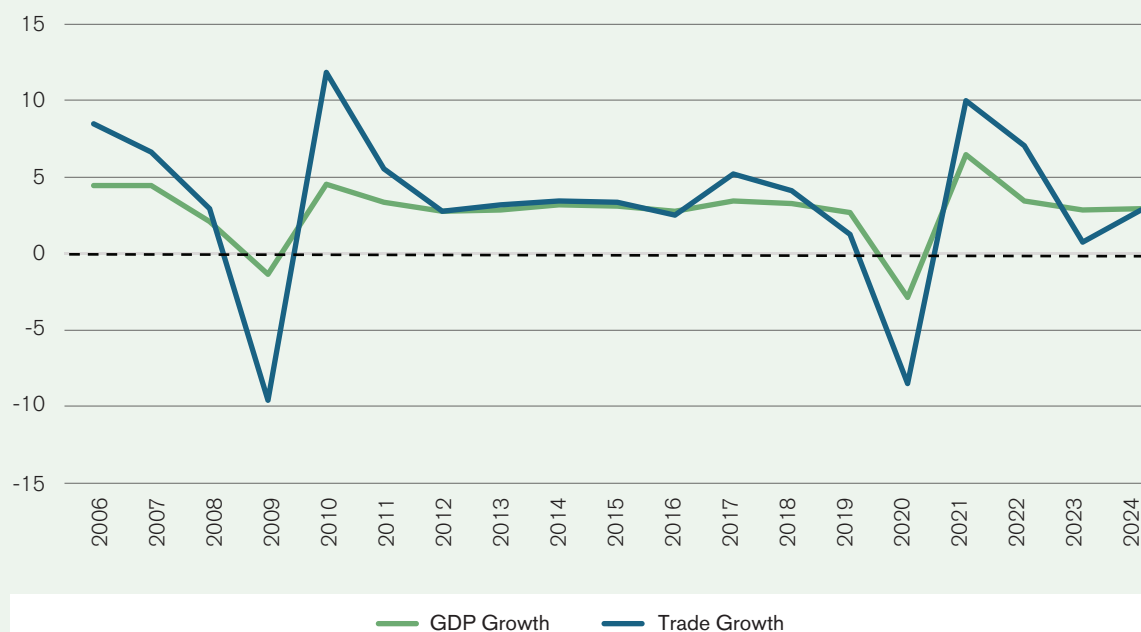
Despite sharp fluctuations experienced by many developing economies, trade remains a central component of global economic activity. In 2024, world trade, measured as exports plus imports of goods and services, represented around 57 per cent of global GDP, according to World Bank data. This highlights the importance of trade integration as part of the global growth process: trade can

enable countries to access larger markets, specialize, achieve economies of scale and benefit from the diffusion of technology and knowledge. Through these channels, trade can support productivity, employment and income growth.

The above broad trends mask an uneven trade growth experienced by many developing economies, including least-developed countries (LDCs). For these economies, the ability to turn trade opportunities into inclusive growth depends on productive capacity, reliable infrastructure, access to finance, skills and institutions. This is where Aid for Trade remains central: by helping countries address supply-side constraints, boost trade capacity and build resilience, it can strengthen the link between trade, growth and poverty reduction. It should be noted that over the last 20 years the world has witnessed a substantial reduction in extreme poverty, with the global poverty headcount ratio falling from 28.3 per cent in 2005 to 10.4 per cent in 2024 (World Bank, 2025).

Source: Arnaud Mabillard and Roberta Allport, WTO Secretariat.

Figure 2.2:
World trade and GDP growth, 2006–2024



Source: World Development Indicators (2026).

Note: Trade growth refers to exports of goods and services, annual per cent growth.

Trends in merchandise trade

Global merchandise trade has expanded substantially over the past two decades, providing new opportunities for developing economies and LDCs to play a bigger role in world trade. The extent to which economies have been able to translate this expansion into sustained market participation and export diversification varies markedly across income groups.

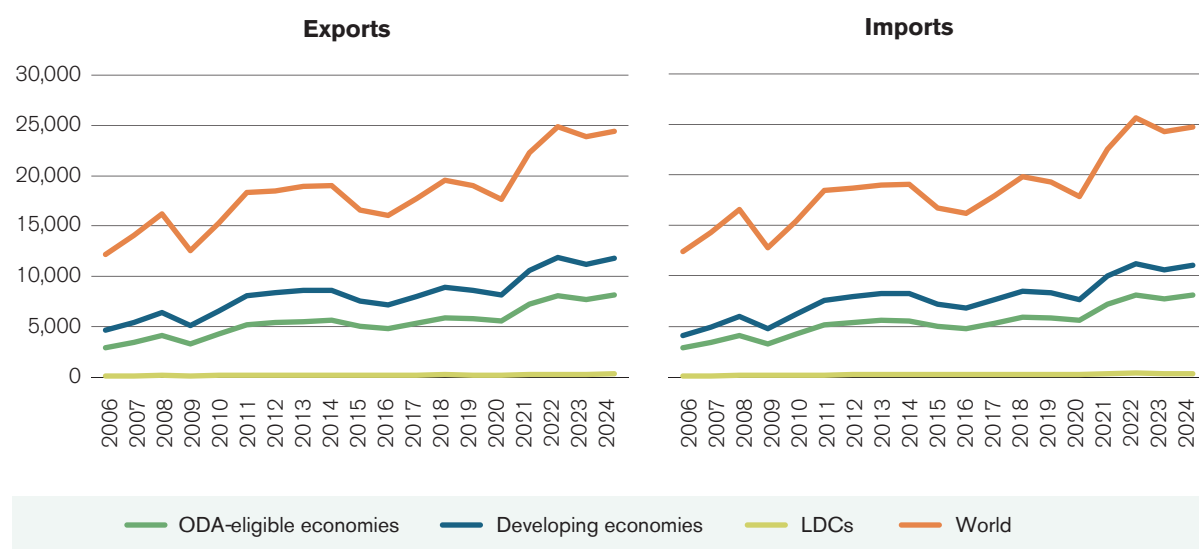
Exports of merchandise goods from developing economies¹ more than doubled between 2006 and 2024, rising from US\$ 4.6 trillion to US\$ 11.8 trillion, and growing at an average annual rate of around 5.3 per cent, above the global average of approximately 4 per cent (see [Figure 2.3](#)). Over the same period, world merchandise exports increased from US\$ 12.1 trillion to US\$ 24.6 trillion, with pronounced contractions

during the global financial crisis and the COVID-19 pandemic. Within developing economies, merchandise exports from developing economies eligible for official development assistance (ODA) grew on average 5.9 per cent per year, from US\$ 2.9 trillion in 2006 to US\$ 8.1 trillion in 2024.²

Merchandise imports followed a similar long-term upward trajectory. Imports by developing economies more than doubled between 2006 and 2024, rising from US\$ 4.1 trillion to around US\$ 11.1 trillion, broadly in line with export growth and reflecting deeper integration into global markets. Merchandise imports of ODA-eligible developing economies expanded from US\$ 2.7 trillion in 2006 to US\$ 7.7 trillion in 2024.

Figure 2.3:
Exports and imports of merchandise trade in developing economies, 2006–2024

US\$ billion



Source: WTO Secretariat calculations based on WTO-UNCTAD estimates.

LDCs also recorded strong long-term growth, with merchandise exports nearly tripling over the period, from US\$ 95 billion to US\$ 277 billion, though from a low base and with continued vulnerability to external crises. Imports by LDCs also expanded steadily, from just under US\$ 100 billion in 2006 to around US\$ 344 billion in 2024, highlighting rising demand for consumer, capital and intermediate goods, albeit alongside continued exposure to external crises and trade imbalances.

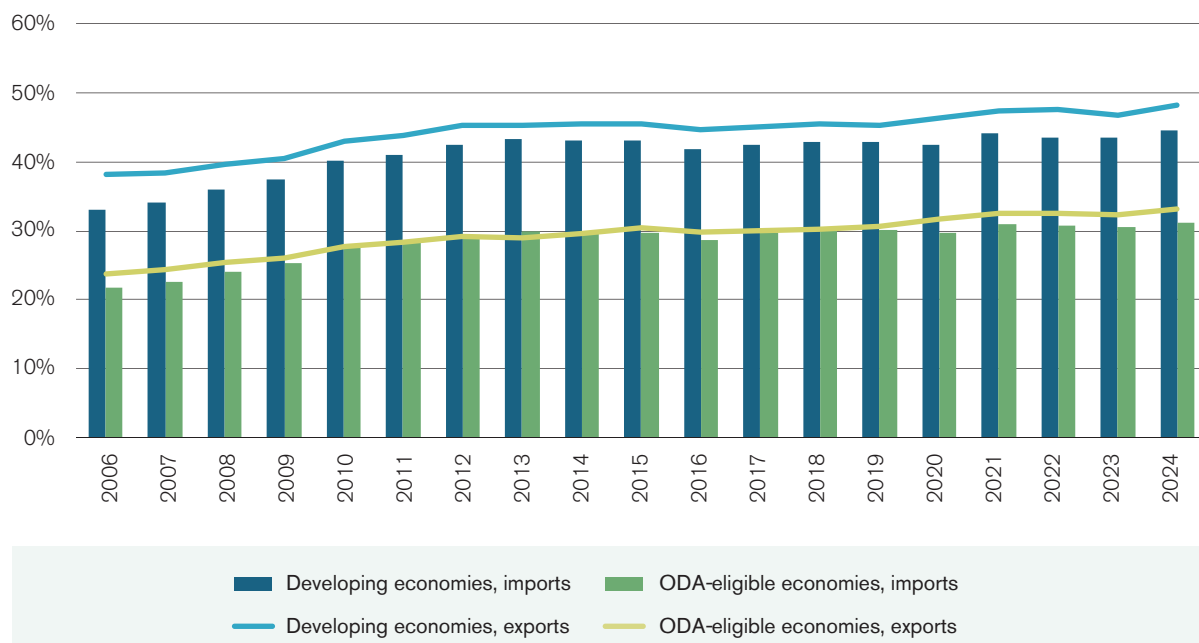
As indicated above, developing economies have steadily increased their share of world merchandise trade over the past two decades, with exports rising from around 38 per cent in 2006 to just over 48 per cent in 2024, and imports following a similar upward trajectory from 33.2 per cent in 2006 to 44.6 per cent

in 2024 (see [Figure 2.4](#)). ODA-eligible economies increased their share of world merchandise exports from 23.7 per cent in 2006 to 33.2 per cent, with imports rising from 21.7 per cent in 2006 to 31.1 per cent in 2024.

Within this broader expansion, the participation of LDCs in world trade has increased only marginally. LDC exports rose from around 0.8 per cent of global merchandise exports in 2006 to approximately one per cent in 2024, while imports increased from around 0.8 per cent to 1.4 per cent over the same period (see [Figure 2.5](#)). This highlights that, although LDCs have benefited from the overall growth in developing-economy trade, their relative integration into global markets remains limited, with gains occurring gradually and from a very low base.

Figure 2.4:

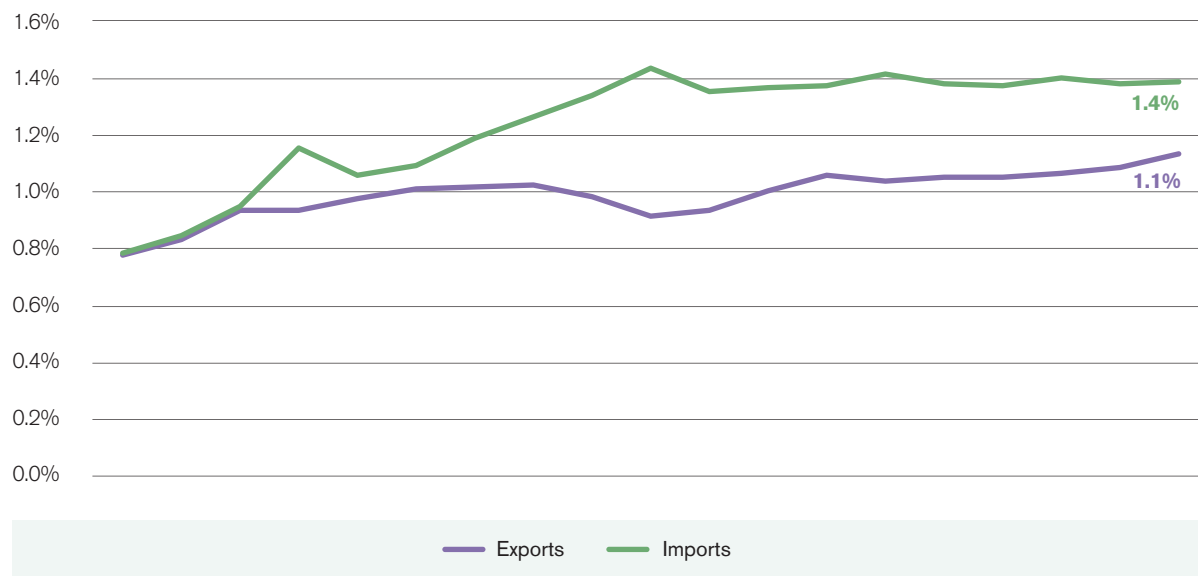
Share of exports and imports of developing economies in global merchandise trade, 2006–2024
Percentage share



Source: WTO Secretariat calculations based on WTO-UNCTAD estimates.

Figure 2.5:
Share of LDCs' exports and imports in global merchandise trade, 2006–2024

Percentage share



Source: WTO Secretariat calculations based on WTO-UNCTAD estimates.

Between 2006 and 2024, merchandise exports from developing economies became more strongly oriented towards manufactured goods (see [Figure 2.6](#)). In 2006, these goods already dominated developing-economy exports, accounting for around 64 per cent of total merchandise exports, with fuels and mining products at 29 per cent, and agricultural products at 7 per cent. By 2024, the share of manufactured goods increased further to around 70 per cent, while fuels and mining products declined to roughly 20 per cent and agricultural products rose modestly to around 10 per cent.

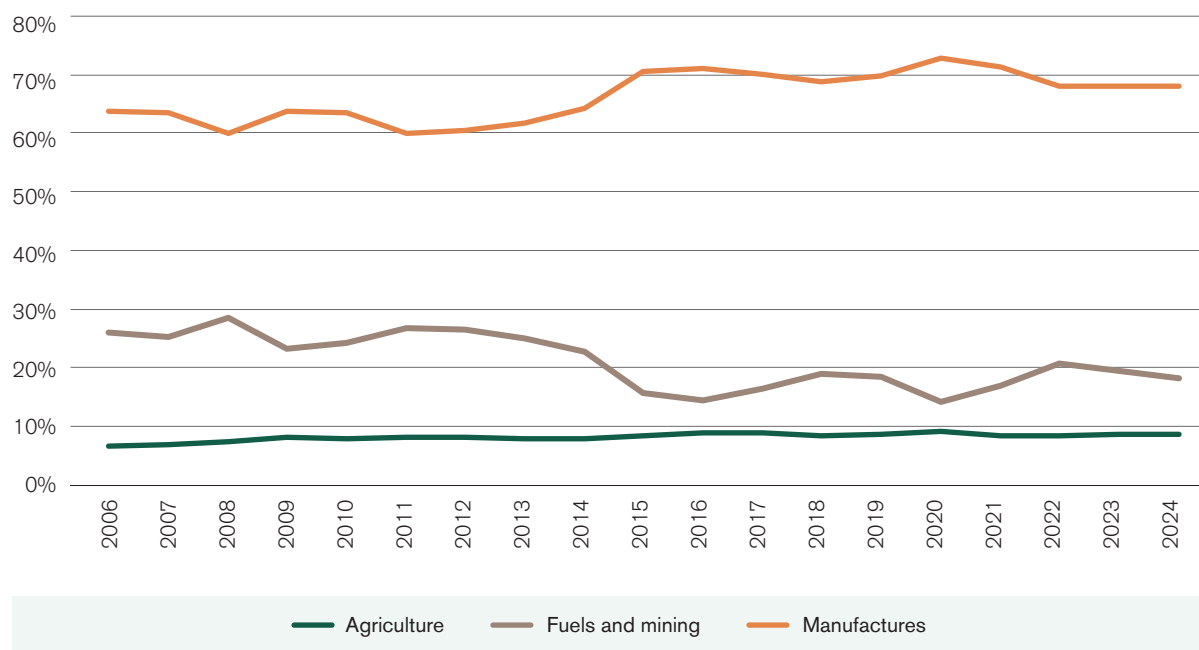
Since global trade is evolving rapidly, including through technological activities, many manufacturing activities are becoming capital-intensive, and many developing

economies are yet to see significant growth in manufacturing exports (Rodrik, 2024).

Between 2006 and 2024, merchandise exports from LDCs saw a gradual rise of manufactured goods in the overall share of LDC exports, and a shift away from fuels and mining products (see [Figure 2.7](#)). In 2006, exports were heavily concentrated in fuels and mining products, which accounted for roughly two-thirds of total merchandise exports, while manufactured goods represented around one-quarter and agricultural products a much smaller share. By 2024, the export structure appears more balanced: the share of fuels and mining products had declined markedly, while manufactured goods had expanded substantially and agricultural products had increased their relative importance.

Figure 2.6:
Structure of merchandise exports from developing economies, 2006–2024

Percentage share



Source: WTO Secretariat calculations based on WTO-UNCTAD estimates.

Note: The sectoral structure of merchandise exports is compiled using country-level product data. A small number of exporters are excluded where product-level disaggregation is unavailable or incomplete. These exclusions account for a negligible share of total developing-economy merchandise exports and do not affect the qualitative patterns shown.

Export-weighted sectoral shares reinforce this trend.³ When sectoral exports are aggregated across economies and weighted by total merchandise exports, fuels and mining products fall from 47 per cent in 2006 to 41 per cent in 2024; meanwhile manufactured goods rise from 45 per cent to 46 per cent and agricultural products increase from 8 per cent to 13 per cent, indicating a gradual but important broadening of LDC exports. Overall, the evidence suggests modest progress towards a more diversified export base, alongside the continued prominence of commodity-based exports in several LDCs.

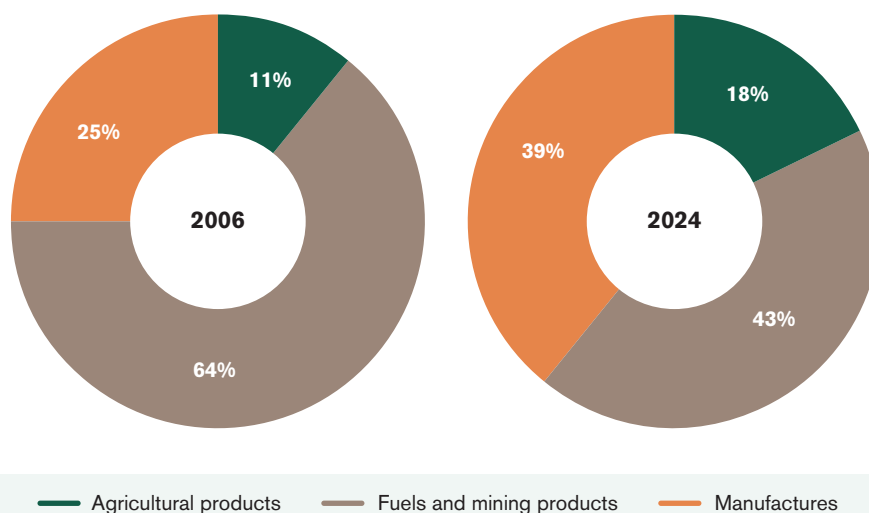
On a more granular level, merchandise exports from LDCs are highly concentrated in a small number of

large exporters, with different economies dominating different sectors. Fuels and mining exports are led by a handful of resource-rich economies, most notably Angola in the mid-2000s and, by 2024, the Democratic Republic of the Congo and Zambia, reflecting the growing importance of mineral exports within the fuels and mining sector.

Manufactured exports are even more concentrated among a few LDCs. The dominant share in LDC manufacturing exports is held by Bangladesh, followed by Cambodia and Myanmar. Most of these manufacturing exports continue to be driven by textiles and clothing products. This also reinforces the difficulty faced by LDCs in making a breakthrough in other manufacturing sectors.

Figure 2.7:
Structure of merchandise exports from LDCs, 2006 and 2024

Percentage share



Source: WTO Secretariat calculations based on WTO-UNCTAD estimates.

Notes: This figure covers economies classified as LDCs during the period of analysis, including those that have subsequently graduated from LDC status. The cohort-based approach is used to assess changes in export structure over time and does not reflect the current LDC category.

In 2006, sectoral disaggregation is missing for several LDCs, predominantly small exporters. Two larger exporters (the Democratic Republic of the Congo and Myanmar) report total merchandise exports but lack sectoral detail in the early years, reflecting reporting constraints rather than trade structure. As a result, early-period sectoral shares should be interpreted with caution, particularly for fuels and mining products.

Agricultural exports are comparatively less concentrated, with several African LDCs including Ethiopia, Malawi, Mali, Tanzania and Uganda making meaningful contributions. This concentration means that aggregate LDC export patterns are strongly influenced by the performance of a small number of large exporters.

Across regions, the evolution of merchandise exports between 2006 and 2024 shows markedly different trajectories (see [Figure 2.8](#)). Developing Asia recorded the strongest and most sustained expansion, with exports rising from about US\$ 2.5 trillion in 2006 to US\$ 7.3 trillion in 2024. The Middle East and Latin America and the Caribbean saw a

modest increase, with exports rising from about US\$ 660 billion to around US\$ 1.46 trillion in 2024 and from US\$ 694 billion to 1.46 trillion, respectively. Exports from Africa and Developing Europe remained at lower levels, with exports rising from US\$ 359 billion to US\$ 627 billion and from US\$ 139 billion to US\$ 359 billion, respectively. All regions experienced a decline in exports during the global financial crisis of 2008-09 and the COVID-19 pandemic, followed by a strong recovery.

Regional import patterns between 2006 and 2024 broadly mirror developments on the export side, with important differences in scale and volatility. Developing Asia accounted for the

largest share of developing-economy imports, rising from around US\$ 2.3 trillion in 2006 to nearly US\$ 6.6 trillion in 2024, reflecting a strong demand for intermediate and capital goods.

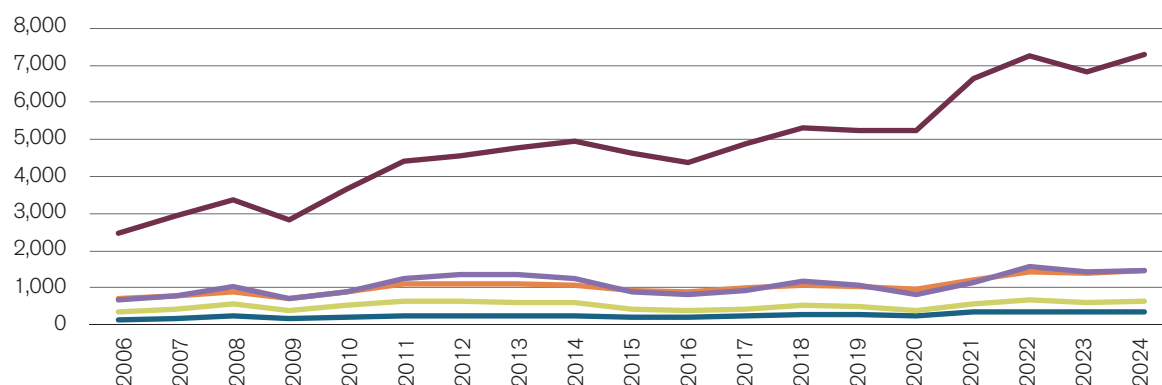
Latin America and the Caribbean and the Middle East were the second- and third-largest importers, recording imports of around US\$ 1.5 trillion and US\$ 1.2 trillion in 2024,

up from US\$ 631 billion and US\$ 374 billion respectively in 2006. Africa's imports increased from US\$ 302 billion to US\$ 727 billion while Developing Europe saw imports rise from US\$ 216 billion to US\$ 508 billion. While all regions recorded a strong post-pandemic rebound, import growth was particularly notable in the Middle East, reflecting strong domestic demand and investment activity.

Figure 2.8:
Regional trends in merchandise trade exports and imports, 2006–2024

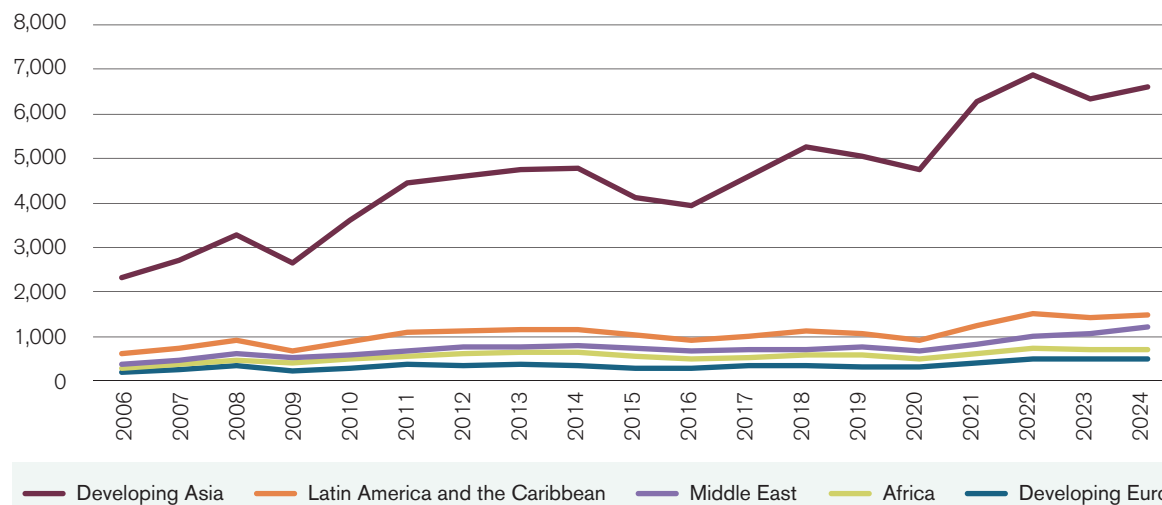
Evolution of merchandise exports by region, 2006–2024

US\$ billion



Evolution of merchandise imports by region, 2006–2024

US\$ billion



Source: WTO Secretariat calculations based on WTO-UNCTAD estimates.

