

Rice field in the village
of Nalma, Nepal.

A woman wearing a pink turban and a red dress with white floral patterns is smiling while harvesting rice in a lush green field. She is holding a bundle of rice stalks. The background shows a steep, green hillside.

**Aid for Trade
priorities**



17

Aid for Trade priorities
for partner countries

24

Aid for Trade priorities
for donors

32

COVID-19 pandemic's
effect on Aid for Trade
priorities

42

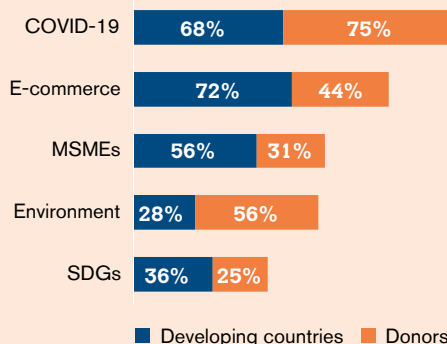
Growing importance
of Aid for Trade

Aid for Trade priorities in times of the COVID-19 pandemic

Trade a development priority for



94%
developing countries and
86%
for donors



Pandemic-specific strategies adopted by



49%
developing countries and
44%
for donors

Other factors triggered change to strategies

E-commerce and digital



72%
developing countries and
44%
for donors

MSMEs



56%
developing countries and
31%
for donors

Environmental sustainability



28%
developing countries and
56%
for donors

Aid for Trade priorities in 2022

Partner countries



57% Trade facilitation
55% Export diversification
45% MSME growth and development
41% Connecting to value chains
41% E-commerce development

Donors



50% Building productive capacity
46% MSME growth and development
43% Trade facilitation
43% Women's economic empowerment
36% Regional integration



Aid for Trade now more important for **72%** of developing countries



Community project in Papua New Guinea helps women working in subsistence fishing by providing them loans, training, mentoring and accessing markets to help them develop sustainable, formal businesses.

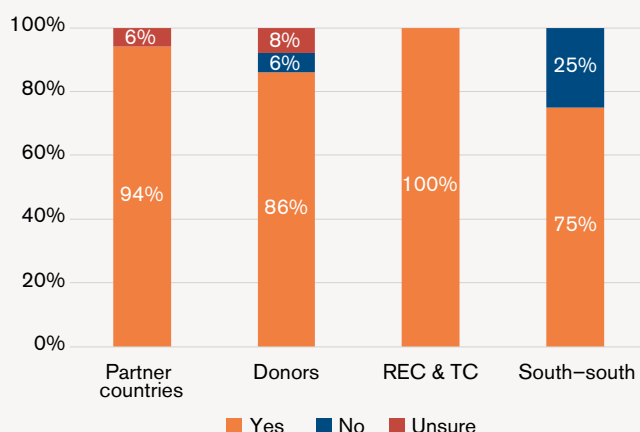
A key objective of the 2022 joint OECD–WTO Aid for Trade monitoring and evaluation (M&E) exercise is to survey stakeholders about their Aid for Trade priorities. The results of the 2022 M&E exercise indicate the continued need for the Aid for Trade Initiative. In the survey, over 70 per cent of developing countries and least-developed countries (LDCs) said that Aid for Trade had grown in importance since 2019, mainly due to the economic and trade impact of the COVID-19 pandemic.

The pandemic has heightened many of the trade and development challenges faced by developing countries and LDCs. While the economic impact of the pandemic has led to many changes in Aid for Trade priorities, both donors and beneficiaries also acknowledge the importance of Aid for Trade in terms of addressing the challenges posed by digital transformation, meeting the needs of micro, small and medium-sized enterprises (MSMEs) and the challenge of transitioning to environmentally sustainable growth.

Facilitating the movement of good across borders – trade facilitation – remains the most frequently cited Aid for Trade priority, with partners and donors well-aligned on its importance. In line with fostering regional cooperation, there is commitment among stakeholders to continue to pursue common projects and programmes.

While some Aid for Trade priorities in development strategies could be expressed with more clearly measurable objectives, including in the area of women's economic empowerment, there is clear evidence of the important role of the Aid for Trade Initiative in reducing fragmentation of aid and improving policy coherence, not least in the area of addressing the pressing challenges of environmental sustainability and climate change.

Despite the COVID-19 pandemic, the responses to the questionnaire indicate that trade remains a development priority. Trade objectives appeared in nearly every development strategy referenced, with 50 of 53 developing countries (94 per cent) reporting that their development strategy includes trade priorities (see Figure 1).