Between 2006 and 2024, merchandise exports from developing economies became markedly more concentrated among the largest exporters, with China strengthening its dominant position – its share of world exports rising from 8.0 per cent to 14.6 per cent and its share of

developing-economy exports from about one-fifth to nearly one-third.⁴ Among ODA-eligible economies, while several leading exporters (such as China, Mexico and Brazil) remained among the top exporters, India and Viet Nam increased their prominence.⁵

Trade trends in small economies

Small, vulnerable economies (SVEs)⁶ have maintained a relatively stable share of global trade over the past two decades.

Their contribution to world exports have remained between 0.7 and 0.8 per cent and their import share has hovered around 1.0 to 1.1 per cent from 2006 to 2024.

While the share of developing economies as a whole in global trade has increased steadily over the same period, the position of SVEs has remained relatively unchanged. This contrast underscores the structural constraints affecting SVEs' participation in global markets.

The sectoral composition of merchandise exports remains concentrated in three main categories – manufactured goods, fuels and mining products, and agricultural goods – though their relative importance has shifted over time (see [Figure 2.9](#)).

In 2006, manufactured goods accounted for the largest share of exports (approximately 45 per cent), followed by fuels and mining products (around 34 per cent) and agricultural products (21 per cent). By 2024, this structure had become more balanced between the top two sectors,

with fuels and mining products rising to roughly 37 per cent of total exports, slightly overtaking manufactured goods (around 33 per cent), while agricultural products maintained a relatively stable share at around 30 per cent.

The increasing prominence of fuels and mining products is evident despite periods of volatility, particularly around global commodity cycles. In contrast, the declining share of manufactured goods suggests limited structural transformation towards higher value-added production.

Overall, the data point to a gradual reorientation towards resource-based exports, with implications for export concentration and exposure to commodity price fluctuations.

Services trade for SVEs has generally trended upward over the past two decades: exports rose from around US\$ 38 billion in 2005 to nearly US\$ 105 billion in 2024, while imports increased from US\$ 23 billion to around US\$ 76 billion over the same period; these figures indicate steady long-term growth with the exception of a sharp dip in 2020 at the time of the COVID-19 pandemic, followed by a strong post-pandemic rebound.

Furthermore, services as a share of total trade for SVEs has generally trended upward over time, with services exports rising from around one-third of total exports in the mid-2000s to roughly 35 per cent in 2024. When examining the growth of digitally delivered services, SVE service exports increased from US\$ 5.98 billion in 2005 (0.58 per cent of the global share) to US\$ 19.7 billion in 2025 (0.37 per cent of the world total), indicating approximately 229 per cent growth in this period, paired, however, with a declining global share.

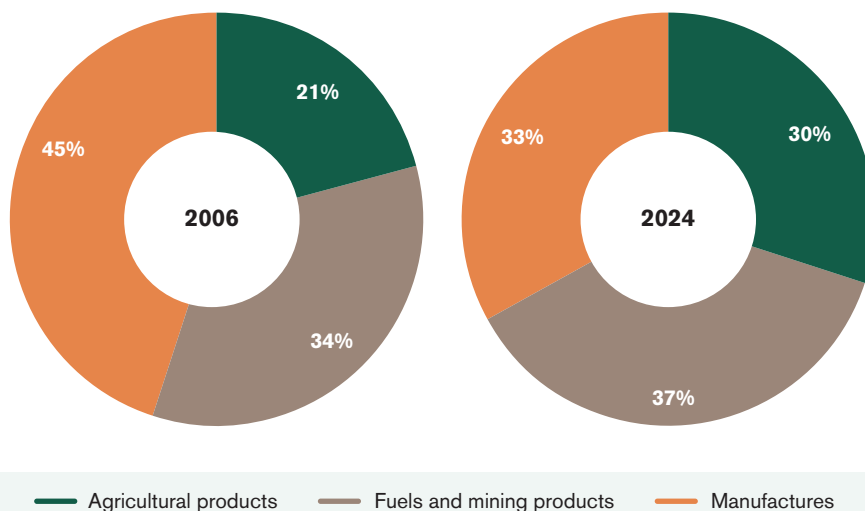
The composition of these exports has also shifted over time. In 2005, exports were relatively evenly distributed across other

business, personal, cultural and recreation services, and telecommunications services (23-30 per cent); by 2025 they were dominated by other business services (44.4 per cent) and financial services (21.3 per cent), alongside a notable rise in computer services. This evolution reflects a structural move towards more knowledge-intensive and commercially oriented activities.

Services imports have increased more gradually, rising from around 17-18 per cent of total imports in the mid-2000s to just over 21 per cent in 2024, indicating a steady but modest deepening integration into global services trade.

Figure 2.9:
Structure of merchandise exports from small, vulnerable economies (SVEs),
2006 and 2024

Percentage share



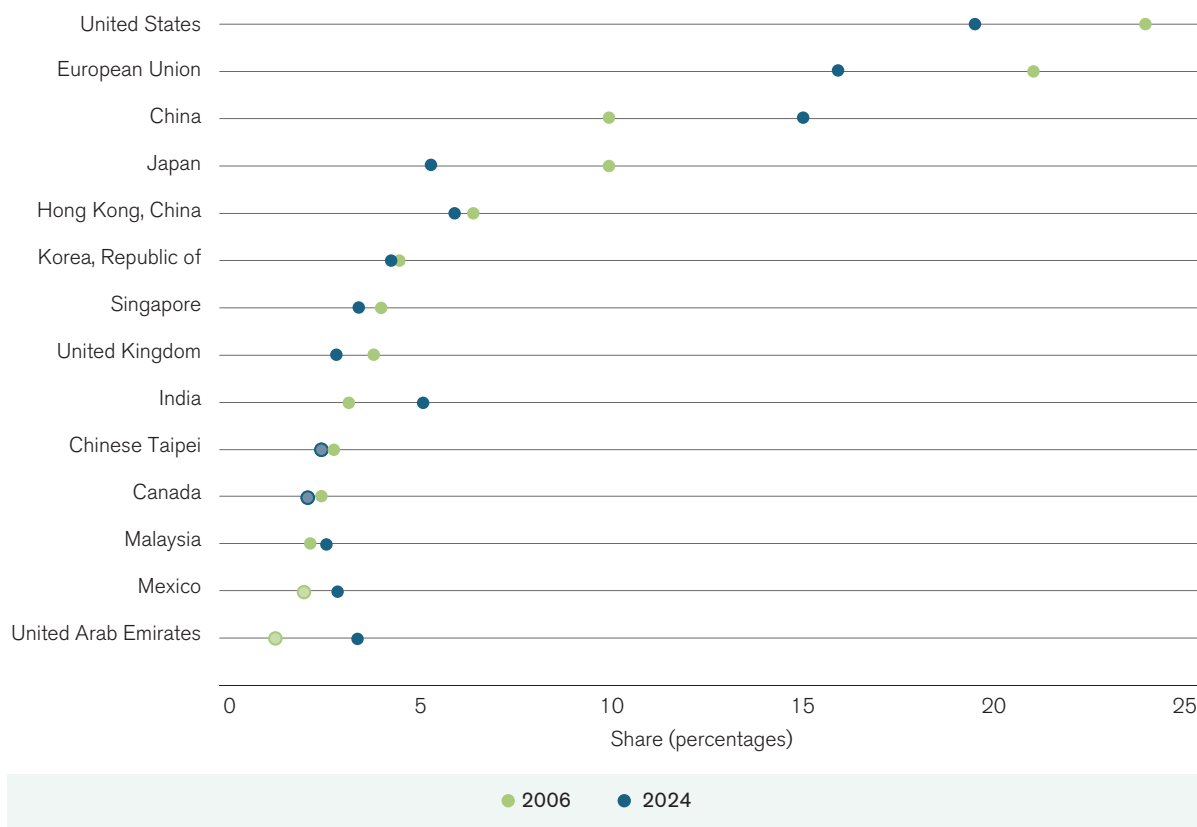
Source: WTO Secretariat calculations based on WTO-UNCTAD estimates.

Export markets

Over the past two decades, developing-economy exports have shifted towards other developing markets, underscoring the deepening of South-South trade (see [Figure 2.10](#)). The share of developing economy exports absorbed by other developing economies rose from around 52.5 per cent in 2006 to nearly 60.8 per cent in 2024, while the share going to developed economies declined correspondingly (see [Figure 2.11](#)).

In 2024, a quarter of LDC exports went to China, followed by the European Union (17 per cent), the United Arab Emirates (12 per cent), the United States (9 per cent) and India (7 per cent). In 2006, the top three destinations of merchandise exports from LDCs were the United States, the European Union and China. In 2024, five key markets accounted for 70 per cent of total LDC exports. China has become the top destination for LDC exports since 2019.⁷

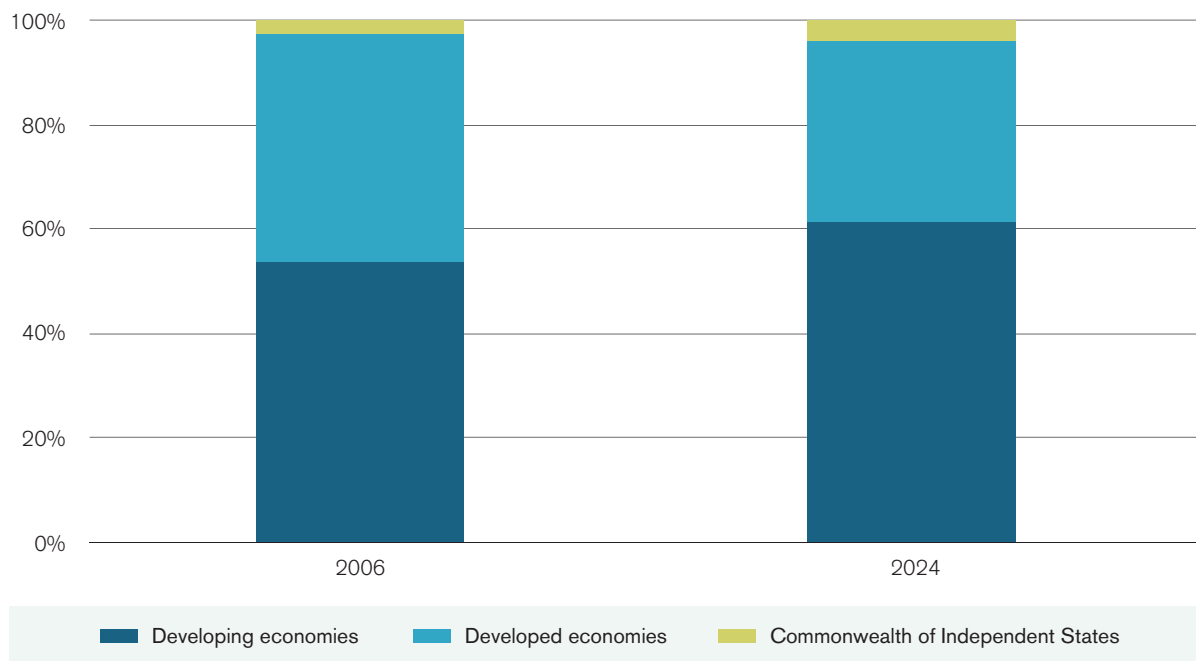
Figure 2.10:
Top markets for developing-economy merchandise exports, 2006 and 2024



Source: WTO Analytical Database.

Note: The figure includes economies appearing in either the 2006 or 2024 top 12 destination lists. Chinese Taipei and Canada ranked outside the top 12 in 2024 (14th and 16th, respectively). The United Arab Emirates and Mexico were not in the top 12 in 2006.

Figure 2.11:
Share of developing-economy exports by destination group, 2006 and 2024



Source: WTO Analytical Database.

While developing economies have increased their share of world trade, and ODA-eligible economies have also registered positive growth, their exports remain concentrated among a few economies, and most developing economies export a narrow range of products. The 2025 note by the WTO Secretariat, “Participation of developing economies in the

global trading system”, confirms the need for greater efforts towards diversification.⁸

LDC exports exhibit limited economic diversification. Within the LDC Group, Cambodia has made the most progress (see Box 2.2). While some degree of diversification has taken place, structural changes in the export profiles of LDCs have not come about.

Box 2.2:
Cambodia: Improving workforce skills, transforming textiles sector

As Cambodia prepares for graduation from LDC status, it is focusing on economic diversification.

After decades of reforms, Cambodia has met all three United Nations criteria for graduation from LDC status – income per capita, human assets and economic resilience – twice, in 2021 and in 2024. This achievement earned Cambodia a recommendation for graduation

at the UN Committee for Development Policy's 2024 Triennial Review. "The government is now seeking a five-year preparatory period, aiming for a smooth and sustainable transition by 2029," said WTO Ambassador Prasith Suon of Cambodia.

Cambodia's growth has been powered by exports – especially garments, travel goods, bicycles, and agricultural products such as rice and cashew nuts – but this success has also created vulnerabilities. "Our economy remains highly concentrated," Ambassador Suon notes. "Heavy reliance on agriculture and labour-intensive manufacturing exposes us to external shocks."

"Graduation will bring new pressures", said Ambassador Suon. Preferential market access that helped Cambodian exports compete globally will be gradually phased out. "After graduation, Cambodian exports of garments, travel goods and bicycles will face higher tariffs, stricter rules of origin and greater market competition," he added.

That is why Cambodia is actively negotiating new free trade agreements and exploring alternative preferential trading schemes to expand market access, said Ambassador Suon. At the same time, Cambodia is investing in its most valuable long-term asset: its people. "Through technical and vocational education and training, the aim is to empower 1.5 million young people in Cambodia to acquire new skills across 10 priority sectors, ranging from hairdressing to graphic design," he added.

Since 2022, Cambodia has been working to reshape its travel goods and apparel sectors into environmentally sustainable, resilient industries with higher value added – a shift designed to boost competitiveness while supporting climate and sustainability goals, noted Ambassador Suon.

"As the country approaches graduation, it continues to rely on support from its development partners during the transition, including in making the most of trade preferences, expanding its export base, reaching new markets and upskilling its people to boost productivity," he concluded.

Source: LDC success stories on WTO website, https://www.wto.org/english/tratop_e/devel_e/a4t_e/cssta4t-cambodia0_e.htm

Trends in commercial services trade

Exports of commercial services from developing economies quadrupled between 2006 and 2024, rising from US\$ 736.2 billion to US\$ 2.86 trillion and growing at an average annual rate of 7.8 per cent, outpacing the global average of 6.2 per cent (see [Figure 2.12](#)). Over the same period, imports

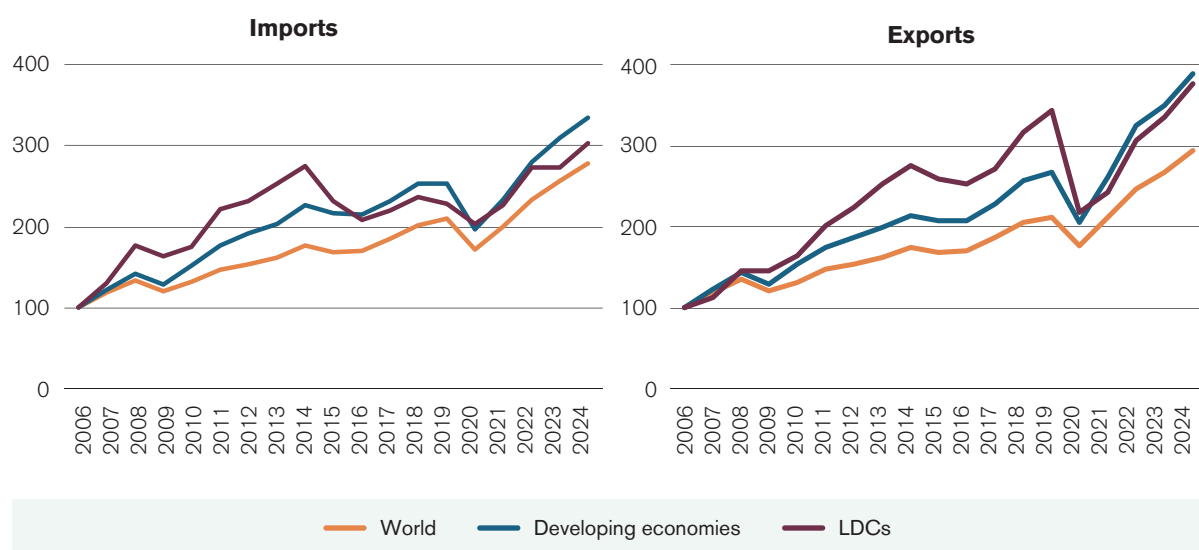
grew at an average annual rate of 6.9 per cent, reaching US\$ 2.88 trillion in 2024. Developing economies significantly increased their share of world services exports, rising from 25 per cent to 33 per cent, and their share of imports from 30 per cent to 36 per cent (see [Figure 2.13](#)).

Between 2006 and 2024, commercial services exports from developing economies became more concentrated. By 2024, the five largest exporters accounted for 53 per cent of total exports, up from 45 per cent in 2006. China remained the leading exporter, increasing its share from 12 per cent to 16 per cent, while Singapore rose to second place with a sharp rise from 8 per cent to 15 per cent. India ranked third in 2024, expanding its share from 9 per cent to 14 per cent.

The composition of commercial services exports from developing economies has shifted (see [Figure 2.14](#)). Between 2006 and 2024, exports of “other commercial services” – which covers a wide variety of services, ranging from financial to professional services – increased sixfold, reaching US\$ 1.4 trillion. Over the same period, the travel sector’s share fell from 34 per cent to 25 per cent of services export revenue, while transport declined from 26 per cent to 22 per cent, reflecting a gradual diversification away from traditional services.

Figure 2.12:
Exports and imports of commercial services from developing economies, 2006–2024

Index 2006 = 100



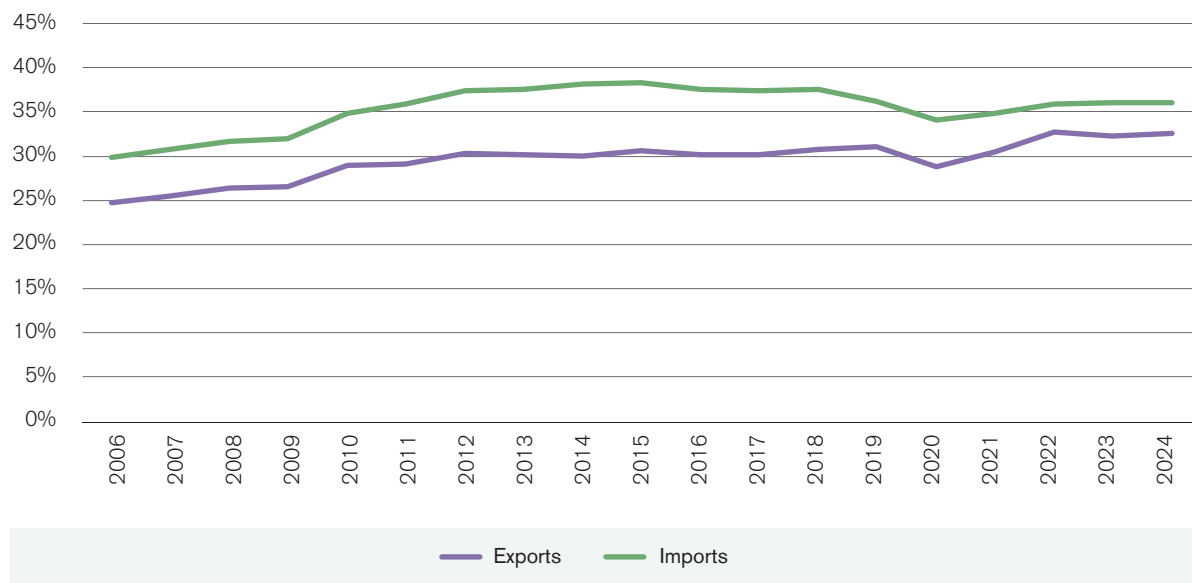
Source: WTO Secretariat calculations based on WTO-UNCTAD estimates.

The top 10 export markets accounted for 55.5 per cent of developing economies’ exports of commercial services in 2024, compared to 56.0 per cent in 2006. In 2006, the United States (16.6 per cent), Japan (6.4 per cent) and Hong Kong, China (6.2 per cent) were the top three

destinations for commercial services exports from developing economies. In 2024, the United States remained the top destination (15.4 per cent), followed by China (8.9 per cent) and Hong Kong, China (5.3 per cent).

Figure 2.13:
Share of developing economies in global commercial services trade for exports and imports, 2006–2024

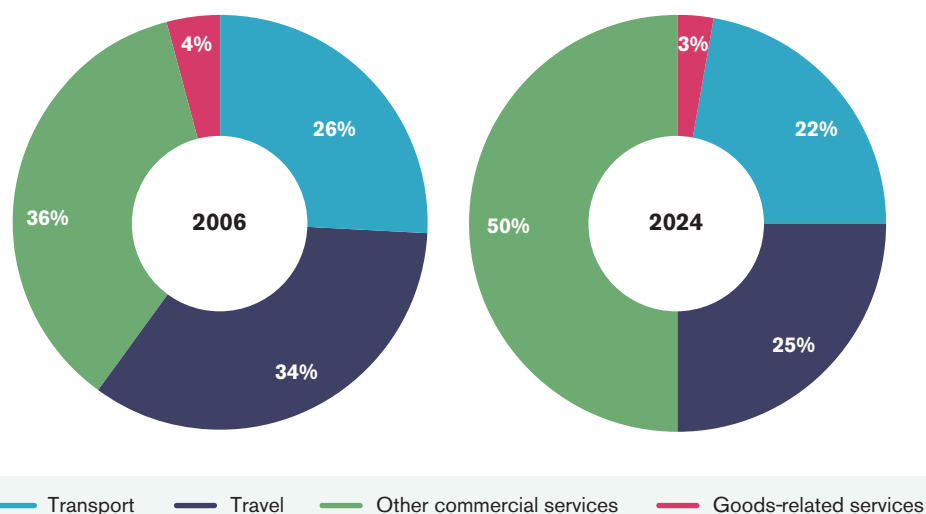
Percentage share



Source: WTO Secretariat calculations based on WTO-UNCTAD estimates.

Figure 2.14:
Structure of commercial services exports from developing economies, 2006 and 2024

Percentage share



Source: WTO-UNCTAD estimates in the WTO Global Services Trade Data Hub.

Exports of commercial services from LDCs increased almost fivefold between 2006 and 2024, rising from US\$ 9.5 billion to US\$ 47 billion and growing at an average annual rate of 7.7 per cent.

Although starting from a low base, LDCs increased their share of global services exports from 0.42 per cent to 0.54 per cent (see [Figure 2.15](#)). Over the same period, imports grew more moderately at 6.4 per cent per year, reaching US\$ 90 billion in 2024, with the share of global services imports into LDCs edging up from 1.03 per cent to 1.13 per cent.

LDC exports of commercial services became more concentrated between 2006 and 2024, with the top five exporters accounting for 57 per cent of total exports in 2024, up from 48 per cent in 2006.

Ethiopia emerged as the top exporter, increasing its share from 7 per cent to 17 per cent, while Tanzania remained second, expanding its share from 12 per cent to 15 per cent. Bangladesh rose to third place with an 11 per cent share in 2024, followed by Cambodia (10 per cent) and Uganda (4 per cent).

Figure 2.15:
Least-developed countries' (LDCs') share in global commercial services trade for exports and imports, 2006–2024

Percentage share



Source: WTO Secretariat calculations based on WTO-UNCTAD estimates.

The structure of LDCs' commercial services exports shifted markedly between 2006 and 2024. The share of travel declined from 45 per cent to 41 per cent, while other commercial services fell more sharply from 34 per cent to 20 per cent (see [Figure 2.16](#)).

In contrast, transport services expanded strongly, with their share of total services exports nearly doubling from 18 per cent to 35 per cent.

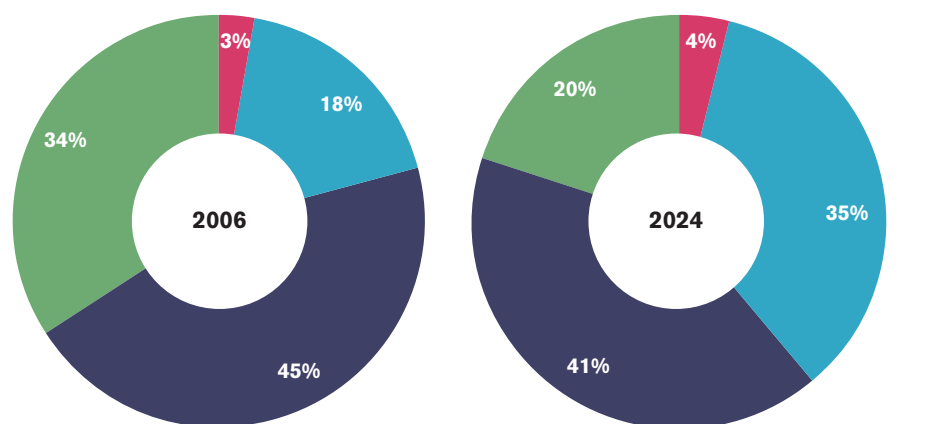
LDC exports of commercial services remain concentrated in a few markets. In 2024, 38.5 per cent went to five export

markets, compared to 35.3 per cent in 2006. In 2024, Greece was the top export market (10.4 per cent), followed by the United States (8.0 per cent) and China (7.7 per cent).

With a view to supporting greater integration of developing economies, including LDCs, into global services trade, the WTO and the World Bank – with funding from the United Kingdom – launched the Trade in Services for Development initiative in 2024, providing developing economies with tools such as the Competitiveness Diagnostic Checklist to identify services trade opportunities.

Figure 2.16:
Structure of commercial services exports from least-developed countries (LDCs),
2006 and 2024

Percentage share



— Transport — Travel — Other commercial services — Goods-related services

Source: WTO-UNCTAD estimates in the WTO Global Services Trade Data Hub.

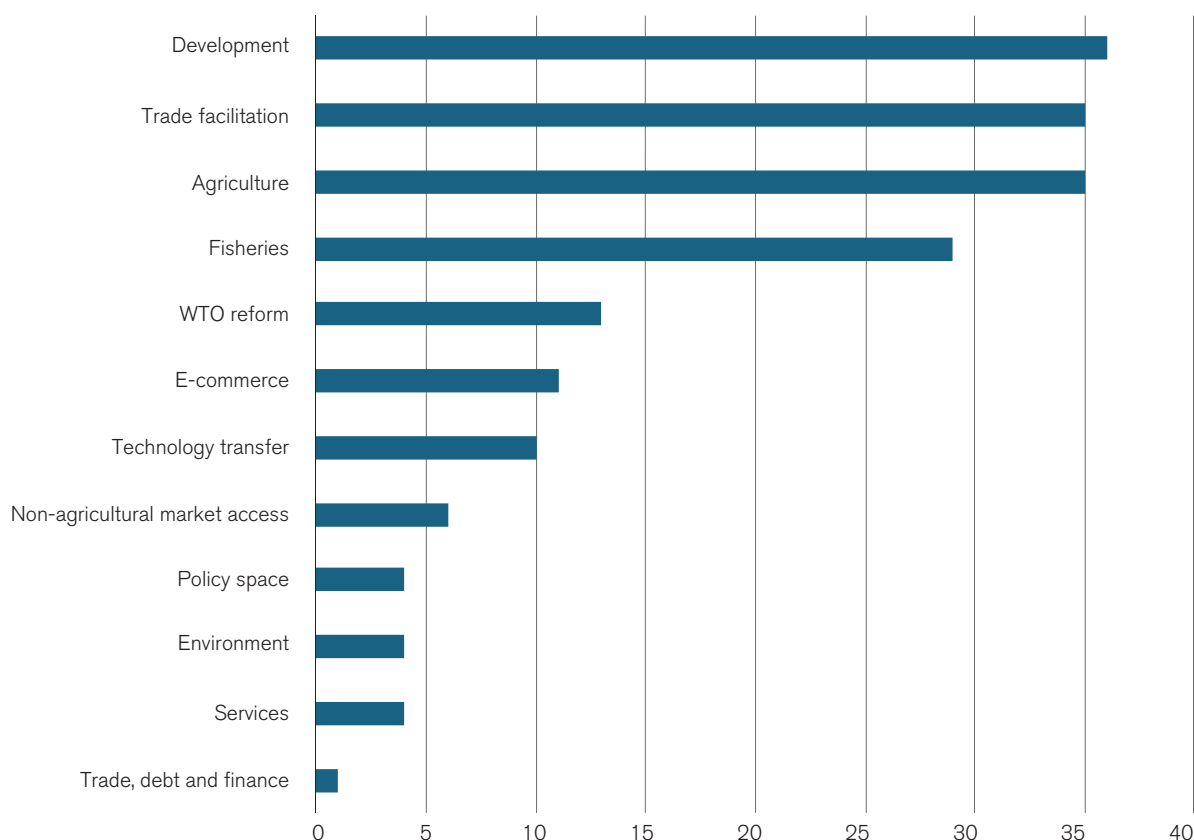
Participation of developing economies in multilateral trade negotiations

Over the past 20 years, developing economies have participated increasingly in negotiations at the WTO. The African Group, the African, Caribbean and Pacific (ACP) group and the LDC Group tabled over 200 proposals between 2006 and 2025. Development was the top area of

interest for developing members, including LDCs, followed by trade facilitation, agriculture, fisheries and WTO reform (see [Figure 2.17](#)). LDC-specific priorities included preferential rules of origin, the LDC services waiver and LDC graduation (see [Figure 2.18](#)).

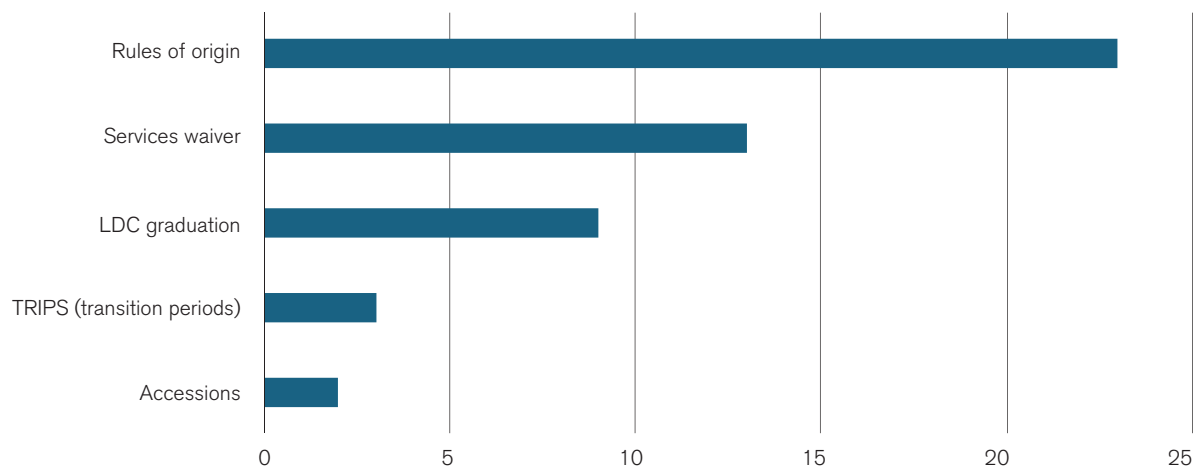
Figure 2.17:

Proposals submitted by the ACP, African and LDC groups by topic, between 2006 and 2025



Source: WTO documents online (2025).

Figure 2.18:
LDC-specific proposals by topic, between 2006 and 2025



Source: WTO documents online (2025).

The active participation of developing economies in WTO negotiations and the articulation of their priorities in trade negotiations have contributed to WTO rule-making. Over the years, WTO rules have evolved to support greater integration of developing economies, including LDCs, into world

trade. Greater emphasis has been put on the need to provide support to developing economies to implement WTO rules. This has also been reiterated in various discussions in the WTO. The Aid for Trade work in the WTO could also benefit from the ongoing reform discussions (see [Box 2.3](#)).

Box 2.3: WTO reforms and perspectives on development

The ongoing reform discussions provide an opportunity for the international community to reimagine the Aid for Trade Initiative which was launched 20 years ago.

In fact, reforming the WTO and revitalizing development work have become synonymous over the past decade. Ever since G7 and G20 leaders started reflecting on WTO reform back in 2017,⁹ members have reiterated that development should remain at the core of the WTO's work.

At the 14th WTO Ministerial Conference (MC14), in March 2026, ministers deliberated on WTO reform, covering decision-making, past mandates, development, a level playing field and broader foundational questions.¹⁰ In most of these areas developing economies put forward proposals articulating their views on WTO reform. The importance of ensuring the centrality of the development dimension was underscored at MC14.

For some time, members have been exploring new frontiers for developing economies to effectively benefit from the rules-based multilateral trading system. Members expressed a wide spectrum of perspectives. On one hand, special and differential treatment (S&DT) is still seen as a treaty-embedded right, while on the other there has been a call for S&DT to be needs-based and targeted to particular circumstances of individual developing economies. Members are also examining the effectiveness of the existing S&DT provisions and how these provisions can be better utilized. It should be noted that the approaches to S&DT have also evolved over the past decade in the context of multilateral and plurilateral agreements. Both the Trade Facilitation Agreement (TFA), which entered into force in 2017, and the Investment Facilitation for Development Agreement (IFD Agreement), which is yet to enter into force, link the implementation to each member's capacity.

Despite the progress of developing economies' participation in global trade, many remain on the margins and face formidable constraints in building trade capacity. The Aid for Trade Initiative, which primarily aimed at strengthening trade-related infrastructure, has increasingly faced resource limitations in view of several setbacks in the global economy stemming from COVID-19 and geopolitical developments. Moreover, new technologies, including rapid advances in artificial intelligence, continue to change business models for export firms, helping them stay competitive and to tap in to emerging trade opportunities. At the same time, it also creates challenges as some firms, especially in developing economies, may not have the know-how or infrastructure to keep up with new developments. These are some of the underlying forces the international community must consider in shaping the future direction of the Aid for Trade Initiative.

The post-MC14 reform discussions in the WTO can provide a space to deliberate on trade support for developing economies which is fit for purpose, including LDCs. The classic approach of relying predominantly on traditional ODA would need to be supplemented by innovative approaches, to provide more resources to respond to growing needs.

Development is also an important cross-cutting theme when members are discussing ongoing contemporary issues, including digital trade, climate change, technology transfer and the ability of developing economies to move up the global value chain. These are the areas where developing economies need more knowledge and capacity building to take informed decisions in the evolving discussions. Aid for Trade discussions in the WTO offer developing economies a valuable platform on which to build expertise and identify opportunities for trade cooperation in different formats.

Trade remains an important instrument for boosting economic growth. The viability of the multilateral trading system will be key to maintaining the growth momentum and to ensure predictability for businesses. All the reform issues, including the need for increased transparency, require support for developing economies, including LDCs. Aid for Trade can do more to help governments implement WTO rules and thereby ensure that everyone can benefit from a modern multilateral trading system.

Source: Text contributed by the WTO Secretariat.

Trade facilitation

The WTO Agreement on Trade Facilitation (TFA), adopted in 2013 and which entered into force in 2017, marked a new era in how S&DT is put into practice. It allowed developing members, including LDCs, to set transition periods for implementing each provision in line with their capacity, and to identify the technical assistance and capacity-building support they would need. As a result, many developing members have been able to advance implementation at a pace that reflects their capacity.

To date, 97 per cent of developing members, including LDCs, have notified their TFA commitments across three categories: implementation upon entry into force of the Agreement; implementation after a transition period (Category B); and implementation after a transition period with technical assistance

(Category C). The Agreement also includes built-in flexibilities to address implementation challenges faced by developing members and LDCs. These include an early warning mechanism – whereby they can request a time extension if they face difficulties in meeting the dates for implementing provisions – and the possibility to shift commitments from Category B to Category C. In addition, the WTO Committee on Trade Facilitation provides a forum for members to share implementation experiences, including support provided for TFA implementation.

Furthermore, the TFA Facility was created to help developing and LDC members obtain implementation-related assistance from development partners, such as multilateral organizations (see [Box 2.4](#)).

Box 2.4:

Progress in implementing the Trade Facilitation Agreement

Trade facilitation is a high priority for Aid for Trade to support developing economies in transitioning to a competitive trade environment and to assist developing and LDC members have better market access and attract investment.

The implementation of the TFA is a catalyst for trade facilitation reforms. The Agreement contains provisions for expediting the movement, release and clearance of goods, including goods in transit. It also sets out measures for effective cooperation between customs and other appropriate authorities on trade facilitation and customs compliance issues.

The TFA is a new type of agreement to help developing economies embrace trade disciplines. For the first time, an agreement acknowledges that developing and LDC members must build capacity in order to implement the provisions of the Agreement. Consequently, these members can select measures for which they require assistance and capacity building, as well as request additional time. Ninety-one members have submitted more than 1,000 requests for technical assistance and capacity building (TACB) across the entire TFA. Various development partners fund TFA-related projects in many members.

The requests and provision of TACB focus on the digitalization of border procedures, including risk management frameworks. Demand for assistance related to the use of technology and adaptation to e-commerce is growing. The results achieved via TFA-related assistance include a reduction in customs clearance time, a reduction of physical inspections by customs or other border agencies, a reduction in processing time for administrative formalities and process optimization.

In Egypt, reforms of the integrated risk management framework for customs and other agencies, supported by the World Bank, have reduced physical inspection at ports by 27 per cent. Support to improve cross-border coordination and risk-based operations have reduced waiting times at the border crossing between South Africa and Eswatini from over three hours to just 20 minutes.

A project supported by the Global Alliance for Trade Facilitation in Colombia reduced inspection rates for imports of food, beverages, medicines and medical devices by 30 per cent. The introduction of an electronic phytosanitary certification in Togo, supported by the Global Alliance for Trade Facilitation, reduced issuing times from 3.5 hours to 30 minutes. The Ministry of Livestock and Fisheries in Tanzania adopted a digital system for the issuance of permits, which led to a reduction in the permit issuance time from 14 days to one hour.

The alignment of practices with TFA provisions requires time, extensive administrative reforms and private-public dialogue. Trained officials also need to keep pace with changes in the trade environment. In addition, trade facilitation is closely linked to other areas, including logistics and transport connectivity, digital connectivity and infrastructure more generally. This makes for a complex, multi-year reform environment requiring domestic resources, cross-government coordination, strategic guidance and the mobilization of adequate TACB from development partners.

Source: Birgit Viohl, WTO Secretariat.

Fisheries subsidies

The WTO Agreement on Fisheries Subsidies, which was adopted in 2022 and entered into force in 2025, prohibits government support to illegal, unreported and unregulated fishing. It has also adopted specific criteria to provide flexibility for a certain group of members in their notifications on fisheries subsidies.

For example, LDC members and developing members with an annual share of global volume of marine capture production not exceeding

0.8 per cent are only required to provide certain information (such as the status of fish stocks, conservation and management measures, fleet capacity, name and ID number of the subsidized vessels and catch data) every four years, to the extent possible, instead of every two years as for other members.

The Fisheries Funding Mechanism has also been established. The role of this Mechanism is to help developing members, including LDCs, implement

the provisions of the Agreement on Fisheries Subsidies. As of July 2026, 43 project grants across a broad range of developing economies, including LDCs, totalling US\$ 5 million have been approved.

At MC14, members reiterated their commitment to continue negotiations on

further disciplines on fisheries subsidies, with a view to making a recommendation to the 15th Ministerial Conference.¹¹ Members also recognized that appropriate and effective S&DT for developing economies, including LDCs, should be an integral part of these negotiations.

Agriculture

Surveys on Aid for Trade needs have consistently underlined the importance of strengthening the agricultural sector's contribution to developing economies' export earnings. In parallel, WTO negotiations have also sought to address the needs of developing economies, including LDCs, in this sector.

The 2015 Nairobi Ministerial Decision on Export Competition marked an important step in addressing the trade priorities of developing economies, including LDCs, delivering on a key target of the United Nations Sustainable Development Goal on Zero Hunger.¹² The decision phased out export subsidies for agriculture, thus contributing to levelling the playing field for farmers around the world, particularly those in the more vulnerable developing economies which were unable to compete with wealthier economies that artificially boosted their exports through subsidies.

The Nairobi Decision also provided specific flexibilities for LDCs and net food-importing developing countries (NFIDCs). These flexibilities include an extended timeline – until 2030 – to phase out export subsidies used to reduce marketing and freight costs, as well as longer repayment periods, of 36 to

54 months for export finance programmes for the acquisition of basic foodstuffs, compared to 18 months for other members.

The Nairobi Decision also includes provisions to ensure that international food aid does not hamper local market conditions in recipient economies and to promote procurement from local or regional sources, while ensuring that these disciplines do not unintentionally impede the delivery of food aid to deal with emergency situations. LDCs and NFIDCs also have the possibility to permit the monetization of international food aid to address short- and long-term food deficits, as well as situations of chronic hunger and malnutrition.

In 2022, members took further significant steps at the 12th Ministerial Conference (MC12) in Geneva to support global food security, notably in developing economies, including LDCs, reflected in the adoption of a ministerial declaration on the emergency response to food insecurity. This declaration reaffirmed the vital role of trade to improve global food security, committing members to take concrete steps to facilitate trade and improve resilience of markets for food and agricultural products and agricultural inputs, and stressing the need to minimize

trade distortions when applying emergency measures. It also acknowledged the specific challenges faced by LDCs and NFIDCs and initiated a work programme considering their needs to increase their resilience in responding to acute food instability. Members also agreed not to impose export prohibitions or restrictions on foodstuffs purchased for non-commercial humanitarian purposes by the World Food Programme.¹³

Cotton has been another important priority in the agriculture negotiations for cotton-producing developing economies, including LDCs, following the initiative launched by a group of cotton-producing African LDCs, known as the Cotton-4.¹⁴ Developed members and developing members, in a position to do so, agreed in the 2015 Nairobi Ministerial Decision on Cotton to provide duty-free market access for cotton and related products originating from LDCs, to the extent provided in their respective preferential trade agreements.

The WTO Director-General's Consultative Framework Mechanism on Cotton provides a platform for discussion among members on the development assistance aspects of cotton. In addition, the "Cotton Partnership" – Partenariat pour le Coton – was established at the 13th WTO Ministerial Conference (MC13) to help Cotton-4 plus members mobilize US\$ 5 billion in investment over a 10-year period, with estimated revenues of US\$ 7 billion per year targeting export and regional markets.

The specific challenges faced by developing economies, particularly LDCs, are also being considered in the ongoing negotiations on other areas of trade in agriculture. These relate to various aspects of agricultural trade, covering issues ranging from market access and special safeguard measures for developing economies to export restrictions, domestic support, and public stockholding for food security purposes.

Sanitary and phytosanitary (SPS) measures and technical barriers to trade (TBT)

The 2024 declaration on SPS and TBT, adopted at the 13th Ministerial Conference, marked an important step in supporting the integration of developing economies into global trade.¹⁵ This declaration called for improved technical assistance for developing economies, including LDCs, to assist them in engaging in a timely manner in matters concerning standards or technical regulations, thereby contributing to their implementation of the SPS and TBT agreements.

At MC14, members agreed that the Committee on Trade and Development in Special Session

has fulfilled its commitment to undertake the work on SPS and TBT, as instructed by ministers at MC13. It was also noted that the WTO committees on SPS and TBT may continue discussions on improving implementation of the provisions of the SPS and TBT agreements, including those related to S&DT, based on proposals from members.¹⁶

In addition, the Standards and Trade Development Facility (STDF) has been helping developing economies comply with evolving SPS requirements.

Bolstering food safety and unlocking market access opportunities

The STDF is a global partnership which helps developing economies, including LDCs, meet international food safety, animal and plant health standards, enabling them to protect health while improving their access to regional and global markets.

At the heart of the STDF's work is the fact that when economies can meet international standards, they unlock market access, protect people and ecosystems, and create better jobs and livelihoods.

The STDF has provided over 277 grants worldwide, helping governments, farmers and businesses comply with SPS requirements and participate more fully in trade. Africa has received the largest share of support, followed by Asia, the Pacific, Latin America and the Caribbean, and multi-regional initiatives. By the end of 2025, STDF grant funding exceeded US\$ 85.2 million, with an additional US\$ 43.4 million leveraged from public and private partners. LDCs have received some 60 per cent of total funding.

The STDF combines science, innovation, capacity building and regional collaboration to facilitate safe trade while protecting public health. For example, in Latin America and the Caribbean, STDF-funded work on cadmium contamination in cocoa generated scientific evidence that informed Codex decisions on maximum permitted levels and a global code of practice, reducing uncertainty for exporters and facilitating market access.

An initiative with the Association of Southeast Asian Nations (ASEAN) Secretariat, implemented by the United Nations Industrial Development

Organization, is piloting digital audit and verification approaches in the fisheries sector, aimed at reducing costs and delays, while promoting more harmonized regional practices for food safety oversight.

Scalable projects in Africa, Asia and Latin America have demonstrated that integrating the use of biopesticides at the end of the growing season following the application of conventional plant protection products can significantly reduce trade risks while maintaining productivity and market access. In Southern Africa, this approach facilitated biopesticide registration and an adoption to mitigate pesticide residues. It supported the adoption of harmonized regional guidelines across all 16 Southern African Development Community member states and strengthened capacity for more than 500 farmers, scientists and regulators, illustrating how evidence-based practices and regulatory cooperation can facilitate safer agricultural trade, and benefit the planet.

Innovation has been particularly visible at border crossings. The International Plant Protection Convention ePhyto Solution, piloted with STDF support, has transformed how plant health certificates are issued and exchanged globally, cutting delays, tackling fraud, lowering trade costs and reducing CO2 emissions. Today, 148 economies are registered and 98 are actively exchanging electronic phytosanitary certificates (ePhytos). Building on this success, the STDF has supported work on electronic veterinary certification, extending benefits to the animal health trade.

The STDF's global platform and knowledge workstream brings together global expertise from diverse public and private stakeholders to share good practices, evidence and lessons from SPS capacity development. It includes founding partners, donors, developing economy experts, international and regional organizations, the private sector and civil society, supported by the STDF Secretariat and guided strategically by the STDF Policy Committee. This platform works by supporting dialogue, learning and innovation to influence policy and practice worldwide, while translating insights from project work into practical tools, guidance and practitioner exchanges that help developing economies facilitate safe, inclusive trade.

An example of this knowledge work is how evidence-based decision-making has been strengthened through the STDF's innovative Prioritizing SPS Investments for Market Access (P-IMA) framework, which helps governments prioritize SPS investments when resources are limited. In economies such as Bangladesh, Belize and Malawi, P-IMA has been used to show how SPS investments impact policy objectives, including trade growth, poverty reduction, and health and environmental benefits. This has led to more transparent choices, stronger public-private buy-in and better alignment with national development plans, in several cases unlocking substantial follow-on financing.

Engagement with the private sector is a cornerstone of the STDF's approach. As a leading actor in agri-food production and trade, private sector stakeholders have been involved as key partners in over 45 STDF projects, providing knowledge, expertise and resources, while micro, small and medium-sized enterprises, farmers, producers and traders benefit from the majority of the STDF's grants. Across horticulture,

cocoa production, fisheries and livestock value chains, public-private partnerships have improved developing economies' compliance with standards, upgraded infrastructure and strengthened the capacity of small and medium-sized enterprises (SMEs). Industry advisory groups linked to digital certification initiatives have helped ensure that solutions respond to commercial realities while maintaining public oversight.

Inclusivity and sustainability are increasingly central issues for the STDF. Projects have supported women producers and workers across agri-food value chains, from shrimp farming in Bangladesh to horticulture in Senegal. Gender analysis of participation in trade is now a core design element, leading to better targeted capacity building and fairer access to market opportunities. Environmental protection and climate resilience have also gained prominence, with work on invasive species, biodiversity and climate-related risks highlighting the role of strong SPS systems in protecting ecosystems while facilitating trade.

The STDF Strategy 2025–2030 builds on two decades of STDF experience. It aims to strengthen the STDF's focus on monitoring, evaluation and learning, scale up what works, accelerate uptake of proven tools and digital solutions, and deepen engagement with the private sector. Innovation, inclusivity and sustainability underpin the current strategy, ensuring safe trade continues to act as a catalyst for growth, resilience and sustainable development.

The STDF was created in 2004 by the Food and Agriculture Organization of the United Nations (FAO), the World Health Organization, the World Organisation for Animal Health (WOAH), the World Bank and the WTO to strengthen

developing economy capacity for safe trade. It is hosted by the WTO. The Trust Fund is currently supported by 11 donors, including Australia,

Canada, the European Union, Finland, France, Germany, Ireland, the Netherlands, Norway, Sweden and the United States.

Market access and policy flexibilities for LDCs

WTO members have taken several steps to bolster the integration of LDCs into global trade. Since 2006, WTO members have adopted eight ministerial decisions and 12 decisions taken in the General Council and other WTO bodies in response to the trade and development priorities of LDCs (see [Annex 2.2](#)).

Currently, most developed members and several developing members provide full or almost full duty-free market access to LDCs. For example, Australia, China, New Zealand, Norway and Switzerland offer them 100 per cent duty-free market access. Chile, the European Union and the United Kingdom offer over 99 per cent duty-free market access to LDCs. In addition, Hong Kong, China; Macao, China; and Singapore grant duty-free market access on all or almost all of their tariff lines on the most-favoured-nation basis.

Furthermore, members established two sets of guidelines, in 2013 and 2015, with a view to making preferential rules of origin simple and transparent.¹⁷ Rules of origin are the criteria used to determine where a product is made; they are used in the implementation of many trade measures, including trade preferences.

Most of the preference-granting members notified preferential rules of origin using the WTO template adopted in 2017, while the Committee on Rules of Origin (CRO) has been tracking LDCs' use of preferences. In 2022, the CRO adopted a decision on preferential rules of origin and the implementation

of the 2015 guidelines, aimed at identifying and agreeing upon best practices by all members on preferential rules of origin and analysing preference utilization.¹⁸ The WTO LDC Group has been benefiting from targeted support in this area. For example, United Nations Trade and Development (UNCTAD) has been providing capacity building so that LDCs can benefit more fully from the implementation of the two guidelines. This has also helped LDCs to engage in committee discussions in an effective manner.¹⁹

Steps have also been taken to expand opportunities for LDC services suppliers. In 2011 WTO members adopted the LDC services waiver,²⁰ which allows members to grant preferential treatment to services suppliers from LDCs. Members agreed to promote the operationalization of the waiver in 2013,²¹ and in 2015 they extended the waiver up to 2030.²²

So far, 51 WTO members (counting the European Union Member States individually) have notified measures under the LDC services waiver. The top sectors range from business services (92 per cent) and transport (84 per cent) to tourism and travel (80 per cent). Some of the measures include visa waivers for businesspersons, e-visa applications, authorized destination status for tourism purposes and designation of specific contact points. LDCs continue to receive support to explore preferences for LDCs and LDC service suppliers.²³

LDCs' active engagement in the WTO has also helped them to secure longer time frames to

implement WTO rules. LDCs are exempt from implementing the Agreement on Trade-Related Aspects of Intellectual Property Rights, except core non-discrimination provisions, until 1 July 2034 or until they graduate from the LDC category, whichever comes first. Also, they are not required to protect patents and undisclosed information for pharmaceutical products until 1 January 2033, or until they leave the LDC category, whichever comes first.