Figure 1: Are trade priorities included in national development strategies?

Source: WTO Secretariat.

For LDCs, 25 of the 27 responses (93 per cent) indicated that trade priorities were incorporated in development strategies; for landlocked developing countries (LLDCs), this was true of 100 per cent of responses.

Addressing trade issues is also a priority in the development strategies of donors and south-south partners. Responses to the questionnaire indicated that the development strategies of 31 of 36 donors (86 per cent) included trade priorities (i.e. Aid for Trade priorities); and this was the case for three of the four south-south partners (75 per cent).

Trade is prioritized in a variety of ways in questionnaire responses:

- trade as an engine to achieve integration into the global economy, with agriculture and fisheries priority sectors (Equatorial Guinea);
- promoting inclusive, sustainable, climate-resilient growth and fair trade (European Union);
- trade as a key driver of sustainable export growth and job creation (Lesotho);
- developing cultural and creative industries (West African Economic and Monetary Union);
- promoting quality growth that is inclusive, sustainable and resilient (Japan);

- trade as a tool to promote the economic empowerment of women (Canada, Democratic Republic of the Congo).

Using the responses given in the questionnaire, this chapter presents an analysis of the general trends in Aid for Trade priorities and provides examples based on the information provided by participants included in respondents to the questionnaire. The results of the M&E exercise have been divided into the following sections:

- Aid for Trade priorities for partner countries;
- Aid for Trade priorities for donors;
- Effect of the COVID-19 pandemic on Aid for Trade priorities;
- Growing importance of Aid for Trade.

This chapter also includes case studies based on work by the following organizations:

- TradeMark East Africa (TMEA): Trade facilitation in East Africa in response to the COVID-19 pandemic;
- United States Agency for International Development (USAID): Facilitating trade policies at borders through a gender perspective.

Aid for Trade priorities for partner countries

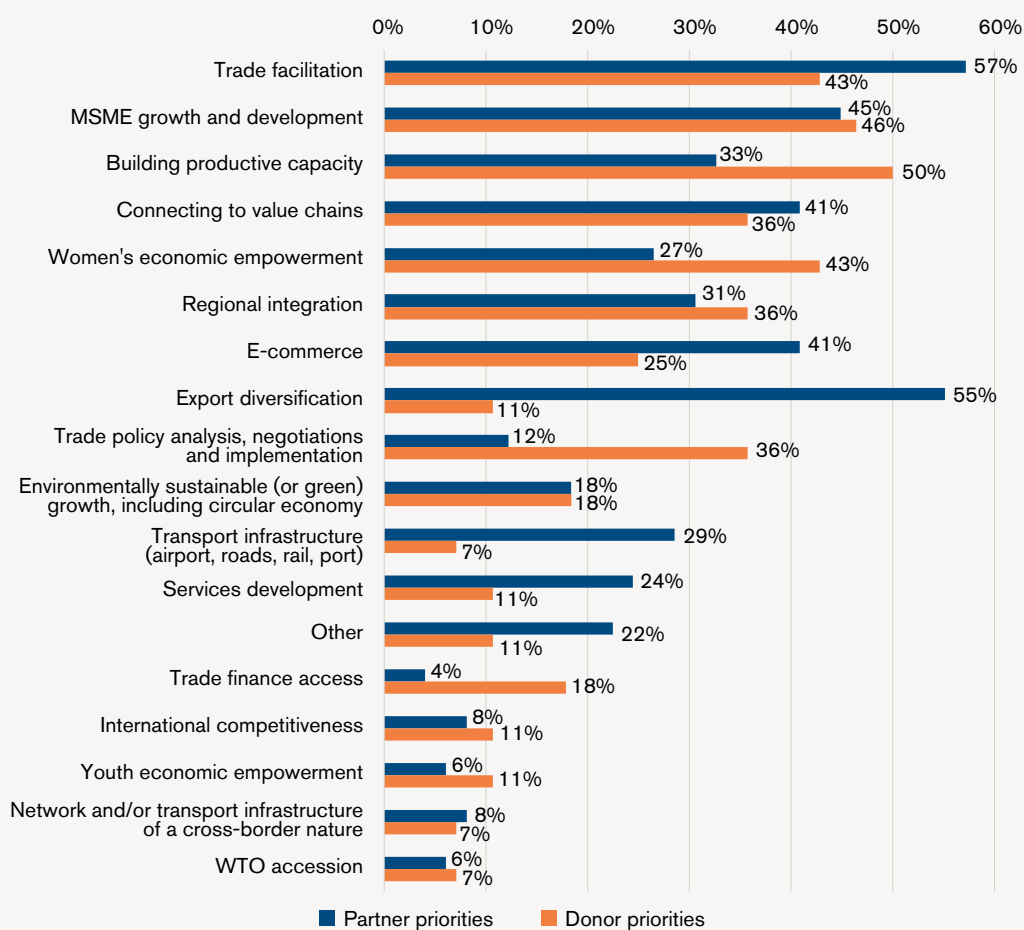
Respondents to the questionnaire were asked to rank their top five Aid for Trade priorities in order of importance. The responses were collated and are presented in Figure 2, which lists the priorities most frequently cited by partner countries, with the corresponding rankings for donors.