Many of the LDCs who have benefited from trade opportunities offered by the multilateral trading system have demonstrated improvements in socio-economic indicators and embarked on the path to graduation from the LDC category. Securing a smooth and sustainable transition after graduation has become an important priority for the LDC Group in the WTO. In the past three years, WTO members have taken two important steps.

First, WTO members have encouraged preference-granting members to provide a smooth and sustainable transition period before withdrawing duty-free market access. Several preference-granting members, including China, the European Union, Japan, Kazakhstan, the Russian Federation, Türkiye and the United Kingdom, have already done so. Others are considering such measures. Second, at the 13th WTO Ministerial Conference (MC13) in 2024, WTO members offered economies graduating from LDC status a three-year transition period to fully implement WTO rules and to continue accessing the WTO's technical assistance.

The work of the Enhanced Integrated Framework (EIF), the only multilateral Aid for Trade partnership for LDCs' trade development, has been helping LDCs strengthen trade institutions and bolster productive sectors with high export potential.

Twenty years of bolstering trade institutions in LDCs

Housed at the WTO, the Enhanced Integrated Framework draws together 44 LDCs, 26 development partners, and eight international organizations.

Since 2008, the EIF has disbursed over US\$ 340 million to support LDCs' trade ministries, deliver evidence-based trade diagnostics and strengthen productive sectors. Support for trade policy and regulations is at the heart of the EIF's work, accounting for around 40 per cent of the EIF portfolio.

At country level, the EIF has established National Implementation Units in 45 LDC trade ministries, placing LDCs in the driver's seat to coordinate Aid for Trade and manage project delivery. The EIF

has supported 55 Diagnostic Trade Integration Studies (DTIS) across 45 LDCs, with 85 per cent of LDCs using DTIS findings to set trade priorities in national development plans. Today, 45 LDCs have mainstreamed trade into their development strategies. Furthermore, an independent evaluation attributes around 25 per cent of all trade reforms in LDCs to EIF support.

Following the completion of the first two phases of the initiative, a task force for the future of the EIF was set up. Its report recommended a third phase of the EIF aimed at raising US\$ 200 million for LDC trade development by 2031.²⁴ The launch of EIF Phase 3 took place on the eve of MC14. The new phase introduces a strengthened results framework, a revamped resource mobilization strategy and

greater flexibility for LDCs in accessing support, with initial pledges totalling US\$ 37.9 million. In July 2026, WTO members welcomed the launch of the

EIF Phase 3 and confirmed that the implementation of EIF will not involve any cost to the regular budget of the WTO.²⁵

WTO accessions

Since 2006, 17 members have joined the WTO. They include Viet Nam (2007), Tonga (2007), Ukraine (2008), Cabo Verde (2008), Montenegro (2012), Samoa (2012), the Russian Federation (2012), Vanuatu (2012), Lao PDR (2013), Tajikistan (2013), Yemen (2014), Seychelles (2015), Kazakhstan (2015), Liberia (2016), Afghanistan (2016), Comoros (2024), and Timor-Leste (2024) (see [Box 2.5](#)).

To facilitate the accession of LDCs, WTO members adopted two sets of LDC accession guidelines, in 2002 and 2012.²⁶ These guidelines set benchmarks for market access negotiations in goods and services, alongside provisions on S&DT, transition periods for implementing WTO agreements and technical assistance.

Box 2.5: Timor-Leste: Targeting regional and global markets

After joining the WTO, Timor-Leste has focused on strengthening competitiveness and discovering new markets

Timor-Leste acceded to the WTO in 2024. Since then, it has been aligning its national framework with the realities of modern global trade. As part of its post-accession strategy, it has already approved a government resolution on rules of origin and prepared draft laws on competition policy, export promotion and industrial property. Its Trade Information Portal has been helping businesses navigate international markets.

Timor-Leste has also been making progress in meeting WTO commitments. “We are up to date on applied tariff and import licensing requirements. We are also making steady progress on our trade facilitation notifications. The real secret has been our mindset: learning-by-doing,” said Timor-Leste Ambassador António da Conceição. In 2025, Timor-Leste became the first LDC to kick-off negotiations to join the WTO’s Government Procurement Agreement with an ambition to table its market access offer by mid-2026.

Timor-Leste’s accession to the ASEAN in 2025 marked another important milestone for trade integration with its neighbours. “We see WTO and ASEAN memberships as mutually reinforcing, providing long-term stability and a strong foundation for our economic development and regional integration,” added Ambassador da Conceição.

Source: LDC success stories on the WTO website, https://www.wto.org/english/tratop_e/devel_e/timorlestessldc_e.htm

Technical assistance

Strengthening the institutional capacity of trade experts from developing economies, including LDCs, has been a central pillar of WTO's technical assistance work. Since 2006, the WTO Secretariat has helped over 178,000 government officials sharpen their skills in trade-related topics, with women accounting for almost half of all participants (45 per cent).

An evaluation of WTO technical assistance covering the period 1995–2021 provided the first comprehensive, evidence-based assessment of how trade-related capacity building contributes to long-term trade outcomes. The findings underscore that Aid for Trade delivered through trade policy and regulatory assistance is most effective when it goes beyond awareness-raising to build advanced, operational capacity among public officials.

One of the clearest lessons from the evaluation is that depth of learning matters. Technical assistance structured around progressive learning pathways, particularly advanced-level activities, has a markedly stronger impact on how developing economy officials engage with WTO processes. Advanced activities, which typically involve more specialized content, applied exercises and sustained engagement, are associated with significantly higher participation in WTO bodies than introductory training alone. This suggests that Aid for Trade is most effective when it supports officials not only to understand WTO rules, but also to apply them in practice within their domestic administrations.

The evaluation further highlights that participation in WTO bodies through notifications of trade measures is a critical transmission channel between capacity building and trade performance. Notifications are a core transparency obligation

under WTO agreements and a practical expression of regulatory capacity. The analysis shows that advanced technical assistance is particularly effective in increasing notification compliance, and that participation in WTO bodies through the submission of formal notifications under WTO agreements has the strongest and most consistent association with improved trade outcomes among developing economies and LDCs. This finding reinforces the idea that regulatory transparency is not merely a compliance exercise, but a foundation for predictable trade relations that support exports and imports alike.

Many developing economies and LDCs carry a significant backlog of unfulfilled notification obligations, often reflecting capacity constraints rather than a lack of commitment. The evaluation shows that economies with higher notification activity, particularly in areas such as agriculture, market access and services, tend to perform better in trade terms. By helping officials understand notification requirements, organize domestic data and engage with WTO committees, Aid for Trade delivered by the WTO Secretariat contributes directly to reducing trade bottlenecks and strengthening the regulatory environment for trade.

The results also point to important differences across policy areas, offering valuable lessons for the future of Aid for Trade. Technical assistance in SPS measures stands out as particularly effective.

SPS-related capacity building shows stronger effects on participation in WTO bodies than most other topics, especially when delivered through innovative approaches which have been pioneered by the WTO SPS team, such as coaching, action plans and structured follow-up over time. These

methods appear to be especially successful in translating training into concrete regulatory outputs, including notifications and substantive engagement in WTO committees. The SPS experience demonstrates how Aid for Trade can maximize impact by combining technical content with sustained, practice-oriented learning.

Another key insight from the evaluation is that the structure of the assistance matters more than how it is delivered. While e-learning has expanded the reach of Aid for Trade and performs well in many areas, advanced and sequenced learning activities, regardless of delivery mode, show the strongest links to improved trade performance. This finding highlights the importance of learning design, progression and follow-up.

Taken together, the evidence paints a coherent picture of how Aid for Trade in trade policy and regulation delivers impact. By strengthening the capacity of officials to engage with WTO

rules in a practical and sustained manner, WTO technical assistance supports more effective participation in the multilateral trading system. This participation, particularly through notifications, enhances transparency, predictability and confidence among trading partners, contributing over time to improved trade performance.

WTO members have established various programmes to help developing economies, including LDCs, participate more actively in the work of the organization. These range from the United Kingdom's Trade and Investment Advocacy Fund²⁷ to China's LDCs and Accessions Programme and day-to-day support to the LDC Consultative Group through the work of Summit Alliance International.²⁸ The expertise offered by the Advisory Centre on WTO Law (ACWL) has also been essential in strengthening the trade capacity of developing economies, including LDCs (see [Box 2.6](#)).

Box 2.6: **Strengthening developing economies' legal capacity to trade**

The Advisory Centre on WTO Law has played a central role in enabling developing economies and LDCs to participate more effectively in the multilateral trading system and to take advantage of the opportunities associated with WTO membership.

The creation of the ACWL reflected a shared understanding among its developed and developing economy founders that the WTO operates as a complex, rules-based legal system requiring specialized expertise. For reasons of independence and impartiality, the ACWL was set up outside the WTO itself; it has since delivered more than 4,000 legal opinions and has assisted in more than 70 WTO disputes.

Developing economies that are WTO members or in the accession process may become ACWL members and use its services (42 do so at present). These economies pay a one-off accession fee.

They receive legal advice and training free of charge and fees paid for assistance in dispute settlement are substantially below commercial rates. In addition, any economy designated by the United Nations as

an LDC that is a member of the WTO or acceding to the organization may access the ACWL's services without becoming an ACWL member (43 do so at present).

The ACWL's day-to-day work of responding to requests from governments entitled to its services for advice on a wide range of issues relating to WTO law is arguably its most valuable contribution. Although many governments rarely engage in WTO disputes, all require ongoing legal advice in relation to their participation in the multilateral trading system.

The ACWL provides legal opinions on WTO law free of charge at the request of developing economy members and LDCs, and on a strictly confidential basis. These opinions address questions of law only; the ACWL does not provide political advice and is not permitted to develop or pursue its own positions or agenda on issues arising in the WTO. The ACWL responds to requests for around 200 legal opinions from approximately 40 governments each year, giving them access to "in-house" expertise on WTO law comparable to that available to developed economies.

Opinions may concern the daily functioning of the WTO and the legal dimensions of ongoing negotiations. Many governments request advice from the ACWL on their existing or proposed domestic laws and regulations and on the extent to which they are consistent with WTO rules. This enables them to ensure compliance with their WTO obligations. Governments also ask the ACWL to advise on the WTO-consistency of measures in other economies that affect their market access. In the words of one LDC user, "[The] ACWL's services are very effective ... for a better understanding and enforcement of commitments under international trade rules. We appreciated their responsiveness, their availability and the depth of their analyses of the legal issues."

Training is another key pillar of the ACWL's work and is also free for eligible governments. The ACWL conducts a range of training programmes for officials from developing members and LDCs based in Geneva, in English and French. The ACWL also organizes tailored, country-specific seminars delivered either in Geneva, by videoconference, or in national capitals. Additional initiatives include a discussion group for women delegates in Geneva and a secondment programme under which government lawyers may work at the ACWL as paid trainees for a nine-month period each year.

In 2024, the ACWL General Assembly agreed to reduce its accession fees. Several developed economy members, including Australia, Ireland, New Zealand, Norway and the United Kingdom, have provided funding for additional developing economies to join the ACWL. Three new members joined in 2025 (Barbados, Belize and Ghana), with further accessions expected in 2026.

The ACWL was established in 2001 to promote inclusivity, fairness and equality within the WTO trading system by providing legal assistance, advice and training to developing members, including LDCs.

Source: Olga Falgueras del Alamo, ACWL.

Support has been provided to help developing members, including LDCs, set up permanent missions in Geneva. A total of 154 members and 21 observers now have a presence there (see [Box 2.7](#)). For non-resident delegations from developing economies, including LDCs, the WTO Secretariat organizes “Geneva

Weeks” every two years, which enable these delegations to get the latest updates on different areas of the WTO’s work. Forty Geneva Week events have been held since 1999, with the participation of over 1,400 delegates, with women comprising 37 per cent of recorded participants.

Box 2.7:

Samoa: Building a pathway to global markets

What began as one young official’s first international trip became a national pathway into the multilateral trading system.

“My recommendation is that if you are a WTO member and you want to engage, you need to do it as a resident – but Geneva Week helps bridge the gap.”

– H.E. Nella Tavita-Levy, Ambassador of Samoa to the WTO

For many non-resident WTO members, Geneva Week serves as an important bridge into the day-to-day work of the multilateral trading system. Samoa’s experience illustrates how repeated engagement through Geneva Week, technical assistance and sustained participation in WTO processes, can strengthen national trade capacity over time.

As Samoa’s Ambassador (Amb.) to the WTO, H.E. Nella Tavita-Levy, has seen this evolution first hand over the course of her career in trade policy. When she joined the Department of Trade, Commerce and Industry in 1999 as a young trade officer, Samoa had recently applied for WTO membership, in April 1998. At the time, the system was distant and technical. Participation in a trade policy course for least-developed countries soon provided an opportunity to engage internationally and gain exposure to the multilateral trading system.

By 2003, she was Principal Trade Policy Officer, suddenly immersed in WTO processes which she describes as “overwhelming but transformative”. That immersion never really stopped. Regular participation in WTO Geneva Weeks, ministerial conferences and bilateral meetings gradually deepened Samoa’s institutional fluency in Geneva’s trade ecosystem, as well as Amb. Tavita-Levy’s own experience navigating it.

During Samoa’s accession, Geneva Week became more than a calendar event; it was a working tool. It allowed officials to combine accession working party and bilateral meetings, tap directly in

to the WTO Accessions Division, and translate Geneva-based discussions into clarity back home. What once felt remote from the capital became concrete and actionable.

The payoff was immediate. Samoa moved from drafting trade-related measures in relative isolation to systematically checking new policies against WTO rules. Over time, this discipline helped produce the country's first unified trade policy document – a significant shift in how trade governance worked at home.

Amb. Tavita-Levy also credits WTO technical assistance and repeated exposure to Geneva with building national confidence. Samoan officials returned home better equipped to negotiate – multilaterally, regionally and bilaterally – and better prepared to explain trade policy domestically.

For Amb. Tavita-Levy, having a mission in Geneva, established in 2022, enables the deepest engagement. But for non-resident members, Geneva Week and other technical assistance are indispensable: structured, efficient ways to stay connected to negotiations, people and emerging issues that shape global trade.

Samoa's experience highlights how sustained exposure to these processes can strengthen domestic trade policy-making over time. Samoa's story shows that in global trade, access is not just about markets. It is about being in the room – and having a pathway to get there.

Source: Interview with Ambassador Nella Tavita-Levy of Samoa by Roberta Allport, WTO Secretariat.

Regional integration

Trade support has helped boost regional integration. Between 2006 and 2024, 208 regional trade agreements (RTAs) were signed with the participation of at least one developing economy, of which 88 were RTAs between developing economies. During this period, US\$ 2.5 billion has been disbursed to support regional integration efforts.

The proliferation of RTAs has also encouraged developing economies, especially in certain regions, to enter into integration arrangements. This has increased demand for understanding evolving trade disciplines and for implementing them.

For example, the African Continental Free Trade Area (AfCFTA) aims to accelerate continental integration. Estimates vary, but once fully implemented, the AfCFTA is expected to increase intra-African trade by up to 25 per cent by 2040 (UNECA, 2022), boost income by up to 7 per cent by 2035 and lift an additional 30 million people from extreme poverty (World Bank, 2020).

The AfCFTA builds on WTO disciplines by liberalizing 90 per cent of tariffs, allowing longer implementation periods for LDCs, aligning its SPS and TBT frameworks with WTO rules to address non-tariff

barriers and streamline notifications, and advancing services trade through market access opening. The AfCFTA also includes disciplines on intellectual property, competition, investment, digital trade and

economic empowerment of women and young people. Aid for Trade efforts have been helping AfCFTA member states to negotiate and implement the Agreement and to improve regional infrastructure (see [Box 2.8](#)).

Box 2.8:

TradeMark Africa: Unlocking the continent's trade potential

By driving down trade costs, TradeMark Africa is helping African exporters trade at a faster pace and compete globally.

Africa's trade potential has long been constrained by lack of infrastructure, fragmented regulations and non-tariff barriers within the continent and beyond. TradeMark Africa works with governments, regional economic communities and development partners to tackle these constraints, investing in cross-border infrastructure, digital trade systems and harmonized standards and protocols.

The results are tangible. "For the One-Stop-Border-Posts we have supported, the time needed to cross the border has been reduced by an average of 70 per cent. At the ports of Mombasa and Dar Es Salaam, the time has been cut in half," says TradeMark Africa CEO David Beer.

Delivering a substantive reduction in trade barriers requires an integrated approach. "This means ensuring that all the pieces of successful trade facilitation are done together: the hard infrastructure; the digital systems; standards and other protocols; liaison between government and the private sector; and effective trade policy," Mr Beer notes.

With the implementation of the AfCFTA, these gains can be scaled up continent-wide. "TradeMark Africa is supporting AfCFTA implementation within and across regional economic communities by helping the Secretariat implement its vision. It is also assisting members at the national level and putting in place cross-border trade facilities and digital systems," says Mr Beer.

Looking ahead, market demands are changing. Consumers are looking at ways that products are made and transported. "Trade facilitation for the future must also help Africa become a pioneer in developing green exports and adopt climate resilient infrastructure," says Mr Beer. "We envisage bringing partners together around a US\$ 210 million green corridor programme that will reduce greenhouse gas emissions in trade corridors while helping to safeguard the continent's economic future," he adds.

Source: LDC success stories on the WTO website, https://www.wto.org/english/tratop_e/devel_e/tmeassldc_e.htm

Trade support is also being provided to help developing economies co-operate on issues of common interest. For example, members of ASEAN recently completed negotiations on the ASEAN Digital Economy Framework Agreement, with a view to achieving greater regulatory coherence and facilitating digital trade in the region, which is expected to be signed at the 49th ASEAN Summit in November 2026. Meanwhile, the Caribbean Community (CARICOM), with support from

the Caribbean Regional Technical Assistance Centre, aligned its tariff system with the Harmonized System (HS) 2022, creating a more consistent and up-to-date classification of products across all members (see [Box 2.9](#)). In addition, with the support of the European Union, CARICOM created a regional database of non-conforming measures (NCMs) across services, non-services sectors, and horizontal policy areas such as taxation, investment and company formation.

Box 2.9: **CARICOM – building a regional single market**

The Caribbean Community (CARICOM), which is made up of 15 member states and 6 associated members, aims to advance regional integration through the Caribbean Single Market and Economy, promoting the movement of goods, services, capital and selected labour alongside coordinated economic policies and support for less-developed members.

CARICOM economies represent a regional market of approximately 19 million people, with a combined GDP of US\$ 121.2 billion. While the region is increasingly services-oriented, with imports of US\$ 20.7 billion, high food import dependence (US\$ 4.25 billion) highlights persistent structural vulnerabilities and reliance on external trade.²⁹

As a WTO-notified customs union and economic integration arrangement, CARICOM covers trade in goods and services alongside broader single-market disciplines. It complements its internal single market with a network of trade agreements with regional and international partners.³⁰ Separately, CARICOM member states, together with the Dominican Republic under the Caribbean Forum, have concluded economic partnership agreements with key economies such as the European Union and the United Kingdom.³¹ Together, this institutional architecture provides the framework through which CARICOM engages with external partners and supports regional integration within the multilateral trading system.

Regional trade integration in practice

CARICOM's integration framework is not only defined by agreements, but also put into practice through targeted, hands-on projects led by the Secretariat with support from international partners. One example is the modernization of the Common External Tariff for goods. With support from the Caribbean Regional Technical Assistance Centre, CARICOM aligned its tariff system with the Harmonized System (HS) 2022, creating a more consistent and up-to-date classification of products across all members. This helped reduce discrepancies in how goods are classified at

borders, making trade within the region smoother and more predictable, while also improving interactions with external partners. The process also highlighted the importance of strong coordination at the national level and preparedness within customs administrations.

A complementary example of support for services and investment liberalization is the EU-funded CARICOM Secretariat initiative to identify and classify non-conforming measures (NCMs), which combines policy analytics with durable capacity building.

Completed in June 2025, the study undertook a comprehensive legislative and regulatory audit across key sectors,³² as well as regimes governing taxation, investment, landholding and company incorporation. The project produced a regional database that can be used to support trade negotiations and guide policy reforms. Importantly, it also included training and a shared methodology, enabling members to update and expand this work over time. This combination of practical analysis and capacity building has strengthened CARICOM's ability to design and implement trade policy in a sustained way.

Source: Roberta Allport, WTO Secretariat.

While some progress has been made to support developing economies in negotiating and implementing trade agreements, further efforts are needed to provide cutting-edge factual analysis, with a view to identifying emerging

trade issues that could be taken forward in future negotiations. Sharing experiences grounded in local realities can provide valuable insights on the various challenges developing economies face in integrating into regional and global trade.

Strengthening capacity to trade

The WTO was 10 years old when the Aid for Trade initiative saw the light of day at the Hong Kong Ministerial Conference in 2005. At that time, many of the transition periods included in the Uruguay Round agreements with a view to helping developing economies implement trade rules had lapsed. In addition, developing

economies were also concerned that they could not benefit from market access opening because they did not have sufficient capacity to export.

In order to implement the results of the negotiations and to build necessary capacity,

Aid for Trade was created. Its primary objectives were to help developing economies negotiate and implement trade rules and tackle adjustment costs resulting from greater participation in global trade, thereby helping to strengthen the global trading system with the WTO at its core.

Since 2006, US\$ 795 billion has been disbursed in Aid for Trade, reflecting its continued importance. Most of it has been disbursed to bolster infrastructure and productive capacity in developing economies, including LDCs. At the same time, only 3 per cent has been channelled into trade policy and regulation, an area which is of critical importance for helping developing economies make better use of the WTO.

Over the past 20 years, Aid for Trade discussions have evolved given the shifting landscape of global trade, including technological breakthroughs and geopolitical developments. Serving as a forum for coordination, the WTO has regularly taken stock of global Aid for Trade efforts, including through the Global Reviews of Aid for Trade held every two years and the joint WTO-Organisation for Economic Co-operation and Development “Aid for Trade at a Glance” reports. Themes reviewed over the past 20 years range from resource mobilization and Aid for Trade results to value chain integration, trade costs and connectivity, and more recently, diversification, inclusion and sustainability. During this period, the initiative’s goal of using trade integration to help developing economies, including LDCs, fully realize their trade potential has remained core to its activities.

Early “Aid for Trade at a Glance” reports underscored the importance of transparency, accountability and alignment with country ownership principles. It was also underlined that Aid for Trade could deliver tangible gains in trade performance, economic growth and poverty reduction, especially when

anchored in national development strategies. Since then, many developing economies, including LDCs, have integrated trade into their national development plans.

As global trade became increasingly digitalized and more fragmented in recent years, Aid for Trade priorities have evolved to address emerging constraints facing developing economies, including LDCs. The reports highlighted that integrating into global value chains required more than export growth; it depended on efficient logistics, access to finance, skills development, and supportive regulatory frameworks aligned with business needs. Persistently high trade costs – driven by inefficient border procedures and infrastructure gaps – continued to limit participation in world trade, particularly for LDCs and small businesses, making full implementation of the WTO’s Trade Facilitation Agreement critical.

At the same time, digital connectivity has emerged as a key driver of competitiveness and inclusion. Closing the digital divide through investment in information and communications technology infrastructure, enabling regulations, and public-private partnerships, is considered essential to ensure that Aid for Trade supports the inclusive integration of developing economies into global markets.

The role of the initiative in promoting diversification and fostering resilience, sustainability and inclusion has featured prominently in recent years, particularly in response to global crises, such as the COVID-19 pandemic, geopolitical uncertainty and extreme weather events. The findings of the early reports suggest that developing economies continue to rely on trade integration to achieve structural transformation and economic diversification.

Roadmap to the 20th anniversary: reinforcing trade potentials

Implementation of Aid for Trade projects over the past two decades has helped WTO members identify practical ways of making the WTO's Aid for Trade work more relevant to their evolving needs. Building on members' feedback, the Chair of the WTO Committee on Trade and Development, Ambassador Ram Prasad Subedi of Nepal, devised the "Roadmap to the 20th anniversary: reinforcing trade potentials" to set the framework for Aid for Trade work in the run-up to its 20th anniversary.³³

The roadmap emphasizes the need to let more voices from beneficiaries and development partners be heard, with a view to sharing knowledge in the Aid for Trade forum.

In 2025, members shared experiences on Aid for Trade interventions regarding trade policy and regulations and took stock of global Aid for Trade efforts. Representatives from Australia, Barbados, Burundi, Cambodia, Canada, China, the European Union, Japan, Lao PDR, the United Kingdom, as well as the EIF, the International Trade Centre, the Pacific Island Forum Secretariat, the Standards and Trade Development Facility and TradeMark Africa, provided insights into Aid for Trade efforts and practices, with the aim of encouraging greater integration of developing economies, including LDCs, into global trade.

The discussions highlighted the importance of country ownership and demand-driven

trade support to strengthen the participation of developing economies, including LDCs, in trade negotiations and in global trade.

Better coordination between the WTO and capitals was seen as essential to improve policy coherence and maximize the impact of Aid for Trade. Proactive engagement in capitals, however, was also considered important for prioritizing trade development solutions responsive to local contexts.