- trade facilitation;
- export diversification;

- MSME growth and development;
- connecting to value chains;
- e-commerce development.

The following sections explore each Aid for Trade priority, with MSMEs and e-commerce explored in the section on the effect of the COVID-19 pandemic on Aid for Trade priorities.

Figure 2: Most frequently cited Aid for Trade priorities reported in the questionnaire by developing country partners and donors



Trade facilitation

In the responses to the questionnaire from partner countries, the most frequently cited priority is trade facilitation. Trade facilitation's top position in the ranking most likely reflects the impact of the COVID-19 pandemic on the flow of goods across borders.¹

Many governments across the world took measures to limit the spread of the virus, including:

- the temporary closure of some borders;
- the redirection of transit trade to particular border control points;
- sanitary measures to ensure the health of border officials;
- reduced staffing levels and working hours.

Trade facilitation was a prominent theme at the Aid for Trade event in March 2021 which examined the impacts of the COVID-19 pandemic on trade and development in developing countries.² Digitizing customs procedures, coordinating border management and improving transparency were cited by participants as crucial in mitigating the pandemic's impact on trade and managing the upsurge in small parcels associated with e-commerce.

Participants at the Aid for Trade event also examined the vulnerability of landlocked developing countries (LLDCs) to the effects of cross-border restrictions and border closures implemented by transit countries (see Box 1). Such issues appear frequently in the responses to the questionnaire in the 2022 M&E exercise (see Table 1 for details).

Box 1

Aid for Trade priorities for landlocked developing countries

For LLDCs, trade has to transit through other countries – often developing countries themselves. This implies higher costs, which when combined with frequent, cumbersome border-crossing procedures and inadequate transport infrastructure, slows development and heightens other challenges. According to WTO estimates for 2017, trade costs LLDCs face on manufactured goods are on average the equivalent of a 540 per cent tariff and are about 1.4 times higher than the trade costs for coastal developing countries (on average equivalent to a 386 per cent tariff) (WTO, 2021a).

The COVID-19 pandemic has amplified the vulnerabilities that already existed in LLDCs. Significant supply and demand shocks caused bottlenecks in the container ship supply chain, resulting in a shortage of empty containers. As they rely on the ports of neighbouring countries to access global markets, the LLDCs experienced major supply chain disruptions.

The need to ease the trade bottlenecks that hamper trade in LLDCs underlines the importance of trade facilitation. Facilitating trade not only reduces the high trade and transport costs they face, but also simplifies procedures and streamlines the flow of goods.

A total of 12 LLDCs responded to the questionnaire. Of them, nine identified trade facilitation as their top trade priority, followed by export diversification and building productive capacity.

LLDCs also consider that Aid for Trade has become more important to them than before the outbreak of the COVID-19 pandemic. Some 75 per cent of respondents see Aid for Trade as a mechanism that can support the government in implementing the WTO's Trade Facilitation Agreement (TFA), which entered into force in February 2017. Implementing the TFA would in turn improve their integration into global value chains (GVCs) and enhance the opportunities of accessing international markets.