Knowledge sharing was identified as a critical driver of trade development. While many developing economies already have technical capacity, access to information on global best practices, trade disciplines and export development tools helps tailor solutions to national development needs.

Members' experiences emphasized that small, targeted and co-created interventions – involving governments, the private sector and donors – can have long-term impacts on investment and competitiveness. For example, the African Union Development Agency and Japan International Cooperation Agency have been implementing the Africa Kaizen Initiative aimed at bolstering the competitiveness of African businesses.

Continuous productivity and quality improvements, as well as adaptive, locally grounded solutions, were considered key, with the Pacific Aid for Trade Strategy cited as a positive example (see [Box 2.10](#)).

Box 2.10:**Pacific Islands Forum: Making trade work across the Pacific****By pooling resources, Pacific economies are working together to cut trade barriers and boost competitiveness.**

The Pacific is home to some of the world's most remote economies. Small domestic markets, vast distances to export markets, and high trade costs have limited the region's competitiveness. To tackle these shared constraints, Pacific trade ministers adopted the Pacific Aid for Trade Strategy in 2020, focusing on e-commerce, services, connectivity and regional integration.

Since then, economies have pooled resources to turn strategy into action. The Pacific E-commerce Strategy is helping firms sell goods and services to customers far beyond their shores. "About a quarter of the 54 priority measures – ranging from harmonized e-commerce laws to skills training and expanded information technology (IT) infrastructure – have already been implemented," says Andrea Giacomelli, Advisor at the Pacific Islands Forum Secretariat. At the same time, Rapid Trade in Services Assessments are helping governments cut regulatory barriers and identify new export opportunities.

Meeting international standards has also been critical. Through the Pacific Quality Infrastructure initiative, regional standards have been developed for cassava production and energy-efficient buildings, while work continues to upgrade kava and apiculture value chains. "These include ensuring quality standards and improving export opportunities with support from development partners, including Australia, the European Union, the EIF and the STDF," said Mr Giacomelli.

Trade facilitation remains a priority. With implementation rates of the TFA hovering around 42 per cent, the Pacific Regional Trade Facilitation Strategy sets out 22 regional actions to improve border controls, speed up customs clearance, and expand electronic information exchange.

The approach is deliberately pragmatic. "Our work in the region provides a good example of how to do more with less," Mr Giacomelli says. "We focus on a limited set of long-term initiatives and regional actions that our members can pursue by pooling resources, with coordinated support from donors and implementing agencies," he adds.

Source: Challenges and success stories on the WTO website, https://www.wto.org/english/tratop_e/devel_e/a4t_e/cssta4t-pacificislands_e.htm

The important role of preferential market access for developing economies, including LDCs, was reaffirmed by WTO members. They also emphasized the need for better dissemination of information to SMEs on how to effectively use trade preferences

and comply with rules of origin associated with preference schemes. Strengthening trade support networks and export development programmes was also seen as vital for helping SMEs exploit market opportunities (see [Box 2.11](#)).

Box 2.11:
Lao PDR: Building trade pathways for Lao exporters

By leveraging South-South cooperation, Lao PDR is connecting its entrepreneurs to consumers worldwide.

For decades, geography has shaped the economic story of Lao PDR. With no direct access to the sea and limited transport connectivity, moving goods beyond its borders has often come at a high price. Logistics costs have been steep, infrastructure underdeveloped and access to global markets constrained – particularly for SMEs.

Lao PDR's partnership with China was part of the solution to improve infrastructure and strengthen Lao's capacity to trade. One key breakthrough has been progress on SPS compliance – often a hidden barrier for agricultural exports.

“With Chinese support, Lao PDR has built disease control laboratories and monitoring stations. As a result, 35 agricultural products – 31 plant species and four animal species – now meet SPS requirements and are being exported to Chinese consumers,” said Sengdeun Sayasone, Director-General in the Cabinet Office of the Laos–China Cooperation Committee.

The launch of the Lao-China railway, in 2021, has increased daily freight traffic from two trains to 18, connecting Lao PDR with 19 economies and regions, including China, Singapore, Thailand and Viet Nam. “It has been a game changer,” Mr Sayasone says.

Beyond moving goods more quickly and cheaply, the railway has brought broader social and economic benefits. Railway vocational colleges are helping participants develop local technical skills, while resettlement villages along the route are boosting livelihoods in surrounding communities.

Physical infrastructure is only part of the story. Digital trade is emerging as another critical lever for a landlocked economy. Lao PDR has upgraded the IT systems within the Ministry of Industry and Trade, built e-commerce platforms and deployed a national fibre-optic backbone under the Digital Silk Road initiative. “These tools are giving our small and medium-sized enterprises a digital gateway to global markets,” says Mr Sayasone.

Source: Challenges and success stories on the WTO website, https://www.wto.org/english/tratop_e/devel_e/a4t_e/cssta4t-laopdr_e.htm

Discussions among WTO members have also pointed to a tectonic shift from grants to large-scale investment partnerships which offer access to significantly larger pools of finance by mobilizing private capital. This approach is

considered key for expanding infrastructure development opportunities, while at the same time placing a spotlight on the need for creating an enabling environment for trade and investment (see Box 2.12).

Box 2.12: Investment Facilitation for Development Agreement

The Investment Facilitation for Development Agreement aims to help developing economies, including LDCs, make investment policies more transparent and to streamline investment-related procedures with a view to attracting and expanding foreign direct investment.

The initiative began in 2017, when a group of developing economy and LDC WTO members started discussions on investment facilitation for development. The structured discussions began after the 11th WTO Ministerial Conference in Buenos Aires, when 70 members sponsored a Joint Ministerial Statement which aimed at developing a multilateral framework on investment facilitation.

In February 2024, the text of the Agreement on Investment Facilitation for Development (IFD Agreement) was finalized by the participating members and made public. The Agreement aims to improve the business environment by cutting red tape and simplifying investment-related procedures. Currently, more than three quarters of WTO members, including around 90 developing economies and LDCs, are member parties to the IFD Agreement.

The IFD Agreement follows a similar approach to the TFA on special and differential treatment. It provides implementation flexibilities for developing and LDC member parties tailored to their individual capacity and resources. The Agreement allows for self-designation of provisions according to three categories: A) implementation upon entry into force; B) implementation after a transition period; and C) implementation after a transition period with the provision of technical assistance. Additional flexibilities are granted to LDC members.

With support available for needs assessments, developing and LDC member parties can define a specific transition period for each provision of the Agreement consistent with their implementation capacity, and identify the technical assistance and capacity building required for its implementation. As of April 2026, 27 needs assessment projects had already been undertaken.

At the end of the 14th WTO Ministerial Conference in Cameroon in 2026, the 129 member parties to the Agreement issued a Ministerial Declaration underlining the importance of integrating the IFD Agreement into the WTO rulebook. Members called for timely implementation of the Agreement and for collective efforts to be intensified to advance IFD needs assessments and relevant technical assistance, as well as capacity building for the implementation of the IFD Agreement.

Source: Oscar Douglas, WTO Secretariat.

Looking ahead, discussions continue to highlight that Aid for Trade support should be more tailored to local contexts and address both traditional trade

challenges and emerging priorities, such as digital trade, inclusiveness and transition to net zero carbon emissions.

Monitoring, evaluation and learning (MEL)

Most Aid for Trade projects are implemented at the country level with diverse monitoring and evaluation models. There is no single monitoring and evaluation framework to assess effectiveness and the impact of different types of projects in support of trade development.

Members' deliberations have identified the need for greater attention to MEL, with a view to maximizing the impact of trade development interventions. The need to define the purpose of MEL in accountability or learning was considered as the first step. Learning was deemed especially valuable for strategic decisions and continuous improvement. A suggestion was made to replace long static reports with interactive dashboards. It was also recommended that MEL be integrated into strategy refreshes and budget planning.

Establishing the logic behind any intervention was also considered essential. Evolving a Theory of Change co-created with relevant stakeholders was thought to be vital for guiding trade development projects. Embedding learning in design, engaging stakeholders throughout and integrating evaluation from the start were highlighted as cornerstones of strong MEL practice.

Prioritizing evaluation criteria, reducing and focusing evaluation questions, and integrating cross-cutting issues where most relevant were considered important in developing agile MEL frameworks. Using established definitions and methods, including trade and investment flows, can keep key performance indicator measurements consistent. Meanwhile, impact metrics related to growth and poverty reduction often require costly modelling or surveys. A mixed-methods approach, combining portfolio data with thematic and country

case studies, was recommended to boost rigour. Quantifying qualitative data further strengthens aggregation, comparison and overall learning.

Leadership commitment and broad stakeholder participation throughout the process were seen as vital for effective MEL. Early alignment between funders and national partners, and balanced decision-making that empowers field teams while retaining central oversight and real-time monitoring, to support quick course-correction and better outcome tracking, were considered among the main drivers of efficiency. Examples of strong MEL practices included the STDF, the Fisheries Funding Mechanism and the Pacific Islands Forum Secretariat, all of which apply expert-driven, collaborative MEL systems to design, assess and measure programme outcomes.

It was also noted, however, that limited technical capacity, uneven data standards, weak sectoral data systems, and difficulty of linking project activities to broader development outcomes were among the main challenges in using MEL systems to drive continuous improvement.

Key lessons learnt emphasized the need to focus on the data that inform decision-making while adapting standardized MEL frameworks to local realities. Building a sustainable MEL ecosystem requires strengthening local capacity through targeted training, adopting modern digital data systems, and embedding MEL across national and sectoral plans. Success hinges on clear policies and standards, adequate resources and basic results-based management training, combined with strong follow-up mechanisms to ensure recommendations lead to real improvements.

Looking ahead

The trends in developing economies' trade over the last two decades, the quality of integration into world trade, and the evolution of negotiations and discussions in the WTO offer some pointers to the Aid for Trade initiative going forward. It is evident that gaps continue to persist in trade capacity in an ever-increasing complex trading environment.

International trade has continued to face formidable challenges in view of the pandemic and geopolitical tensions associated with fragmentation and conflicts. This has had an impact on the delivery of trade capacity-building support. The evolving global economic situation means that donor governments and multilateral institutions have to address a variety of pressing challenges facing the international community. New commitments in ODA are affected by all these developments, with resources directed increasingly towards humanitarian purposes or non-economic objectives. As a result, development cooperation policies are being shaped by these trends.

It is in this context of declining ODA, and an impending need to look at domestic priorities in the economies of development partners, that the future of Aid for Trade needs to be reimagined, according to WTO members.³⁴

The Organisation for Economic Co-operation and Development systematically tracks the delivery of Aid for Trade. Most of the Aid for Trade resources are provided through bilateral channels and established mechanisms between the donor and the recipient. WTO members review the outcome of these endeavours.

WTO discussions on Aid for Trade remain crucial for shining a spotlight on the needs of developing economies. In recent years, Aid for Trade discussions have allowed WTO members to share best practices and to gain insights into the realities on the ground. Meanwhile, funding decisions remain within the remit of the development cooperation ministries or agencies in donor capitals.

A potential area for improvement for the Aid for Trade initiative could be better coordination between officials working in capitals and delegates working in Geneva, WTO members have stressed.³⁵ The coordination challenge is also acute within economies, as ODA is dealt with mostly by finance ministries, whilst trade matters are vested in departments of trade. For instance, a concessional loan from the World Bank would traditionally be the responsibility of an economy's finance ministry, with the trade ministry having to compete with other ministries, such as health and education, for the allocation of this funding.

All these challenges underscore the need to make maximum use of available resources that can be allocated to trade capacity building. Past Aid for Trade surveys have revealed that developing economies continue to need physical infrastructure support. At the same time, in view of the evolving nature of production and trade, increased support for new areas, such as digital trade, is emerging as a priority.³⁶ Improving infrastructure must go hand in hand with efforts to address skills gaps and to seize the opportunities arising from digital trade and new forms of trade cooperation, experts have emphasized.³⁷ The need for support in the areas of trade policy and regulations has been increasingly highlighted in recent Aid for Trade discussions.³⁸

WTO members have stressed that all possible avenues for mobilizing resources for developing economies need to be explored. For some years, South-South cooperation has been helping developing economies realize tangible gains, especially in the context of regional integration. As preferences provided by developed economies diminish, and graduation from LDC status becomes more likely for many economies, the latter need to explore new export markets. This can lead to trading opportunities with economies beyond the region.

Over the past 20 years, Aid for Trade support for economic infrastructure and productive capacity building has mainly consisted of long-term engagement with international financial institutions based on the modalities agreed with them by the recipient government. Such support is widely considered to be aimed at economy-wide efficiency improvements, and may not generate a new trade activity per se. It is therefore important to focus on providing support directly to the trade sector, as members have emphasized.³⁹ This support can be in the form of promoting the development of tradeable goods, institutional strengthening or trade policy support (in the areas of trade negotiations or WTO agreement implementation).

To generate a bigger pool of resources, development partners have started to reorient their approach to development interventions. For example, the European Union launched its Global Gateway strategy in 2021, with a view to strengthening sustainable infrastructure globally through a public-private partnership approach.⁴⁰ One of its flagship initiatives is the Lobito Corridor railway project, which aims to connect mineral-rich Zambia, the Democratic Republic of the Congo and Angola to global markets.⁴¹ This type of

strategic partnership is a model that can be replicated in other regions to create opportunities for increased trade. The Global Gateway also prioritizes digital connectivity and energy transition, which require substantial investments in developing economies.

The principles of country ownership and partnerships remain essential for trade capacity building, as underscored by WTO members.⁴² The tightening of development cooperation budgets emphasizes the need to attract all possible sources of funding. One option is to explore partnerships with institutions that have the mandate to work with the private sector to broaden access to resources and to provide the relevant expertise. An example is the Cotton Partnership, launched by the WTO and FIFA in 2024, to help the Cotton-4 economies (Benin, Burkina Faso, Chad and Mali) tap into the opportunities offered by global sports-apparel value chains. This kind of initiative can help developing economies boost their productive sectors, thereby improving trade prospects.

In line with the Roadmap to the 20th Anniversary, mobilizing alternative sources of funding, including from the private sector, has been an area of member discussions.⁴³ It was determined that while official development assistance has helped build the foundation, private sector partnerships and capital can complement public efforts in supporting trade expansion.

The discussions highlighted that multilateral development banks have been shifting from a traditional “aid” model toward an “investment partnership” model, where public finance is used more strategically to mobilize private capital. Capital-intensive assets such as ports, roads, railways, border facilities, logistics hubs and multimodal corridors were identified as well suited

for public-private partnerships. At the same time, it was noted that private financing can only make a difference when accompanied by effective trade facilitation and regulatory reforms.

A regional example from the Caribbean underscored that the core challenge is not simply access to capital. It is about preparing projects that investors can support. This means integrating bankability into the project design from the beginning, including by adding revenue streams that make ports and logistics projects financially viable.

It was acknowledged that concessional Aid for Trade funding could absorb risks private investors cannot take on, helping to unlock larger private investment, including through guarantees. In this context, success shifts from disbursements made, to investment that has been mobilized – and to how well funds can be reused over time. Such an approach could bring essential resources to support the needs of developing economies, for them to adjust to the changing nature of world trade and to remain competitive in the global market.

Annex 2.1: Composition of groups

DEVELOPING ECONOMIES include:

Latin America (including the Caribbean):

- Mexico (classified within North America in the WTO's World Trade Statistical Review);
- Central America: Belize; Costa Rica; El Salvador; Guatemala; Honduras; Nicaragua; and Panama;
- South America: Argentina; Bolivia, Plurinational State of; Brazil; Chile; Colombia; Ecuador; Guyana; Paraguay; Peru; Suriname; Uruguay; and Venezuela, Bolivarian Republic of;
- The Caribbean: Antigua and Barbuda; Bahamas; Barbados; Cuba; Dominica; Dominican Republic; Grenada; Haiti; Jamaica; Saint Kitts and Nevis; Saint Lucia; Saint Vincent and the Grenadines; and Trinidad and Tobago.

Non-EU south-eastern Europe:

- Albania; Bosnia and Herzegovina; Moldova, Republic of; Montenegro; North Macedonia; Serbia; Türkiye; and Ukraine.

Africa:

- North Africa: Algeria; Egypt; Libya; Morocco; and Tunisia.
- Sub-Saharan Africa: Angola; Benin; Botswana; Burkina Faso; Burundi; Cabo Verde; Cameroon; Central African Republic; Chad; Comoros; Congo; Côte d'Ivoire; Democratic Republic of the Congo; Djibouti; Equatorial Guinea; Eritrea; Eswatini; Ethiopia; Gabon; The Gambia; Ghana; Guinea; Guinea-Bissau; Kenya; Lesotho; Liberia; Madagascar; Malawi; Mali; Mauritania; Mauritius; Mozambique; Namibia; Niger; Nigeria; Rwanda; Sao Tomé and Príncipe; Senegal; Seychelles; Sierra Leone; Somalia; South Africa; South Sudan; Sudan; Tanzania; Togo; Uganda; Zambia; and Zimbabwe.

Middle East:

- Bahrain, Kingdom of; Iran; Iraq; Israel; Jordan; Kuwait, the State of; Lebanese Republic; Oman; Qatar; Saudi Arabia, Kingdom of; Syrian Arab Republic; United Arab Emirates; and Yemen.

Developing Asia:

- Afghanistan; Bangladesh; Bhutan; Brunei Darussalam; Cambodia; China; Fiji; Hong Kong, China; India; Indonesia; Kiribati; Korea, Republic of; Korea, Democratic People's Republic of; Lao People's Democratic Republic; Macao, China; Malaysia; Maldives; Micronesia, Federated States of; Mongolia; Myanmar; Nauru; Nepal; Pakistan; Palau; Papua New Guinea; Philippines; Samoa; Singapore; Solomon Islands; Sri Lanka; Chinese Taipei; Thailand; Timor-Leste; Tonga; Tuvalu; Vanuatu; and Viet Nam.

DEVELOPED ECONOMIES include:

North America (excluding Mexico for this report):

- Canada; United States of America.

Developed Europe:

- Andorra; Austria; Belgium; Bulgaria; Croatia; Cyprus; Czech Republic; Denmark; Estonia; Finland; France; Germany; Greece; Hungary; Iceland; Ireland; Italy; Latvia; Liechtenstein; Lithuania; Luxembourg; Malta; Netherlands; Norway; Poland; Portugal; Romania; Slovak Republic; Slovenia; Spain; Sweden; Switzerland; and United Kingdom.

Developed Asia:

- Australia; Japan; and New Zealand.

COMMONWEALTH OF INDEPENDENT STATES (CIS) including certain associate and former member states include:

- Armenia; Azerbaijan; Belarus; Georgia; Kazakhstan; Kyrgyz Republic; Russian Federation; Tajikistan; Turkmenistan; and Uzbekistan.

Annex 2.2: LDC-specific decisions taken in favour of least-developed countries

27 May 2009	Preferential Tariff Treatment for Least-Developed Countries (WT/L/759) – Decision on Extension of Waiver The decision extended the waiver contained in Decision WT/L/304 allowing developing economies to provide preferential tariff treatment to LDC products until 30 June 2019.
17 December 2011	Preferential Treatment to Services and Service Suppliers of Least-Developed Countries (WT/L/847) The services waiver decision allowed members to provide preferential treatment to services and service suppliers of LDCs with respect to market access (Article XVI) and, subject to approval by the Council for Trade in Services, any other measures.
17 December 2011	Accession of Least-Developed Countries (WT/L/846) The decision directed the Sub-Committee on LDCs to develop recommendations to further strengthen, streamline and operationalize the 2002 accession guidelines (WT/L/508).
25 July 2012	Accession of Least-Developed Countries (WT/L/508/Add.1) The 2012 accession guidelines included provisions to strengthen, streamline and operationalize the 2002 accession guidelines. The guidelines established benchmarks on market access negotiations on goods and services, and provisions with respect to special and differential treatment (including transition periods), transparency and technical assistance.
11 June 2013	Extension of the Transition Period under Article 66.1 for Least Developed Country Members – Decision of the Council for TRIPS (IP/C/64) The decision constituted the second extension of the transition period under Article 66.1 of the TRIPS Agreement (first extension: IP/C/40). The decision allowed LDCs to delay the implementation of the TRIPS Agreement other than the core non-discrimination provisions (Articles 3, 4 and 5) until 1 July 2021.

28 June 2013	WTO Work Programme for the Least-Developed Countries (WT/COMTD/LDC/11/Rev.1) Like the LDC Work Programme of 2002 (WT/COMTD/LDC/11), the revised work programme focused on seven systemic questions for LDCs, including market access issues, technical assistance and capacity-building initiatives and accessions. The revision included, <i>inter alia</i>, the incorporation of the United Nations Istanbul Programme of Action for LDCs for the Decade 2011–2020.
07 December 2013	Preferential Rules of Origin for Least-Developed Countries (WT/L/917) The decision provided for multilateral guidelines for preferential rules of origin to help LDCs better use preferences accorded to them. The decision encouraged members to draw upon elements of the guidelines when developing the rules of origin of their preferential market access schemes for LDCs.
07 December 2013	Operationalization of the Waiver Concerning Preferential Treatment to Services and Service Suppliers of Least-Developed Countries (WT/L/918) The decision outlined the process for the operationalization of the services waiver (WT/L/847). It also recognized the need to strengthen LDCs' domestic services capacity to make use of existing opportunities and any preferences in the future.
07 December 2013	Duty-Free and Quota-Free (DFQF) Market Access for Least-Developed Countries (WT/L/919) According to the decision, developed economy members that do not yet provide DFQF market access for at least 97 per cent of products originating from LDCs, shall seek to improve their DFQF coverage prior to the 10th WTO Ministerial Conference. Developing economy members, declaring themselves in a position to do so, shall seek to provide DFQF market access for products originating from LDCs, or to seek to improve their DFQF schemes prior to the 10th WTO Ministerial Conference.
06 November 2015	Extension of the Transition Period under Article 66.1 of the TRIPS Agreement for Least Developed Country Members for Certain Obligations with respect to Pharmaceutical Products (IP/C/73) The decision of the TRIPS Council extended the transition period for implementation of Sections 5 and 7 of Part II of the TRIPS Agreement with respect to pharmaceuticals until 1 January 2033 or until such a date on which an LDC ceases to be a least-developed country member, whichever date is earlier.
30 November 2015	Least Developed Country Members – Obligations under Article 70.8 and Article 70.9 of the TRIPS Agreement with respect to Pharmaceutical Products (WT/L/971)

	The decision of the General Council exempts LDC members from the application of mailbox requirements and exclusive marketing rights for the same time period until 1 January 2033 or until such a date on which they cease to be an LDC member, whichever is earlier.
19 December 2015	Preferential Rules of Origin for Least Developed Countries (WT/MIN(15)/47, WT/L/917/Add.1)
	The decision provided guidance for rules of origin with regard to the assessment of substantial transformation, cumulation possibilities and documentary requirements.
19 December 2015	Implementation of Preferential Treatment in Favour of Services and Service Suppliers of Least Developed Countries and Increasing LDC Participation in Services Trade (WT/MIN(15)/48, WT/L/982)
	The decision extended the LDC services waiver until 2030 and instructed the Council for Trade in Services to monitor the operation of preferences notified to the WTO.
02 March 2017	Decision on Template for the Notification of Preferential Rules of Origin for Least Developed Countries (G/RO/84)
	The decision provided a template for notifications of preferential rules of origin.
14 June 2019	Request for Extension of the Waiver for Preferential Tariff Treatment for Least Developed Countries (G/C/W/764)
	The waiver contained in the decision of 15 June 1999 (WT/L/304) is extended until 30 June 2029.
29 June 2021	Extension of the Transition Period under Article 66.1 for Least Developed Country Members (IP/C/88)
	The decision constituted the third extension of the transition period under Article 66.1 of the TRIPS Agreement. The decision allowed LDCs to delay the implementation of the TRIPS Agreement other than the core non-discrimination provisions (Articles 3, 4 and 5) until 1 July 2034 – or when a particular economy ceases to be in the least-developed category if that should happen before 2034.
23 October 2023	General Council Decision on Extension of Unilateral Duty Free and Quota Free Preferences in favour of Countries Graduated from the LDC Category (WT/L/1172)
	The decision encourages preference-granting members to provide a smooth and sustainable transition period in accessing duty-free and quota-free market access.

2 March 2024	Ministerial Decision – WTO Smooth Transition Support Measures in favour of Countries Graduated from the LDC Category (WT/L/1189) MC13 LDC graduation decision gives LDC graduates three additional years to adjust to WTO rules and disciplines, and access to LDC-specific technical assistance.
14 July 2026	General Council Decision – Special and Differential Treatment Agreement Specific Proposals (Paragraph 8 Abu Dhabi Ministerial Declaration (WT/MIN(24)/DEC) and Paragraph 4 of WT/MIN(24)/36; WT/L/1191) (WT/L/1245) The Decision indicates that the Committee on Trade and Development, Special Session has fulfilled its commitment to undertake discussions to improve implementation of S&DT under the TRIPS Agreement. It also notes that any further discussions on improving implementation of the provisions of the TRIPS Agreement may continue in the Council for TRIPS based on proposals from members.
14 July 2026	General Council Decision – Enhanced Integrated Framework (WT/L/1246) The Decision welcomes the launch of EIF Phase 3 which will run until December 2031 and confirms that the implementation of the EIF will not involve any cost to the regular budget of the WTO.

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World Bank (2020), "The African Continental Free Trade Area: Economic and Distributional Effects", Washington, D.C.: World Bank Group, available at <http://documents.worldbank.org/curated/en/216831595998182418>

Endnotes

- 1 See the statistical definition in Annex 1.
- 2 ODA-eligible developing economies are defined by the Organisation for Economic Co-operation and Development, and available on the following link: <https://www.oecd.org/content/dam/oecd/en/topics/policy-sub-issues/oda-eligibility-and-conditions/DAC-List-of-ODA-Recipients-for-reporting-2025-flows.pdf>. The non-ODA eligible economies include some economies that have a significant share of exports, i.e., Republic of Korea and Singapore.
- 3 Sectoral shares are calculated using export-weighted totals, adding up reported sectoral exports across economies and dividing by total merchandise exports. In 2006, sectoral disaggregation is missing for several LDCs, predominantly small exporters, while two larger exporters (the Democratic Republic of the Congo and Myanmar) report total merchandise exports without sectoral detail. As a result, the pie charts – which only reflect economies with complete sectoral reporting – differ from the export-weighted shares, which account for total merchandise exports. Differences between the two measures reflect data coverage and reporting constraints in the early period rather than changes in underlying trade structure.
- 4 Greater concentration among the largest exporters is also observed for landlocked developing countries (LLDCs). Merchandise exports of LLDCs grew on average by 5.8 per cent between 2006 and 2024, reaching US\$ 286.7 billion in 2024. LLDCs' share in world merchandise exports increased from 0.86 per cent in 2006 to 1.17 per cent in 2024. Within the LLDC group, the top 10 exporters accounted for 74.4 per cent of the LLDC group's exports. Between 2006 and 2024, Kazakhstan, Azerbaijan and Uzbekistan remained the top exporters. Meanwhile, Mongolia increased in prominence.
- 5 Hong Kong, China; Korea, Republic of; and Singapore are also among the top exporters, but they are non-ODA eligible economies.
- 6 WTO members (32): Antigua and Barbuda; Barbados; Belize; Bolivia, Plurinational State of; Cabo Verde; Cuba; Dominica; Dominican Republic; Ecuador; El Salvador; Fiji; Grenada; Guatemala; Guyana; Honduras; Jamaica; Maldives; Mauritania; Mauritius; Mongolia; Nicaragua; Panama; Papua New Guinea; Saint Kitts and Nevis; Saint Lucia; Saint Vincent and the Grenadines; Samoa; Seychelles; Sri Lanka; Tonga; Trinidad and Tobago; Vanuatu.
WTO observers negotiating accession (1): Bahamas.
- 7 WTO official document: WT/COMTD/LDC/W/68.
- 8 WTO official document: WT/COMTD/W/301.

- 9 2017 G20 Leaders' Declaration available at https://www.g20.utoronto.ca/2017/2017-G20-leaders-declaration.html?utm_source=chatgpt.com; 2017 G7 Leaders' Declaration available at https://www.g7.utoronto.ca/summit/2016shima/ise-shima-declaration-en.html?utm_source=chatgpt.com.
- 10 WTO official document: WT/MIN(26)/39.
- 11 WTO official document: WT/MIN(26)/38.
- 12 SDG Target 2.b aims to correct agricultural market distortions by eliminating export subsidies to achieve Zero Hunger by 2030.
- 13 WTO official document: WT/MIN(22)/29.
- 14 Cotton-4 plus members include: Benin, Burkina Faso, Chad and Mali plus Côte d'Ivoire.
- 15 WTO official document: WT/MIN(24)/36.
- 16 WTO official document: WT/MIN(26)/37.
- 17 WTO official documents: [WT/L/917](#) and [WT/L/917/Add.1](#).
- 18 WTO official document: [G/RO/95](#).
- 19 In 2025, the LDC Group made suggestions on possible best practices related to (i) the method of calculation of value in rules based on the percentage criterion; (ii) the level of ad valorem percentages; (iii) rules based on a change of tariff classification; (iv) consignment of goods; (v) proof of origin and self-certification; and (vi) cumulation.
- 20 Preferential Treatment to Services and Service Suppliers of Least-Developed Countries, 17 December 2011 (WTO official document [WT/L/847](#)).
- 21 Operationalization of the Waiver Concerning Preferential Treatment to Services and Service Suppliers of Least-Developed Countries, 11 December 2013 (WTO official documents [WT/MIN\(13\)/43](#), [WT/L/918](#)).
- 22 Implementation of Preferential Treatment in Favour of Services and Service Suppliers of Least-Developed Countries and Increasing LDC Participation in Services Trade, Nairobi, 15–18 December 2015 (WTO official documents [WT/MIN\(15\)/48](#), [WT/L/982](#)).
- 23 In 2024, the LDC Group proposed a questionnaire as an optional tool to help analyse how LDC suppliers are interacting with consumers in preference-providing members (WTO official document RD/SERV/CTS/1).
- 24 WTO official document JOB/COMTD/LDC/7.
- 25 WTO official document: WT/L/1246.
- 26 WTO official documents: WT/L/508 and WT/L/508/Add.1.
- 27 The Trade Advocacy Fund is a UK-funded Aid for Trade programme which provides support to the day-to-day work of the ACP group, Pacific Islands Forum Secretariat. It also provides travel support to the officials from developing countries and LDCs.

- 28 Summit Alliance International (SAI) is a consultancy firm funded by the UK through their Trade Advocacy Fund. SAI consultants work on a daily basis with the LDC group, they prepare LDC group statements for all WTO official meetings and organize periodic LDC ministerial meetings and retreats for the LDC group.
- 29 <https://statistics.caricom.org/>.
- 30 See <https://caribbeantradelaw.com/trade-agreements>.
- 31 <https://rtais.wto.org/UI/PublicAllIRTAList.aspx>.
- 32 Six non-services sectors including agriculture, fishing, manufacturing, forestry, mining and quarrying and energy. Six services sectors including professional, computer and related, communications, education, financial, and air and maritime transport.
- 33 WTO official document: JOB/COMTD/AFT/7 available at https://www.wto.org/english/tratop_e/devel_e/a4t_e/DD_Aid_for_Trade_Roadmap_to_the_20th_Anniversary_Factsheet_Web.pdf.
- 34 WTO official document: WT/COMTD/AFT/M/62.
- 35 WTO official document: WT/COMTD/AFT/M/62.
- 36 WTO (2024). Aid for Trade at a Glance report available at https://www.wto.org/english/res_e/booksp_e/a4tat glance2024_e.pdf.
- 37 WTO (2024a) Hoekman B., Aid for Trade in a changing global context: https://www.wto.org/english/tratop_e/devel_e/a4t_e/global_review24_e/a4t_global_context_2024_e.pdf.
- 38 WTO official documents: JOB/COMTD/AFT/6, JOB/COMTD/AFT/7; WT/COMTD/AFT/M/62; WT/COMTD/AFT/M/63; and WT/COMTD/AFT/M/64.
- 39 WTO official documents: JOB/COMTD/AFT/6, JOB/COMTD/AFT/7; WT/COMTD/AFT/M/62 and WT/COMTD/AFT/M/63.
- 40 WTO official document: WT/COMTD/AFT/M/64.
- 41 Summary of the experience-sharing session on LDC graduation held on 25 March 2024 under the aegis of the Sub-Committee on LDCs is available at https://www.wto.org/english/tratop_e/devel_e/devel_2503202415_e/Summary_Experience%20Sharing%20Session_LDC%20Graduation.pdf.
- 42 WTO official document: JOB/COMTD/AFT/11 and WT/COMTD/AFT/M/62.
- 43 Summary of the experience-sharing session on Leveraging private sector partnerships for trade held on 20 April 2026 under the aegis of the Aid for Trade session of the CTD is available at https://www.wto.org/library/events/event_resources/aid_2004202610/additional_link_218.pdf.



Manufacturing facility in Viet Nam.

Chapter 3

Changing trade landscape, transforming development partnerships

Introduction

The trade landscape is undergoing a profound transformation. Trade is increasingly shaped by three interrelated factors: i) rapid digitalization, ii) evolving trade patterns and a greater focus on supply chain resilience, and iii) growing attention to environmental considerations across a wide variety of economies (OECD, 2025a). Together, these dynamics are also redefining what it means to support trade capacity in developing economies. They are shifting the focus of Aid for Trade beyond traditional border and infrastructure constraints towards more complex ecosystems involving conformity with standards, regulatory cooperation and cross-border co-ordination among a wider set of parties.

Digitalization is expanding the scope and speed of trade, while also raising new challenges for connectivity and interoperability. From electronic documentation and “single window” systems for cross-border trade to e-commerce platforms and data governance frameworks, the ability to participate in and benefit from digital trade depends on investments that combine support for hard and soft infrastructure with institutional capacity building (IMF, OECD, UNCTAD, World Bank, WTO, 2023).

At the same time, efforts to respond to evolving trade patterns – partly driven by recent global disruptions and geopolitical tensions – are placing greater emphasis on diversification, transparency and risk management (OECD, 2025a). This includes improving visibility across supply chains, reinforcing logistics performance, and supporting firms’ capacities to adapt to supply chain disruptions, all of which have implications for how Aid for Trade programmes are designed and delivered.

Environmental considerations in several economies add a further layer of complexity. As many economies implement policies related to non-product-related process and production methods, a more circular economy or long-term resource use, new forms of information, verification and compliance are becoming integral to trade-related processes (OECD, 2025b). In this context, traceability systems for traded goods and related standards together with environment-related requirements are increasingly embedded in cross-border transactions, with implications for producers, traders and border agencies alike (OECD, 2026a). Supporting developing economies to meet these requirements while ensuring that they remain integrated in global markets appears increasingly linked to more targeted forms of assistance and capacity building.

These transformations are increasingly interconnected. Digital tools underpin traceability, can support more efficient risk management and can enable timely data flows that strengthen supply chain resilience, while environmental considerations often depend on the capacity to monitor and verify production processes across borders. Aid for Trade is therefore being called upon to operate in a more integrated and strategic manner, aligning investments in digital infrastructure, trade facilitation, productive capacity and regulatory frameworks, while strengthening co-ordination among governments, development partners, private sector actors, standard-setting bodies, technology providers and specialized regulatory agencies to ensure coherence and maximize impact.

Digital connectivity and e-commerce continue to be a transformative force

Digital trade – encompassing digitally enabled and digitally ordered cross-border transactions in both goods and services – has been reshaping not only how trade is conducted, but who can participate and under which conditions (López-González, Sorescu and Kaynak, 2023; IMF, OECD, UNCTAD, World Bank and WTO, 2023).

By lowering trade costs across sectors, digitalization has been expanding opportunities in everything from agri-food and manufacturing to services. It has also been opening new pathways for micro, small and medium-sized enterprises (MSMEs) and individuals to engage in international markets through cross-border parcel trade. Underpinning these shifts is the progressive digitalization of trade processes themselves, including the use of electronic documentation, e-signatures, e-contracts and digital systems that can streamline border procedures and reduce administrative burdens (López-González and Sorescu, 2021; López-González, Sorescu and Kaynak, 2023; OECD, 2025b).

The nature of what is traded is evolving simultaneously. Digitally delivered services are growing rapidly, alongside increasingly “bundled” products that integrate goods and services through digital technologies such as the Internet of Things, the network of devices that use sensors to collect and transmit data. Central to all of this are cross-border data flows, which have become the backbone of modern trade, but also introduce new policy and regulatory challenges related to privacy, security, intellectual property and data governance (IMF, OECD, UNCTAD, World Bank, WTO, 2023).

Strengthening digital connectivity remains critical. Not only can it facilitate participation in digital trade but also deliver measurable reductions in trade costs – both domestically and internationally – creating a “double dividend” that has grown significantly over time (López-González, Sorescu and Kaynak, 2023). For Aid for Trade, this underscores the importance of supporting investments that go beyond infrastructure to include regulatory frameworks, digital skills and institutional capacities needed to harness the full potential of digital trade.

Digital trade is advancing rapidly but participation remains uneven

Total digitally ordered trade is estimated to have grown by approximately 5.5 per cent per year since 2010. While this is smaller than the overall growth of digitally delivered services, which averages 7 per cent

annually, the annual growth in digitally ordered trade is higher than other services exports (around 5 per cent per year) or “traditional” goods exports (almost 4 per cent per year) (OECD, 2025c).

While digital trade has expanded rapidly at the global level, developing economies remain at an early and uneven stage of integration into digital trade. Many developing economies, and particularly least-developed countries (LDCs), account for only a limited share of digitally delivered services exports and have yet to establish a significant presence in digitally enabled value chains (IMF, OECD, UNCTAD, World Bank and WTO, 2023; UNCTAD, 2026).

Regions such as Africa, Latin America and the Caribbean have a relatively limited market presence in digitally delivered services, with 1 per cent and 2 per cent of global exports reported, respectively, in 2024. The participation of LDCs is particularly restrained, accounting for only 0.2 per cent of global exports of digitally delivered services in 2024 (WTO, 2026). These shares of global trade in digitally delivered services also lag those of other regions, with Europe, Asia and North America accounting for 53 per cent, 23 per cent and 18 per cent of global exports of digitally delivered services, respectively, in 2024. This suggests that, despite the global shift towards digitalization, a large part of the developing world has yet to fully benefit from this transformation (IMF, OECD, UNCTAD, World Bank and WTO, 2023; IDB, WTO and World Bank, 2026).

Where participation in digital trade is observed, it tends to be concentrated in a relatively small group of developing economies and in specific activities. For instance, in Southeast Asia, economies such as the Philippines have established strong positions in business process outsourcing and digitally delivered services, while Malaysia and Viet Nam have expanded exports of information and communications technology (ICT) services and integrated into related supply chains. In Central America, economies such as Guatemala have begun to develop a niche market in digitally delivered services, including information technology-enabled services, shared services centres and back-office operations (World Bank, 2021; OECD, 2024; Giordano et al., 2024).

For many other developing economies, engagement remains more limited in scale and scope. Across parts of Southeast Asia and Latin America, digital tools are often used primarily to support traditional trade – facilitating payments, logistics or market access – rather than enabling a structural shift towards higher value added, digitally delivered exports. Even where e-commerce is expanding domestically or regionally, integration into global digital trade remains constrained by gaps in connectivity, skills and regulatory readiness (IMF, OECD, UNCTAD, World Bank and WTO, 2023).

Important opportunities still to be unlocked for developing economies

The digitalization of trade procedures represents a major, and still underexploited, opportunity for developing economies to deepen their participation in both “traditional” and digital trade (see [Box 3.1](#)). Moving from paper-based to digital processes –

through electronic documentation, single window systems, and the legal recognition of e-signatures and e-contracts – could significantly reduce administrative burdens, speed up clearance times, and improve predictability and efficiency for traders.

Box 3.1:

Public-private partnerships to unlock faster and safer trade through digitalization

In Ukraine, support for trade in plants and plant products has been supported by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) development agency together with the Global Alliance for Trade Facilitation (GATF) – a

public-private partnership – through implementation of the ePhyto certificate. An ePhyto certificate is a digital version of a phytosanitary certificate that electronically verifies that exported plants and plant products meet the health and safety requirements of the importing country, enabling secure and paperless cross-border exchange.

Ukraine's ePhyto reform exemplifies how digitalization of trade documents can transform export processes in times of crisis. By replacing paper-based phytosanitary certificates with electronic ones, Ukraine has significantly reduced delays, administrative burden and safety risks linked to physical paperwork, helping ensure that critical grain supplies continue to reach vulnerable economies. Since going live, the new system has enabled Ukraine to exchange more than 100,000 electronic certificates, demonstrating rapid uptake and tangible efficiency gains.

Across projects in Africa, Asia and Latin America, the GATF has promoted the transition from manual, paper-heavy systems to fully digital processes. This includes the introduction of electronic certification, automated approvals and digital platforms linking customs, inspection agencies and laboratories. By enabling real-time data sharing as relevant and reducing the need for physical document handling, these reforms have helped address key bottlenecks that previously slowed trade and increased costs for businesses.

These digitalization efforts are grounded in a public-private partnership approach, ensuring that reforms respond to practical business needs while strengthening institutional systems. Such efforts span more than 40 economies, with GATF-supported initiatives estimated to have helped generate over US\$ 273 million in savings for businesses.

The specific experience in Ukraine highlights a broader lesson emerging from these efforts: digitalizing trade documentation is not only about efficiency gains, but also about resilience. By enabling continuity of trade under difficult conditions, such reforms can support food security, protect livelihoods and ensure reliable access to essential goods in an increasingly uncertain global environment.

Source: Aid for Trade impact story, submitted by GIZ and GATF; GATF Annual Report 2025: 10 Years of Impact.

These gains are particularly important for MSMEs, for whom procedural complexity

and uncertainty often constitute binding constraints to internationalization. Digitalized

procedures can also help address some of the challenges related to growing volumes of e-commerce shipments, support more effective risk management by border agencies, and enable better integration into data-driven supply chains.

If implementation challenges can be effectively addressed and digitalization efforts are accompanied by streamlined documentation and stronger cooperation among border agencies, a 10 per cent improvement in automating border procedures (as measured by the Organisation for Economic Co-operation and Development (OECD) Trade Facilitation Indicators) is estimated to potentially boost global goods exports by up to 18 per cent (OECD, 2025b).

Realizing these benefits, however, requires that digital tools be embedded within a supportive policy ecosystem that combines legal certainty, system connectivity, cross-border cooperation and institutional capacity, so that firms can use digital processes efficiently across markets rather than face new layers of fragmented digitalized requirements. For economies at different levels of development, this policy landscape is particularly broad.

First, it includes legal and regulatory frameworks that give practical effect to electronic transactions, including the recognition of e-signatures, e-contracts, e-invoices, e-payments and electronic transferable records.

Second, it requires border agencies to be able to securely process, share and reuse

data digitally through pre-arrival processing, automated risk management, electronic payment of duties and charges, and single window systems; these systems are connected not only to customs, but also to other relevant agencies involved in licensing, certification, standards, sanitary and phytosanitary controls and other regulatory requirements.

Third, it depends on aligned data standards, secure digital identity systems, cybersecurity safeguards, frameworks that protect confidential business information and commercially sensitive data, and rules that enable trusted cross-border data transmissions (OECD, 2025b).

These broader enabling conditions are also increasingly being addressed in digital trade discussions across multilateral, plurilateral, regional and bilateral forums (OECD, 2025b).

Digital trade chapters in trade agreements, dedicated digital economy agreements and entire digital trade agreements (see [Box 3.2](#)), as well as ongoing discussions in forums such as the WTO, all reflect growing efforts to reduce regulatory fragmentation and build more compatible frameworks for digital trade. These initiatives cover many of the policy areas that matter for developing economies, including electronic transaction frameworks, e-authentication and e-signatures, e-contracts, e-invoicing, e-payments, paperless trading, digitalized border processes, online consumer protection, cybersecurity, personal data protection, digital inclusion and, in some agreements, cross-border data flows and data localization.

Box 3.2: The state of digital trade

Digital trade commitments in trade agreements are growing rapidly. According to an analysis by Digital Policy Alert, which provides an independent repository of measures affecting the digital economy, 163 jurisdictions have entered into digital trade commitments to date. Commitments in plurilateral agreements, especially the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, and the emergence of stand-alone digital economy agreements have largely contributed to this number.

Governments in Asia participate in the most agreements, followed by the Americas (covering North America, Central America and South America), Europe and Africa. In terms of individual economies, Singapore participates in the most agreements (26), followed by the United Arab Emirates (21), the European Union member states (20), the Republic of Korea (18), Australia (16), the United Kingdom (16) and Chile (15).

The Agreement on Electronic Commerce (ECA), which involves over 60 WTO members, focuses on e-commerce enablement,¹ openness² and trust³. It further contains commitments on transparency, cooperation, telecommunications and development. The development provision includes the possibility for governments to self-designate a five- to seven-year implementation period for each provision and support for needs assessments. The ECA, which is yet to enter into force, does not cover certain digital trade topics, such as source code and data flows, as well as some novel topics, like artificial intelligence and online safety.

The ECA's topical and geographical breadth presents an opportunity for international alignment to counter digital fragmentation. Since January 2020, [Digital Policy Alert](#) has documented over 22,000 domestic regulatory and enforcement developments affecting the digital economy. This regulatory activity has caused two forms of diversity. From a regulatory perspective, some jurisdictions have established frameworks, while others have not. In terms of regulatory approach, the rules that are in place differ between jurisdictions. Regulatory diversity presents a significant compliance challenge for companies, especially small ones. It can result in them exiting markets or refraining from market entry, leading to digital fragmentation.

The ECA addresses both forms of regulatory diversity differently, recognizing governments' right to regulate. Binding commitments aim to ensure that basic rules, for instance to protect e-commerce consumers, are in place. Only select provisions touch on the regulatory approach and, if so, in non-binding language. The key issue, however, lies in the domestic implementation of these commitments.

Governments need to bridge knowledge and communication gaps between negotiators and regulators, which include various ministries, cybersecurity entities, consumer and data protection

authorities, border and tax agencies, and central banks. These gaps are widened by capacity constraints in developing economies. The ECA's development provision acknowledges this reality and includes language on implementation periods, needs assessment and technical assistance.

To further support governments, Digital Policy Alert has developed an ECA needs assessment tool. It supports traditional needs assessments, which manually compare domestic rules to international commitments, but are time consuming and not future proof. With this tool, negotiators and regulators can upload any national rule through a secure portal. Once submitted, the tool processes the rule through a suite of legal scripts, based on each ECA commitment, and provides a free and instantaneous legal review. Digital Policy Alert is currently piloting the tool with developing WTO members and aims to launch it publicly in Autumn 2026.

Source: Contributed by Tommaso Giardini, Digital Policy Alert.

One of the key contributions by the WTO in digital trade cooperation has been the moratorium on the imposition of customs duties on electronic transmissions. Introduced in 1998, this moratorium allowed members to achieve growth of the digital economy and provided regulatory predictability. It also contributed to the reduction of trade costs for firms of all sizes participating in digital trade (Andrenelli and López-González, 2019).

Members also exchanged information and shared experiences on broader digital trade issues of relevance to international trade under the WTO Work Programme on Electronic Commerce, also established in 1998.

At the 14th Ministerial Conference (MC14) in Cameroon in March 2026, members were unable to reach consensus on the extension of the moratorium and the Work Programme, which lapsed at the end of March 2026. However, a considerable number of members continue to underscore the value of the moratorium for further boosting digital trade growth and for continuing to examine trade-related aspects of e-commerce at the WTO. Discussions on the moratorium and

the work programme are continuing among WTO members in Geneva.

The Agreement on Electronic Commerce (ECA), developed by a group of WTO members under the Joint Statement Initiative on E-commerce of 2017, also includes a provision to not impose duties on electronic transmissions. At MC14, 67 members adopted interim arrangements to bring this Agreement into force. It will do so once 45 participating members have deposited their instrument of acceptance. Meanwhile, ECA participants continue to request its incorporation into the WTO rulebook.

Recent modelling suggests that implementation of the ECA by 71 economies participating in the negotiations at the time of the analysis⁴ could raise their gross domestic product by 0.43 per cent and trade by 0.97 per cent, while increasing global trade by 0.58 per cent. The potential development gains are estimated to be larger with broader participation. If the Agreement were to be extended to all WTO members, global trade could rise by 2.3 per cent, with the largest relative gains accruing to low- and lower-middle

income economies, particularly through stronger participation in digitally deliverable services (Bekkers, López-González and So, 2025).

Reducing barriers to digitally enabled services can create a particularly important opportunity for developing economies to diversify exports, reach foreign customers remotely and participate in value chains even where physical distance, the small size of a firm, or limited logistics capacity have traditionally constrained market access. A 0.1-point reduction in barriers affecting digital services (as measured by the OECD Digital Services Trade Restrictiveness

Index) is associated with a 145 per cent increase in overall exports, with the largest effect estimated for digitally deliverable services, at 277 per cent.

The estimated gains are also sizeable for other services, agriculture and food, ICT services and manufacturing, at around 207 per cent, 176 per cent, 158 per cent and 118 per cent, respectively. This reduction in digital trade restrictiveness is equivalent to lowering trade costs by approximately 19.3 per cent for all trade and 32.1 per cent for digitally deliverable trade (López-González, Sorescu and Kaynak, 2023).

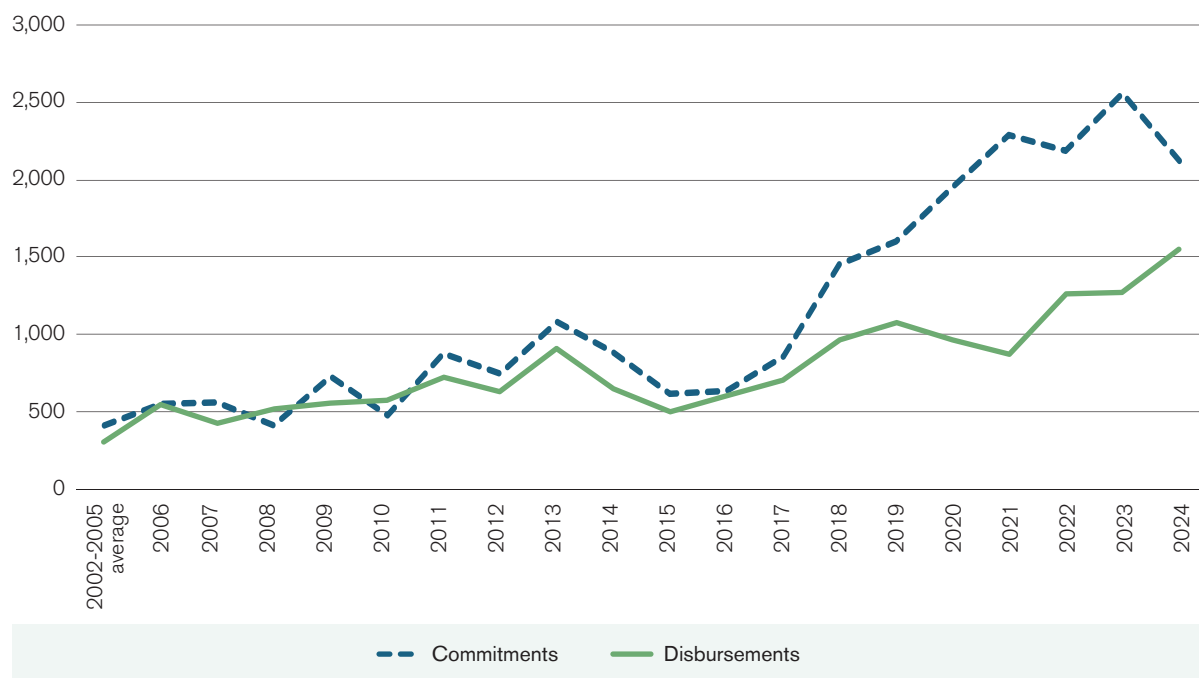
Support for ICT is falling behind while the need for new partnerships increases

Disbursements in support of ICT increased 60.3 per cent in the past five years and by 22 per cent in 2023–2024 specifically, cementing the role of Aid for Trade as a key support mechanism for digitalization. Commitments declined, however, by 17.2 per cent in 2024, pointing to the need to sustain momentum and enhance new partnerships to translate growing commitments into effective support (see [Figure 3.1](#)). This is particularly important as governments and development partners pursue two complementary objectives: focusing on trade needs to accelerate digitalization, including through digital payments and other systems that enable cross-border transactions, and using digital technologies to make trade more accessible and efficient, including by connecting businesses and individuals to new market opportunities.