Table 1: Aid for Trade priorities for partner countries: Trade facilitation

Regions	Responses in questionnaire
Africa	
Mali	Strengthening the single window and its interconnection with other border agencies involved (e.g. customs, taxes, insurance, banks, departments of agriculture and industry, veterinary services)
Mozambique	Aid for Trade needed to implement the TFA
Zambia	Enhancing trade facilitation is a priority in the national trade policy
Asia and the Pacific	
Fiji	National trade policy addresses trade facilitation
Pakistan	Aid for Trade needed to implement the TFA
Papua New Guinea	Prioritizes trade facilitation in development strategy and trade policy
Latin America and the Caribbean	
Grenada	Aid for Trade more important because of need to implement WTO trade facilitation measures to increase transparency and reduce port clearance time
Saint Lucia	Creation of a single window to reduce port-related inefficiencies and costs

“Digitizing customs procedures, coordinating border management and improving transparency are crucial in mitigating the pandemic’s impact on trade.”

Export diversification

Economic diversification is a key priority for many developing countries as they seek to expand the range of goods and services they produce and export, as well as the number of markets they reach. Twenty-seven respondents stated that economic diversification was a priority in national or regional development strategies (see Table 2 for details).



Cargo inspection at the Wahgah border-crossing between India and Pakistan.

Table 2: Aid for Trade priorities for partner countries: Export diversification

Regions	Responses in questionnaire
Africa	
Burkina Faso	Strategy to promote local products (e.g. sustainable development of the shea butter sector)
Democratic Republic of the Congo	Prioritizes sectors with high growth potential (mining, hydrocarbons, metallurgy) and high employment potential (forestry, food and cash crops, agro-industry)
Equatorial Guinea	Prioritizes agriculture and fisheries sectors in exports diversification strategy
Mali	Development of value chains for shea, mango, sesame, cashew, potato, shallot/onion, hides and skins
Latin America and the Caribbean	
Saint Lucia	Annual numerical targets for cruise and airport arrivals to increase tourism spending and quality of experiences

Connecting to value chains

Promoting international competitiveness, building productive capacities and connecting to value chains also ranks high among the Aid for Trade priorities of developing countries and donors. This is particularly the case in the questionnaire responses from LDCs and LLDCs. Equatorial Guinea, Madagascar, Mali, Nepal, the Philippines and Zambia all refer to these Aid for Trade priorities in the context of promoting industrialization or national industrial strategies (see Table 3 for details).

In its response, Togo states that it is convinced that its economic development depends on making agriculture, industry and trade real engines of growth through a better connection to regional and global value chains. This requires the creation of extractive and processing industries for local raw materials.

GVCs are an important driver of economic prosperity and poverty reduction. However, the COVID-19 pandemic hit the operation of GVCs hard (see Box 2). Supply chain bottlenecks at sea and on land have had ripple effects.

“GVCs are an important driver of economic prosperity and poverty reduction.”



Women sell sauces and pastes in Bandiagara market, Mali.

Hinterland transport logjams, overwhelmed ports and shortages of port workers, trucking, chassis and warehousing space have tied up a large amount of shipping capacity.

The supply chain crunch and the responses to it have exacerbated existing tensions in transport and logistics networks, with concerns mounting about repercussions on competition. The

concentrated firm structure in the global shipping industry, the expansion of ocean carriers into services beyond port-to-port activities and special treatment granted to some customers (e.g. through long term contracts, with guaranteed slots and fixed rates) were among the concerns raised at the WTO Global Supply Chains Forum held on 21 March 2022.³

Box 2

Global value chains and the implications for trade and reducing poverty in developing countries

A 2022 report by the World Bank analysed the implications of the changing shape of GVCs for trade and reducing poverty in developing countries (Brenton *et al.*, 2022). It found that although participation in GVCs increased exporters' vulnerability to foreign shocks, it also reduced their exposure to domestic ones.

The report finds that East Asian countries that are deeply integrated into GVCs have recovered more quickly, especially those whose trading partners were also recovering rapidly and where COVID-19 infection rates were lower. Well-operating GVCs have been a source of resilience for developing countries, more than a source of vulnerability. In contrast, countries and regions that are less integrated in the global economy have lagged behind, and many low and middle-income countries are not expected to return to their 2019 levels of GDP per capita until 2023.

The World Bank argues that integration into the global trading system helps to build resilience. Diversifying exports, increasing access to overseas markets through new trade agreements and continuing integration into GVCs can all build resilience to future shocks.

Measures to reduce trade barriers, streamline trade procedures and facilitate trade at borders contribute to the response to a crisis by expediting the movement, release and clearance of goods, including goods in transit, and by enabling the exchange of services, paving the way for greater resilience to future shocks. Such measures support integration into GVCs, boost incomes and could lift almost 22 million additional people out of poverty by 2030. The measures would also increase the incomes of the bottom 40 per cent of the population.

Source: Text adapted from Brenton *et al.* (2022).



EXPERT OPINION

Tourism: From crisis to transformation

Sandra Carvão, Director, Market Intelligence and Competitiveness, World Tourism Organization (UNWTO)

2020 will go down in history books as the year the planet was put on a standstill. As a sector built on mobility and interaction among people, tourism was among the sectors most affected by the pandemic. In 2020, the number of international tourists went back to levels of 30 years ago, with businesses and livelihoods around the world severely impacted. This was particularly hard for developing countries, especially small island developing states, as well as for women and youth, for whom tourism is a leading source of employment and income.

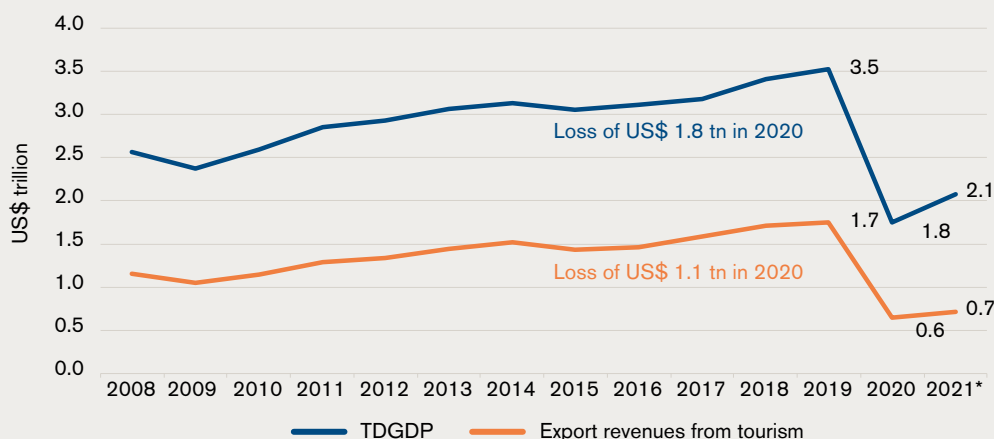
With 1.5 billion people travelling internationally in 2019, tourism export revenues amounted to US\$ 1.7 trillion, equivalent to 7 per cent of overall exports of goods and services. The direct economic contribution of tourism reached US\$ 3.5 trillion, or 4 per cent of global GDP (UNWTO, 2021). As we close two years of an unappareled crisis,

the direct economic contribution of tourism was still down at US\$ 2.1 trillion in 2021 and the total value of tourism exports at US\$ 713 billion.

Yet, while vaccine equity remains a challenge, the progress that has been made on vaccination, alongside increased coordination among governments, has resulted in a significant easing of travel restrictions* and rising consumer confidence. The latest issue of the *World Tourism Barometer* shows international tourism is recovering at a strong pace (UNWTO, 2022).

Arrivals increased 182 per cent year-on-year in the first quarter of 2022 to an estimated 117 million. Despite the strong rebound, international tourism remained 61 per cent below 2019 levels. Recovery is expected to consolidate throughout 2022, as more destinations ease restrictions and pent-up demand is unleashed. Based on better than

Tourism direct gross domestic product (TDGDP) and export revenues from tourism, world 2008-2021

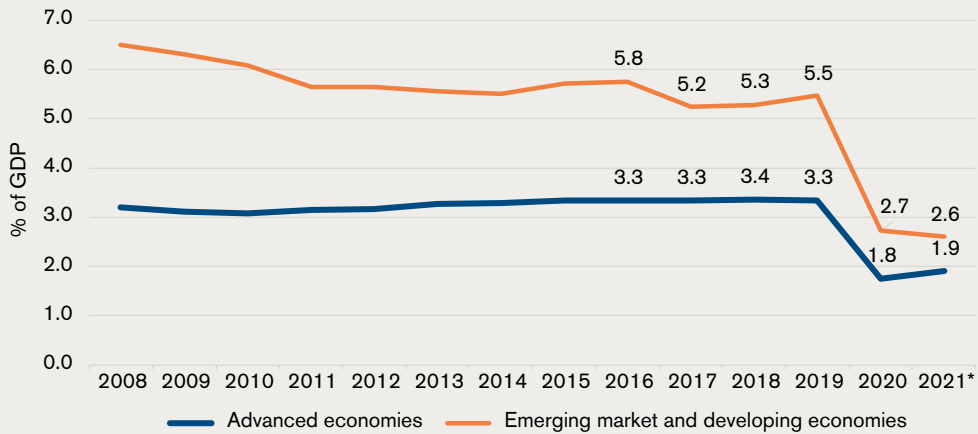


* Data for 2021 estimated.