Bridging the digital divide through support to ICT is important as uneven readiness limits participation in digital trade. As highlighted above, digital trade-related regulations are multidimensional. Therefore, a range of policies are needed to promote greater participation and wider benefits, including new approaches to market openness. In developing economies, it includes operational trade processes, measures affecting infrastructure and connectivity, or frameworks for electronic transactions and payments (López-González, Sorescu and Kaynak, 2023).

Digital tools for trade facilitation constitute a critical first step for developing economies to participate effectively in digitally ordered trade while improving the overall efficiency and predictability of cross-border transactions. The OECD Trade Facilitation Indicators (TFIs)

Figure 3.1:
Evolution of Aid for Trade for information and communications technologies, 2002-2024
 US\$ million, constant 2024 US\$



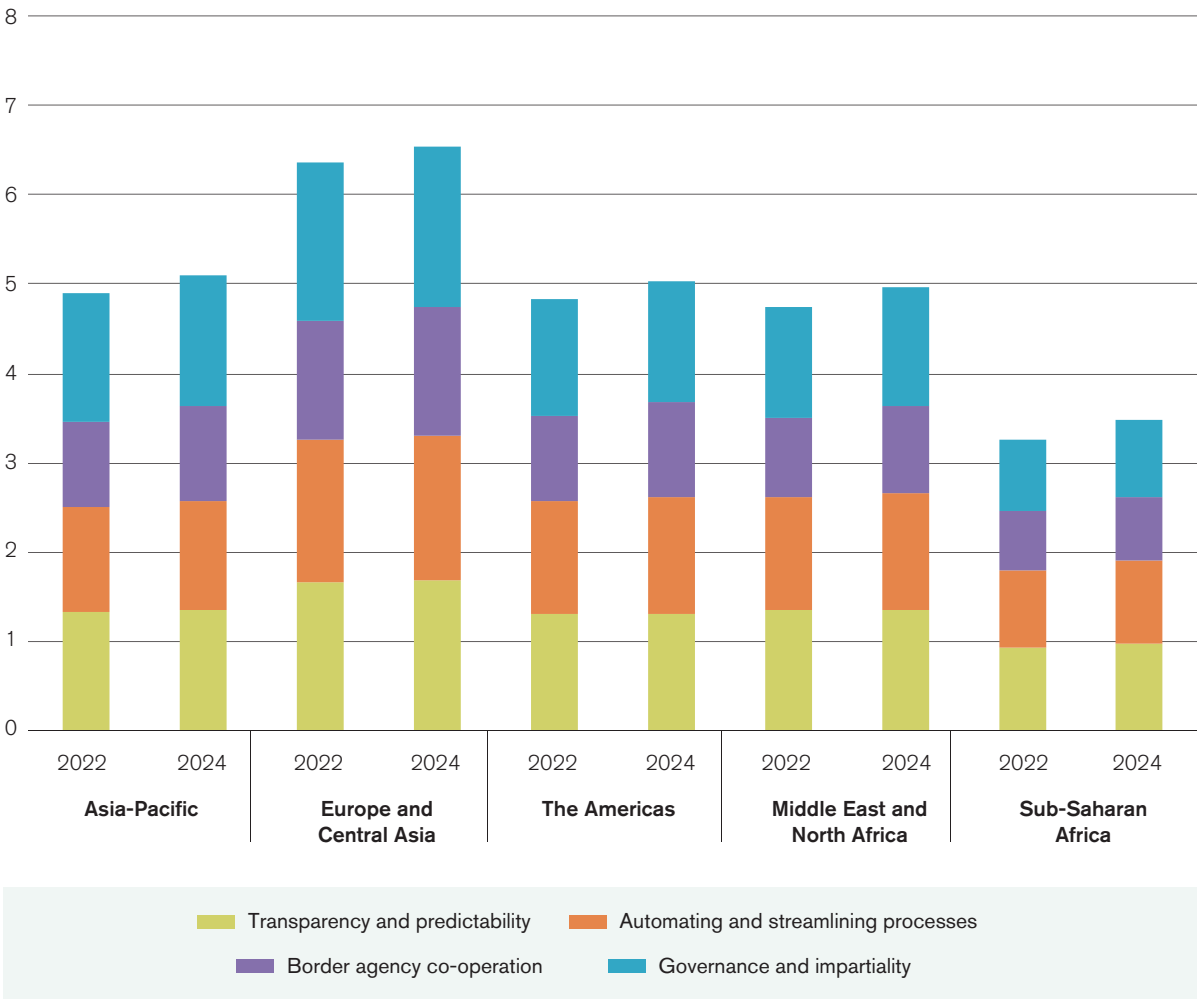
Source: OECD Creditor Reporting System.

highlight that the automation of border procedures improved globally by 16 per cent between 2020 and 2022 and by 4 per cent between 2022 and 2024. Aid for trade facilitation has played a key role in this context, supporting developing economies to invest in the reforms necessary to advance border digitalization. TFI evidence also suggests, however, that progress in areas related to automation and procedural streamlining has slowed in many regions relative to other dimensions of trade facilitation such as transparency and predictability, and border agency cooperation (see [Figure 3.2](#)) (OECD, 2025d). This emerging gap highlights the need for enhanced focus on the digitalization of trade processes, ensuring that improvements

in institutional co-ordination are matched by advances in the systems and technologies that underpin efficient and scalable trade operations.

Second, disparities regarding regulatory openness for digital trade persist and are particularly significant between regions (see [Figure 3.3](#)). The average OECD Digital Services Trade Restrictiveness Index (DSTRI) score for Africa, for example, is almost three times the value of the OECD average, meaning that, on average, the regulations in African economies are three times tighter than in OECD economies. While Africa's overall trade restrictiveness has strongly decreased in the last decade, it is still higher than in other regions (OECD, 2025e).

Figure 3.2:
Overall progress on trade facilitation is occurring in all regions, but automation is stalling
2 = maximum performance that can be achieved by area



Source: OECD Trade Facilitation Indicators, 2025.

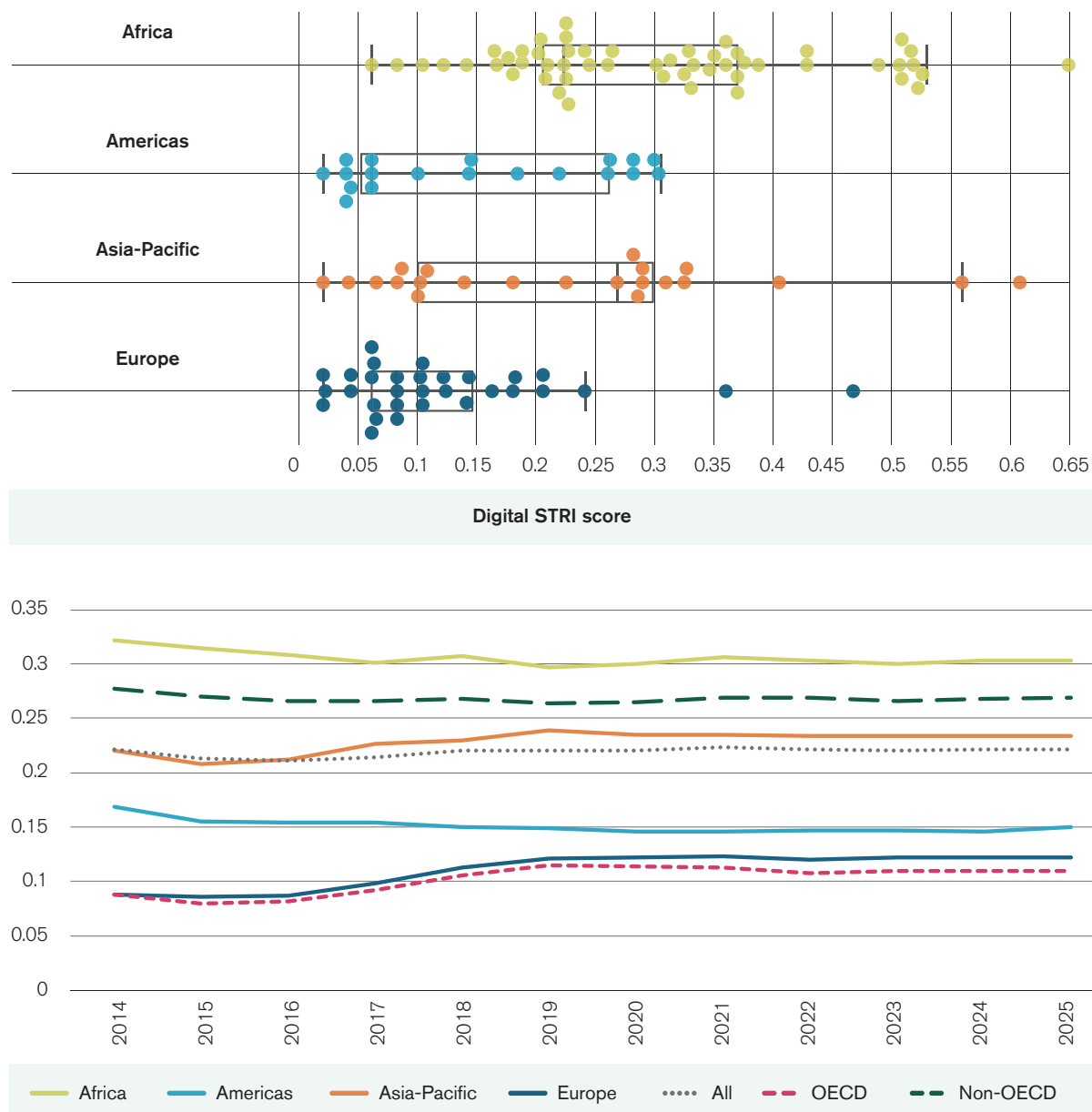
Notes: Transparency and predictability is the average of TFIs A, B, C, D, E (see the [OECD Trade Facilitation Indicators Simulator](#) for TFI categories).⁵ Automating and streamlining processes is the average of TFIs F, G and H. Border agency cooperation is the average of TFIs I and J. The Americas region includes economies in North America, Central America and South America. Regional groups based on World Bank regional classifications.

Alongside efforts to facilitate digital trade, complementary policies, including mechanisms that support consumer confidence and regulatory cooperation, have the potential to help create conditions for more effective participation of economies (OECD, 2021).

In developing economies, the benefits of a more enabling digital trade environment may be reinforced by regulatory frameworks that are coherent and responsive to domestic circumstances (Box 3.3 considers several of these issues in LDCs).

Figure 3.3:
How digital trade regulations differ across and within regions, 2014-2025

Average Digital Services Trade Restrictiveness Index scores across regions



Source: OECD DSTRI, 2026.

Notes: The OECD DSTRI takes values between 0 and 1, 1 being the most restrictive. The DSTRI database records measures on a most-favoured-nation basis towards third countries. The DSTRI database records measures on a most-favoured-nation basis towards third countries. The Americas region includes economies in North America, Central America and South America. In the left-hand figure: each dot represents the Digital STRI score of an economy. The box shows the middle 50 per cent of values (from the 1st to 3rd quartile); the line inside the box marks the median, the "whiskers" extend to the minimum and maximum values that are not considered outliers, while points outside the whiskers represent outliers.

Box 3.3:**Digital trade integration: regulatory trends in developing economies****The opportunities offered by the expansion of digital trade are increasingly recognized.**

These range from lowering costs and barriers to cross-border trade, especially for small and medium-sized enterprises, to diversifying into services and offering new avenues for growth, development and economic resilience (Hoekman, 2022; UNCTAD, 2021, 2022).

However, digital trade and its benefits remain unevenly distributed among economies (Ismail, 2026; Hoekman, 2022; UNCTAD, 2022). For many developing economies and least-developed countries (LDCs), benefiting from digital trade depends on bridging a multidimensional digital divide encompassing not only information and communications technology (ICT) infrastructure, but also affordable and reliable connectivity and data, digital literacy and skills, institutional capacities, whether related to governments or businesses, and an enabling, up-to-date regulatory environment (Ismail, 2026; IMF, OECD, UNCTAD, World Bank, WTO, 2023; Vásquez Callo-Müller and Kugler, 2023; Guglya and Maciel, 2020).

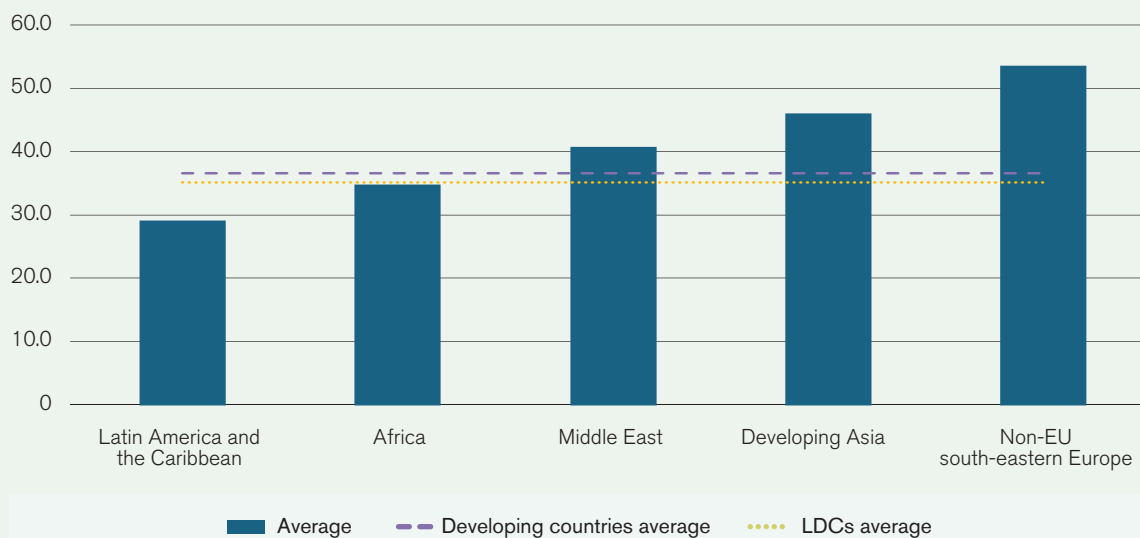
The Digital Trade Integration (DTI) database, an open-access repository of digital trade policies, contains regulatory information on digital trade policies across 163 jurisdictions, including 122 developing economies (Ferracane, González Ugarte and Rogaler, 2026a, 2026b). The DTI database maps over 5,400 policies applied by developing economies across 65 different indicators, divided into two macro categories: restrictive policies and enabling policies for digital trade.

On average, developing economies imposed 36 restrictive policies in 2025 across different components of digital trade, namely ICT goods, digital services, data, and investment in relevant sectors, with significant regulatory heterogeneity between and within regions (see [Figure 3.4](#)). The Latin America and Caribbean (LAC) region has the lowest average number of restrictive policies (29 measures), followed by Africa (35), the Middle East (40), Developing Asia (46) and non-European Union (EU) south-eastern Europe (53).

The 40 LDCs listed in the DTI database imposed, on average, 35 restrictive policies in 2025, just below the developing economies' average. This aggregate conceals substantial heterogeneity: restrictions range from 21 measures in Comoros to 62 in Bangladesh. LDCs disproportionately also adopt high barriers in specific policy areas. For example, tariffs on ICT goods average 9.3 per cent, far above the global average of 0.3 per cent. Divergent approaches to data governance, online content regulation and telecom rules in LDCs create a fragmented landscape that raises compliance costs and reduces the potential for digital market integration.

Enabling policies for digital trade include data protection and consumer protection rules, participation in relevant trade agreements, such as the WTO's Information Technology Agreements (ITA I and ITA II), and adoption of rules in line with the United Nations Commission on International

Figure 3.4:
Average number of restrictive policies per region, 2025



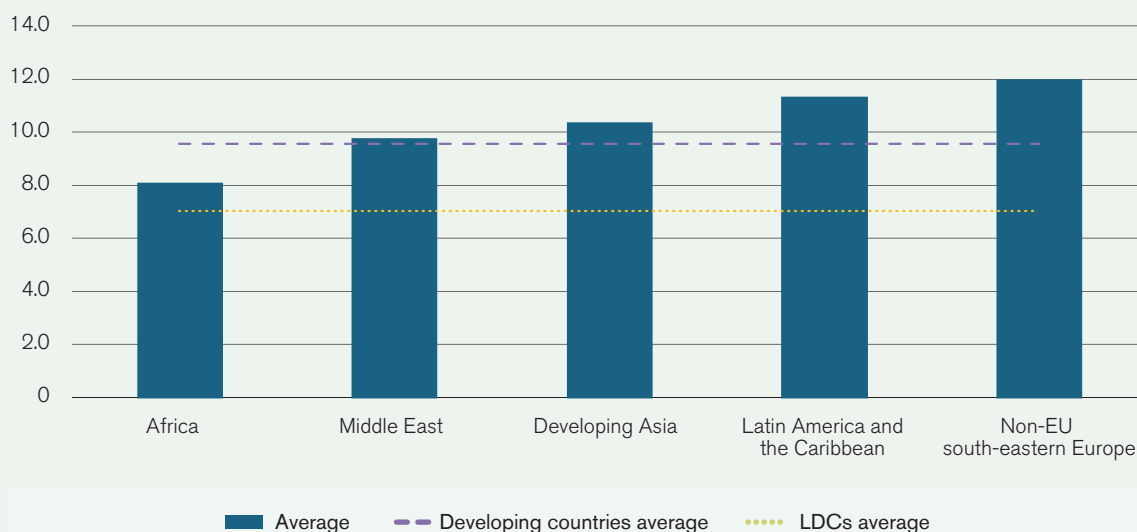
Source: DTI database, data accessed in September 2026.

Trade Law Model Laws on electronic signatures and electronic commerce. The non-EU south-eastern Europe and the LAC regions implement the highest number of enabling policies on average (12 and 11, respectively), followed by Developing Asia and the Middle East (10 policies) and Africa (8 policies) (see Figure 3.5).

LDCs implemented only 7 enabling policies on average in 2025, compared to a global average of 11 for the same year. This gap limits trust, interoperability and firms' ability to scale up across borders. Yet, as in the case of restrictive policies, there is substantial heterogeneity across economies: while economies such as Myanmar and South Sudan have only two enabling measures, and Eritrea has none, Uganda stands out with 14 enabling policies.

Empirical research on the effects of domestic regulations related to digital trade is scarce, especially in developing economies. The limited empirical evidence indicates that restrictive policies negatively affect digital trade, with higher costs associated with regulatory heterogeneity (UNECA, 2023). Recent research also shows that certain enabling policies, which would be expected to support digital trade by raising trust and reducing regulatory heterogeneity, can in fact hamper trade among low-income economies by increasing compliance costs (Ferracane, González Ugarte and van der Marel, 2025). This can be the case when regulatory models developed in high-income economies are adopted by developing economies without adaptation to local needs and realities.

Figure 3.5:
Average number of enabling policies per region, 2025



Source: DTI database, data accessed in September 2026.

Taken together, these findings highlight that the regulatory environment plays an important role in shaping a country's ability to integrate digital trade and benefit from it. While in recent years more developing economies and LDCs have become increasingly active in regulating digital trade, the uneven adoption of enabling policies, regulatory heterogeneity, and transposition of rules from advanced economies without contextualization continue to hinder their digital trade inclusiveness.

Strengthening institutional capacities, improving regulatory coherence and tailoring enabling frameworks to domestic development needs remain essential for ensuring that digital trade contributes meaningfully to developing economies' trade integration, growth and development.

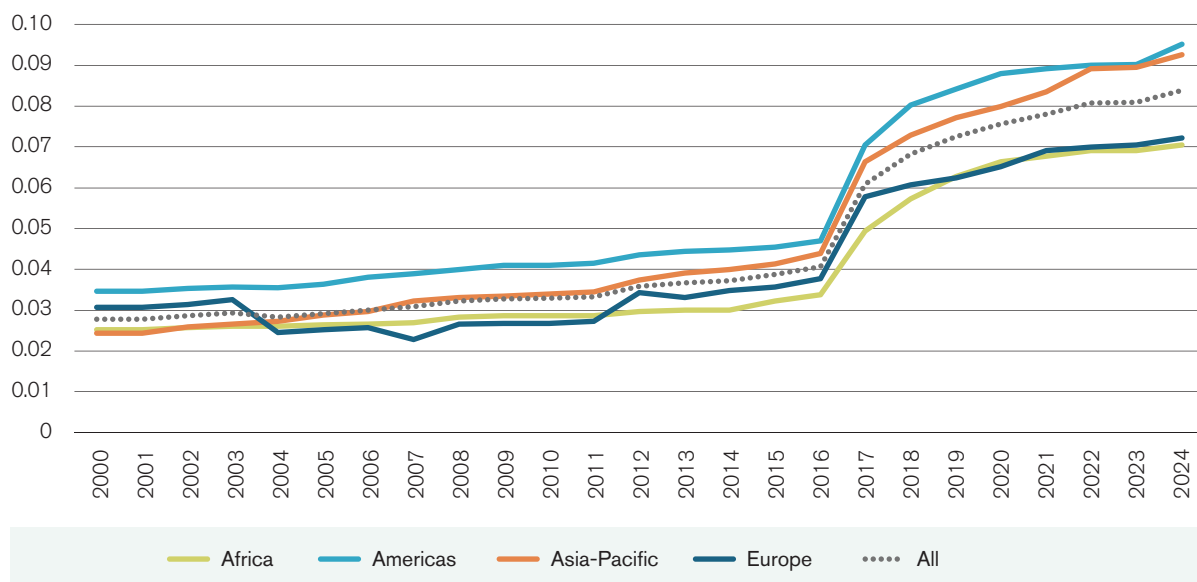
Source: Contributed by Martina F. Ferracane (LUMSA and European University Institute) and Yasmin Ismail (independent expert on digital trade).

In addition, the need to support wider participation in digital trade is underscored by the OECD Index of Digital Trade Integration and Openness (INDIGO), which shows that the world economy is only 8.5 per cent of the way towards what could be considered full global digital trade

integration and openness (see Figure 3.6). This low level of integration is particularly relevant for many developing economies, where gaps in regulatory capacity can constrain the ability of firms and consumers to benefit from digital trade opportunities.

Figure 3.6:
International integration and openness vary across regions

Average INDIGO by region, 2000-2024



Source: OECD INDIGO, 2025.

Notes: INDIGO=OECD Index of Digital Trade Integration and Openness. The INDIGO takes values between 0 and 1, with 1 highlighting the highest level of integration. The Americas include the regions of North America, Central America and South America.

Current levels of digital trade integration are supported primarily by multilateral frameworks, including WTO agreements and instruments such as the WTO Telecommunications Reference Paper (regulatory principles adopted in 1997), the ITAs or the WTO's Trade Facilitation Agreement.⁶ These frameworks provide important foundations for connectivity, the movement of technology-related goods and more efficient border processes (OECD, 2025f).

In turn, existing commitments under regional trade agreements (RTAs) account for only around 10 per cent of current digital trade integration and openness. Although RTAs often cover a wider range of digital trade issues, their contribution remains more limited at the global level because they involve narrower groups of economies

(OECD, 2025f). This underscores the importance of strengthening digital trade cooperation across both multilateral and regional settings, whilst also ensuring that commitments in RTA contexts are supported by the enabling policies, technical assistance and partnerships needed to build trust for more effective implementation.

Digital trade integration today is constrained less by the absence of international commitments than by the gap between emerging global frameworks and their heterogeneous domestic implementation. Deepening digital trade integration will therefore depend not only on expanding and consolidating international discussions, but also on supporting regulatory coherence, capacity building and implementation pathways, particularly for developing economies.

There are both opportunities and challenges linked to changing trade patterns

While digitalization is reshaping how firms connect, transact and transmit information across borders, it is also interacting with broader structural shifts in production networks. These

include changes in sourcing strategies, increased attention to resilience and the emergence of new regulatory requirements (OECD, 2025a).

The evolving patterns of global supply chains

Global supply chains remain a central feature of the international trading system, while their configuration continues to evolve in increasingly complex ways. Recent supply chain disruptions, logistics bottlenecks and geopolitical tensions have heightened attention to vulnerabilities in internationally fragmented production networks, and prompted firms and governments to reassess how risks are managed across borders. Recent data from the OECD Trade in Value Added database highlights that sectors have responded differently to changes in global trade and trade policy, with some increasing and others reducing their reliance on imported inputs between 2011 and 2024. Trade via global value chains (GVCs) remained particularly high in manufacturing and transport-related industries. The manufacture of coke and refined petroleum products was the sector relying most on trade via GVCs at both the beginning and end of this period of analysis. The motor vehicles industry reduced its reliance on imported inputs between 2011 and 2024, while the pharmaceutical industry became

more globally integrated over the same period (OECD, 2026b).

In response to the risks of exposure to disruptions, firms have been reassessing sourcing, production and risk management strategies. These can include diversifying suppliers, maintaining inventories and building flexibility into production and sourcing decisions. However, no single approach necessarily enhances resilience in all circumstances: greater redundancy or diversification can entail additional costs and complexity, while flexibility and greater visibility across supply chains can help firms adjust more effectively to different types of disruption (WTO, 2023; OECD, 2025a).

Evolving patterns of production, sourcing and trade are placing greater emphasis on the ability of supply chains to adjust to changing conditions. Rather than seeking to eliminate exposure to risk or reduce international integration as such, resilience increasingly concerns the capacity of

supply chains to absorb shocks, adapt to changing circumstances and reconfigure when needed. This depends in part on access to alternative sourcing and production options, efficient logistics, and the information and visibility needed to identify risks and respond to disruptions. In this sense,

an enabling environment for trade, diversification and adjustment across internationally connected production networks continues to be a key component of resilient trade systems (IMF, 2023; OECD, 2025a; OECD, 2026b).

Opportunities for developing economies

Developing economies continue to have opportunities to integrate into and benefit from global supply chains. In some respects, ongoing adjustments in sourcing patterns may even expand these opportunities, particularly where firms seek to diversify their supplier base and reduce exposure to concentrated risks (IMF, 2023; OECD, 2025a).

First, the search for alternative production locations can create new entry points for developing economies. Economies that can offer stable business environments, predictable regulatory frameworks and efficient border processes may attract investment and integrate into existing value chains. This is particularly relevant in sectors where firms are actively seeking to broaden their network of suppliers to enhance resilience (WTO, 2023).

Second, the interaction between digitalization and supply chains opens additional avenues for participation. As highlighted in the previous sections, improvements in digital connectivity and the expansion of e-commerce can reduce barriers to entry, especially for smaller firms. When combined with efficient trade facilitation systems, these tools enable firms in developing economies to connect more effectively with

global buyers, participate in fragmented production processes, and respond to demand in a timely manner.

Third, the increasing importance of labour, environmental and traceability aspects in supply chains is creating new areas of comparative advantage. Demand for products compliant with specific environmental practices, transparent sourcing or verifiable production processes, is rising across a range of sectors, including agri-food, manufacturing and critical minerals. Developing economies that can meet these requirements – through appropriate standards, conformity assessment and wider certification systems, and data capabilities – may benefit from new market opportunities and deeper integration into higher-value segments of global trade (OECD, 2025a).

At a broader level, integration into diversified trade networks can also contribute to resilience. By participating in multiple markets and supply chains, developing economies can reduce their exposure to international crises affecting any single partner or sector. This diversification can support more stable export performance and provide greater flexibility in responding to changing global conditions (IMF, 2023; OECD, 2025a).

Potential considerations to address risks

While the opportunities associated with evolving supply chains remain significant, they are accompanied by a range of risks that require balanced responses. Addressing these risks involves strengthening the conditions under which participation in global trade can promote specific labour or environmental performance criteria and resilience (OECD, 2025a).

A first consideration is to enhance trade facilitation and the efficiency of border procedures. Complex and costly processes can limit the ability of firms to participate in time-sensitive supply chains and reduce the attractiveness of an economy as a sourcing location.

A second area of consideration concerns diversification. Encouraging firms to access a broader range of markets and suppliers

can reduce exposure to concentrated risks and enhance adaptability. This may involve strengthening regional trade integration and facilitating access to information on alternative sourcing and market opportunities.

A third consideration is to support capacity building and compliance with evolving supply chain requirements. As regulatory expectations related to social and environmental performance, wider traceability and product standards become more demanding, firms in developing economies may face increasing challenges in meeting these requirements. Investments in infrastructure, digital systems and institutional capacity – combined with targeted technical assistance – can help firms generate, manage and transmit the information needed to demonstrate compliance as relevant.

Environmental considerations increasingly impact global supply chains

Development cooperation, including through Aid for Trade, has also been increasingly supporting developing economies in integrating environmental considerations into supply chains. Support has included capacity building and assistance in meeting trade-related requirements linked to environmental aspects, including technical

regulations and certification systems (WTO and OECD, 2024). Development cooperation has also been helping finance policy dialogue and international cooperation on trade and biodiversity, while supporting partner economies in implementing and enforcing relevant agreements, such as the Convention on International Trade in Endangered Species

of Wild Fauna and Flora (CITES), to address the illegal wildlife trade (OECD, 2023). More broadly, international cooperation has contributed to the management of natural resources, reflecting priorities identified by developing economies that emphasize availability of information, consultations and international collaboration in the design and implementation of environmental-related measures (Kettunen, 2023).

Such support is increasingly important as exporters face a growing number of environmental-related requirements in international markets. Requirements related to eco-labelling, certification, traceability and environmental performance can lead to specific compliance costs for firms participating in global supply chains. Diverging approaches across importing economies may require exporters to adapt production processes, maintain multiple product specifications, and

invest in monitoring and understanding evolving regulatory requirements. These adjustments can increase costs and create uncertainty, particularly where market access depends on compliance with specific environmental criteria.

These challenges are often more pronounced in developing economies. They are especially relevant for MSMEs, cooperatives and local companies, which frequently face obstacles in meeting certification or regulatory requirements more broadly, and scaling up operations. Limited awareness of market requirements, together with shortages of technical expertise and financial resources, can pressure their ability to comply with evolving environmental requirements and benefit from new market opportunities (OECD, 2025f; FAO, 2022). Development cooperation can play an important role in addressing these implementation constraints, including in the context of related provisions in trade agreements (see [Box 3.4](#)).

Box 3.4: **Non-trade provisions in preferential trade agreements**

Non-trade provisions (NTPs) in preferential trade agreements (PTAs) are increasingly used, with the aim of advancing specific sustainability objectives, such as environmental protection or labour standards. Aside from their formal legal commitments, NTPs may act as focal points for policy dialogue and cooperation between signatories to achieve shared non-trade goals. In practice, such cooperation is likely to include development assistance programmes and projects. This is particularly the case where NTPs are not enforceable, i.e., not subject to binding dispute settlement mechanisms.

The voluntary, best endeavour nature of such NTPs implies that the goals they set out are aspirational. Development aid is an important instrument that can be used to help developing economy signatories achieve the aspiration, especially if such aid directly targets activities that will assist in implementation of NTPs. More generally, NTPs, whether enforceable or non-enforceable, may be more effective if they are complemented by technical and financial assistance.

Francois et al. (2025) analyse whether the inclusion of NTPs in PTAs between developed and developing economies leads to an increase in official development assistance (ODA) and technical support for developing economy signatories in the areas covered. The analysis distinguishes between sector-specific aid – assistance that is earmarked for environmental, labour, or civil rights objectives – and total ODA flows to a signatory of a PTA that includes NTPs. The central question is whether commitments in PTAs are accompanied by additional support to facilitate implementation, or whether such provisions substitute for development assistance.

While a complementary relationship might be expected, alternative dynamics may be at play. Acceptance of enforceable NTPs could signal that signatories have the institutional capacity to implement associated requirements, as otherwise an economy would presumably not accept the underlying commitment. In such cases, enforceable commitments could be regarded by donor economies as substitutes for ODA. As implementation is presumed, there may be less of a perceived need for technical and financial assistance or, given budget constraints, aid for such projects may be seen to be less of a priority.

Conversely, developing economy governments may prioritize other policy areas and use NTPs to secure additional development assistance to support these objectives. Such issue linkage strategies may be reflected in higher overall ODA allocations rather than increases in sector-specific support tied directly to NTPs. Many PTAs include language on technical assistance and cooperation that is not provision-specific but may be allocated to any sector, including projects that address matters pertinent to NTPs.

Francois et al. consider two scenarios. The first examines PTAs with non-enforceable NTPs, comparing signatories with economies that have concluded PTAs without such provisions. The second focuses on enforceable NTPs, using the same control group. This approach allows for an assessment of how enforceability shapes the relationship between trade commitments and development assistance.

The results point to a differentiated pattern. In the case of non-enforceable provisions, signatory economies receive more ODA, although the effect is statistically significant only in the case of environmental NTPs, particularly in European Union (EU) PTAs. The magnitudes are considerable. The estimates indicate a 370 per cent increase in total ODA received compared to the sample mean. This finding is consistent with development assistance as a complementary instrument, supporting implementation where commitments are not legally binding. However, there is no evidence that NTPs (whether enforceable or not) lead to higher levels of sector-specific ODA (i.e., to more ODA that is specifically earmarked for projects related to the domain of the provision of interest).

For enforceable provisions, the relationship with development assistance differs. Rather than leading to higher aid flows, enforceable NTPs are often linked to reduced ODA. Signing PTAs with enforceable labour provisions is associated with lower EU aid allocations, while civil rights provisions in non-EU agreements are similarly correlated with reduced assistance. Overall, the results reveal a negative association between acceptance of enforceable NTPs and ODA. The only instance where the expected positive relationship between acceptance of NTPs and ODA is found for non-enforceable environmental provisions is in the case of EU PTAs. The evidence underscores the importance of ensuring coherence between trade policy and development cooperation. If NTPs are to contribute effectively to sustainability objectives, they may need to be systematically complemented by targeted financial assistance and related support that addresses implementation constraints in partner economies.

Source: Contributed by Bernard Hoekman, Joseph F. Francois, Filippo Santi and Miriam Manchin.

Implications of evolving environmental considerations for developing economies

The integration of environmental considerations into supply chains creates a range of opportunities for developing economies, particularly in the context of evolving global demand and production patterns. As consumers and regulators place greater emphasis on environmental performance, demand is increasing for goods that can prove compliance with relevant requirements. Developing economies that are able to meet these requirements may benefit from improved market access, participation in higher-value segments of the value chain and more stable trading relationships (UNIDO, 2026a). Realizing these benefits, however, increasingly requires the capacity to comply with environmental requirements and to engage effectively in the development of emerging standards and regulatory approaches.

An additional opportunity relates to integration into emerging supply chains linked to specific

environmental criteria. The transition towards energy-efficient production and specific objectives for more environmentally performing supply chains is overall generating demand for specific goods and inputs, including critical minerals and components for energy-efficient technologies. Developing economies with relevant endowments or capabilities can position themselves within these value chains, provided they can meet associated standards and information requirements (UNIDO, 2026b). This highlights the importance not only of supporting adaptation to existing requirements, but also of strengthening developing economies' ability to identify their trade and development opportunities and contribute to relevant discussions on environmental measures that affect their participation in international trade (Olarreaga, 2021; van der Ven, 2024).

Challenges and constraints in adapting to evolving environmental considerations in global supply chains

Despite the opportunities outlined above, the growing importance of environment-related requirements also presents significant challenges for developing economies. A central issue is the complexity and scope of compliance. Environment-related requirements often extend across multiple stages of production and involve a combination of public regulations and private standards. Firms may be required to provide detailed information on production processes, inputs and environmental impacts, which can be difficult to generate and verify, particularly for MSMEs (OECD and ITC, 2024). Addressing these challenges requires investments in technical and institutional capacity, including data systems, traceability infrastructure and certification mechanisms, as well as targeted technical assistance to support compliance and participation in international markets.

Compliance is also associated with significant cost implications. Investments may be needed in new technologies, monitoring systems, certification processes and data management infrastructure. While these investments can yield long-term benefits, they may represent substantial barriers to market entry, especially where access to finance

is limited. Institutional capacity constraints further complicate the picture. For border processes in particular, environmental requirements necessitate closer cooperation between customs, environmental agencies and standards bodies, as well as the ability to handle complex and data-intensive procedures. Integrating environment-related requirements into existing trade facilitation tools, such as single windows, other relevant digital platforms and risk management systems, can help streamline procedures, reduce duplication and support more efficient compliance processes (OECD 2026a forthcoming).

Finally, regulatory and technical challenges can create additional burdens. Differences in regulatory approaches, certification schemes and documentary requirements across markets can increase compliance costs and create uncertainty for exporters. These can be compounded by technical challenges linked to the systems supporting relevant sharing of information and the verification of compliance at borders (OECD, 2025b). International cooperation, through greater consultation and technical collaboration, can play an important role in addressing these challenges.

Development cooperation partnerships in practice

New development partnerships are emerging to support the integration of environmental considerations – such as those relating to

biodiversity – into trade processes and relevant supply chains, including through cooperation with the private sector, financial institutions,

MSMEs, artisans, cooperatives and local communities. These partnerships illustrate how development cooperation can support partner economies respond to biodiversity-related market and regulatory requirements, while also supporting export opportunities, local livelihoods and conservation objectives. In this context, development cooperation can play a bridging role: helping firms and producers adapt to evolving environmental, quality and marketing requirements; supporting the development of biodiversity-relevant value chains; and mobilizing finance, technology and knowledge for more sustainable production and trade (WTO and OECD, 2024; UNCTAD, 2025).

A first set of partnerships concern regulatory cooperation, compliance with trade-related requirements and continued market access. Development cooperation can support partner economies in responding to evolving trade-related requirements by facilitating awareness of relevant environmental regulations and supporting alignment and compliance with these regulations.

For example, the European Union (EU) provides support to the EU-Brazil Green Finance Center in São Paulo, which provides research and training on projects financing aspects related to the energy transition and circular economy approaches. The initiative engages with the public and private sector in Brazil to raise awareness of upcoming environment-related regulations with potential impacts on supply chains, and prepares for their implementation. The initiative also addresses competitiveness issues arising from differences in classification systems for nature or carbon credits used to finance environmental projects, while promoting economic growth and the protection of natural resources such as the Amazon rainforest (European Commission, 2026).

Similarly, Spain has supported partnerships for certified sustainable wood from Guatemala, including through collaboration with the home improvement and gardening retailer Leroy Merlin. Spain has also collaborated with the environmental organization COPADE, which helps to connect producers in Guatemala with Spanish companies and European market demand, while supporting fair trade and compliance with certification requirements of the Forest Stewardship Council, a non-profit organization that promotes responsible management of the world's forests (Fundación COPADE, 2023).

A second group of partnerships supports productive capacity in developing economies and integration into environmentally performing supply chains. These initiatives aim to help producers improve quality, productivity and environmental performance, while strengthening their ability to access higher-value markets. For example, the Korea International Cooperation Agency's (KOICA's) Kenya office funded a project in Embu in central Kenya, implemented by the non-governmental organizations Kenya Good Neighbors and Global Impact Foundation, and the Korean specialty coffee brand Coffee Changgo, to increase coffee farmers' incomes by strengthening cooperative operations, expanding market access and promoting environmentally sustainable farming practices through capacity building and training (KOICA Kenya Office, 2025).

Italy has also helped strengthen African coffee supply chains, including through partnerships involving Italian coffee companies such as Lavazza and Illy, to upscale production, promote and sell local products, and improve the quality and competitiveness of coffee in partner economies (Italian Agency for Development Cooperation, 2024). In Ethiopia, the Italian government, the UN Industrial Development Organization, the

Italian coffee company illycaffè, the Ernesto Illy Foundation (a non-profit organization) and the Commercial Bank of Ethiopia have supported a multi-stakeholder partnership and blended finance facility to help cooperatives, producers and exporters improve quality, productivity and environmental performance, including through production models that protect natural resources.

Development cooperation can also play a role in the area of trade procedures, logistics and value chain integration. Czechia provides business-to-business grants to strengthen environmentally sustainable sheep's wool supply chains for exports from the Kyrgyz Republic to the European Union, improving logistics and value chain integration (Czech Aid, 2024). Other initiatives focus on the technological and productive capacities that underpin environmentally sustainable resource governance.

A third set of partnerships seeks to address the financing gap for biodiversity-related investments. Beyond the compliance challenge, there is often a mismatch between demand for biodiversity-related investments and environmentally sustainable products in donor economies, and the supply of investment opportunities and bankable projects in partner economies (Zabel, Nanthavong and Epprecht, 2025). Development cooperation can help bridge this gap by stimulating both supply and demand, including through partnerships and matchmaking platforms that link local project developers, producers and enterprises with investors and buyers (WWF and AXA Group, 2019).

The Land Degradation Neutrality Fund, supported by Canada, the European Investment Bank, France, the Global Economic Forum, the Green Climate Fund, Luxembourg, the Netherlands and the United Kingdom, provides an example of a multi-donor

blended finance approach that mobilizes private capital into environmentally sustainable land management, regenerative agriculture and environmentally sustainable forestry across Africa, Asia and Latin America (Government of Canada, 2025). Luxembourg's support to the Finance for Nature Platform of the Global Landscapes Forum, a multi-stakeholder initiative that promotes sustainability, similarly aims to channel investment into sustainable land use and value chains (Global Landscapes Forum, 2025).

Other partnerships in this category are developing new investment pipelines and revenue models for activities that halt or reverse the loss of nature. The Global Fund for Coral Reefs, supported by several donors, UN agencies, philanthropic foundations and the private sector, mobilizes private investment to protect and restore coral reef ecosystems by supporting "reef-positive" enterprises, including environmentally performing aquaculture and fisheries, long-term financing for marine protected areas and risk financing for coral restoration (Global Fund for Coral Reefs, 2026).

The Amazon Bioeconomy and Forest Management Fund, supported by the Swiss State Secretariat for Economic Affairs, the governments of Germany and the Netherlands, and the Inter-American Development Bank (IDB), provides another example of efforts to empower small- and medium-scale land users, particularly indigenous peoples and local communities in the Amazon region (IDB, 2023).

A fourth group of partnerships focuses on innovation, entrepreneurship and market development. The Cumbre de Innovación e Inversión para la Biodiversidad y Economías del Futuro (Innovation and Investment Summit on Biodiversity and the Economies of the Future),

supported by the IDB, Sweden, France and the United Kingdom, seeks to scale up innovation and investment for biodiversity by fostering collaboration among bioentrepreneurs, start-ups, businesses and incubation networks (groups of businesses that link together to share resources) (CEIBA, 2025).

Germany, Sweden and the UNDP have also supported the Biodiversity Credit Alliance, a voluntary international initiative which seeks to develop credible and scalable biodiversity credit markets in developing economies and facilitate partnerships with indigenous peoples and local communities (Biodiversity Credit Alliance, 2025).

Digital tools and traceability are also becoming important elements of biodiversity-related partnerships. Denmark's Danida Green Business Partnerships bring together local commercial and non-commercial parties in developing economies to promote environmentally performing supply chains, including by supporting traceable regenerative agricultural practices in partnership with farmer producer organizations, agri-SMEs and private companies (Ministry of Foreign Affairs of Denmark, 2024).

Italy's partnership with the Italian technology and digital traceability company Apio in Côte d'Ivoire provides another example of cooperation, where support for the environmental performance and transparency of the cocoa value chain through digital traceability tools has helped to improve information flows and environmental and social outcomes, including premium prices for fully traceable cocoa. Such initiatives illustrate how digitalization can help producers demonstrate

compliance with regulations, strengthen buyer confidence and capture more value from biodiversity-relevant products (Trusty, 2026).

In addition, several partnerships focus on knowledge exchange, capacity support and responsible business practices. Team Sweden Sustainability is a collaborative network that brings together government authorities and Swedish businesses to promote responsible business models in Swedish export and value chains in partner economies (Team Sweden, 2025).

Latvia's Consultative Council for Development Cooperation Policy provides a platform for exchange of information among ministries, academia, civil society organizations and the private sector to promote private sector participation in development cooperation policy (Government of Latvia, 2024). Through its Intercoconnecta programme, Spain supports regional cooperation and technical exchange in Latin America and the Caribbean on sustainable natural resource use and circular bioeconomy approaches, with a focus on strengthening innovation and economic opportunities for rural MSMEs (AECID, 2025).

These examples show that development cooperation in areas linked to biodiversity is increasingly moving beyond traditional technical assistance. Partnerships are being used to strengthen productive capacity, facilitate compliance with regulations and market access, mobilize finance, support innovation, improve traceability and build knowledge networks. This can help partner economies ensure that trade opportunities contribute to conservation, environmentally and economically sustainable livelihoods, and more resilient local economies (see [Box 3.5](#)).

Box 3.5:

Trade and biodiversity: exploring opportunities for private sector engagement for development cooperation

Private sector engagement is essential to translate biodiversity ambitions into changes in business models, supply chains, and investment and financial decisions.

While private sector engagement in biodiversity is increasing, alignment between the public and private sectors remains limited, reflecting persistent capacity and technical gaps among participants in the sector, lack of awareness of regulations, data and technological constraints, and uncertainty around business case needs. Indeed, support to overcome these issues, strengthen strategic partnerships and reduce risks when investing and working in developing economies, is key to transitioning to sustainable pathways. Trade offers a key avenue to achieve biodiversity outcomes, as environment-related requirements increasingly shape market access and supply chain practices across borders.

In this context, development cooperation can help align trade and biodiversity objectives by partnering with the private sector in either donor or partner economies through multiple direct partnerships, intermediaries, multistakeholder platforms, and incountry networks, such as embassies and offices, each suited to different sectors, locations and partner types.

In particular, a local presence in partner economies can strengthen tailored and timely engagement by facilitating dialogue, sharing relevant geopolitical information, helping identify partners and opportunities, and supporting project structuring and implementation.

Across this spectrum, development cooperation can promote private sector engagement in biodiversity across key areas relevant for trade: trade facilitation and market access; building productive capacity; environmentally and socially performing supply chains (including responsible business conduct standards and environmental impact assessments); innovation and entrepreneurship; traceability; data and technology for informed decision making; and knowledge exchange and policy dialogue.

Source: OECD (2026c).

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Endnotes

- 1 Electronic transactions framework; electronic authentication and signatures, electronic contracts, electronic invoicing, paperless trading, single window data exchange and system interoperability, and electronic payments.
- 2 Customs duties on electronic transmissions, open government data and access to and use of the internet for electronic commerce.
- 3 Consumer protection, unsolicited commercial electronic messages, personal data protection and cybersecurity.
- 4 At the WTO 14th Ministerial Conference, 67 WTO members adopted interim arrangements on 28 March 2026 for the entry into force of the Electronic Commerce Agreement, covering approximately 70 per cent of global trade. The modelling referenced in the text is based on a broader group of 71 participating economies at the time of the analysis.
- 5 OECD Trade Facilitation Indicators Simulator. Available at <https://sim.oecd.org/default.ashx?lang=En&ds=TFI&d1c=oecd&cs=oecd>
- 6 The available Index of Digital Trade Integration and Openness (INDIGO) data highlight that, in 2025, the WTO e-commerce moratorium represented 24 per cent of existing digital trade integration and openness. The successful implementation of the Agreement on E-commerce is estimated to increase global digital trade integration and openness by 21 per cent. The more economies that join the Agreement, the higher the overall impact on the INDIGO (OECD, 2025c).

Abbreviations

ADB	Asian Development Bank
ACWL	Advisory Centre on WTO Law
AfCFTA	African Continental Free Trade Area
AfDB	African Development Bank
ASEAN	Association of Southeast Asian Nations
CAREC	Central Asia Regional Economic Cooperation
DAC	Development Assistance Committee
DFI	Development finance institution
DFQF	Duty-free and quota-free
DMC	Developing member country
DPI	Digital public infrastructure
EAC	Energy attribute certificate
EBRD	European Bank for Reconstruction and Development
EIF	Enhanced Integrated Framework
EU	European Union
GDP	Gross domestic product
ICT	Information and communications technology
IDB	Inter-American Development Bank
IFD	Investment Facilitation for Development
IFT	International Forum on TOSSD
INDIGO	Index of Digital Trade Integration and Openness (OECD)
JICA	Japan International Cooperation Agency
LAC	Latin America and the Caribbean
LDC	Least-developed country
LLDC	Landlocked developing country
MC14	14 th WTO Ministerial Conference
MDB	Multilateral development bank

MEL	Monitoring, evaluation and learning
MSME	Micro, small and medium-sized enterprises
NFIDC	Net food-importing developing country
NTP	Non-trade provision
ODA	Official development assistance
OECD	Organisation for Economic Co-operation and Development
OOF	Other official flows
OSBP	One-stop border post
PIDA	Programme for Infrastructure Development in Africa
PTA	Preferential trade agreement
RTA	Regional trade agreement
S&DT	Special and differential treatment
SME	Small and medium-sized enterprise
SPS	Sanitary and phytosanitary
SSC	South-South Cooperation
STDF	Standards and Trade Development Facility
SVE	Small, vulnerable economy
TACB	Technical assistance and capacity building
TBT	Technical barriers to trade
TFA	Trade Facilitation Agreement
TFIs	Trade Facilitation Indicators (OECD)
TFP	Trade Facilitation Programme
TOSSD	Total Official Support for Sustainable Development
UNCTAD	UN Trade and Development
WTO	World Trade Organization

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Supporting greater integration of developing economies, including least-developed countries (LDCs), into global trade has been a long-standing objective of the international community. Since the launch of the Aid for Trade initiative in 2006, US\$ 795 billion has been disbursed to bolster infrastructure, build productive sectors and strengthen trade institutions in these economies. These efforts have played an important role in helping developing economies increase their participation in the multilateral trading system.

“Two decades of trade and development partnerships: Trends and impact of the Aid for Trade initiative” examines trends in trade-related development assistance and the evolving participation of developing economies, including LDCs, in global trade. It also explores emerging priorities for developing economies in a changing trade and development cooperation landscape. The report sheds light on how partnerships for trade and development can be strengthened in the future to help developing economies, including LDCs, benefit more fully from global trade.