Source: UNWTO.

* By mid-June, 49 countries worldwide had removed all COVID-related travel restrictions (see <https://www.unwto.org/tourism-data/unwto-iata-destination-tracker-easy-travel>).

TDGDP, advanced economies versus emerging markets and developing economies, 2008-2021



* Data for 2021 estimated.

Source: UNWTO.

expected results as well as booking trends, UNWTO revised its outlook for 2022 upwards, with international arrivals now expected to reach 55-70 per cent of 2019 levels this year.

Prior to the crisis, least-developed countries (LDCs) had received 36 million international tourists. In 2021, that value stood at 5 million. While international tourism recovered to –61 per cent in the first quarter of 2022 globally, arrivals in LDCs were still down at –79 per cent, reflecting the need to accelerate the removal of travel restrictions and supporting countries in coming back stronger and more competitive. This means building LDCs tourism related regulation, governance, skills, market access, digitalization and infrastructure to ensure LDCs benefit full of tourism recovery and accelerate transformation.

The conflict in Ukraine has had a limited direct impact on overall results so far. However, the conflict is causing a major economic shock exacerbating already high oil prices and inflation and disrupting international supply chains, with higher transport and accommodation costs. Inflation and workforce shortages are growing challenges.

As recovery consolidates, it is essential that tourism takes this crisis as an opportunity to accelerate the transformation towards a future built on competitiveness, inclusion, sustainability and strong governance that incorporates the lessons learned from the pandemic:

- **Competitiveness:** Investing in new products and experiences that cater for changing travellers' needs, including nature-based and community engagement experiences, support the digitalization of the sector, particularly for small and medium-sized enterprises, which account for over 80 per cent of the businesses, promote open skies and visa facilitation policies and financing for infrastructure, mainly in the area of connectivity, including digital connectivity.
- **Inclusion:** Working towards greater women's empowerment, inclusion of local communities in tourism development, improvement of work conditions and addressing the informality in the sector as well as advancing education and skills.
- **Sustainability:** Accelerating climate action in tourism through strong actions and commitment to halve emissions over the next decade and reach net-zero emissions as soon as possible before 2050. Investing in measurement, decarbonization and regeneration.
- **Governance:** Promote a whole of government approach to tourism development and management that is based on national and national–local coordination, advance public–private partnerships and community empowerment towards a model of public–private–community partnership, and create new mechanisms of multilateral coordination to increase tourism competitiveness and sustainability while building crisis preparedness.

Table 3: Aid for Trade priorities for partner countries: Connecting to value chains

Regions and donors	Responses in questionnaire
Africa	
Mali	Agro-pastoral sectors, including cotton, hides and skins, meat, milk and mango need support to enter global value chains
Togo	Economic development depends on liberalization by making agriculture, industry and trade the real engines of growth through a better connection to regional and global value chains, which requires the creation of extractive and processing industries for local raw materials
Uganda	Priorities include developing value chains
Asia and the Pacific	
Fiji	Priorities include connecting to value chains
Pakistan	Priorities include integration into global value chains
Latin America and the Caribbean	
Colombia	Persistent need to diversify exports, coupled with new challenges in value chains
Donors	
West Africa Economic and Monetary Union	WAEMU points to the need to use aid for trade to support development of regional value chains

Aid for Trade priorities for donors

The results in Figure 1 show that among donors, the top five Aid for Trade priorities are:

- building productive capacity;
- MSME growth and development;
- trade facilitation;
- women's economic empowerment;
- regional integration.

The following sections explore each Aid for Trade priority, with building productive capacity and MSMEs explored in the section on the COVID-19 pandemic as the main driver for change.

Trade facilitation

The West African Economic and Monetary Union (WAEMU) highlighted the impact of COVID-19 on small-scale cross-border traders.

Disruption caused by COVID-19 included:

- falling demand;
- difficulties in accessing points of sale;
- supply difficulties;
- scarcity of inputs and products.

The disruptions in turn reduced the profitability of trading activities and directly impacted on traders' income and living conditions. The study found that in response, traders had to diversify their source of income and adopt digital payments.

In its questionnaire response, the Inter-American Development Bank (IDB) notes that almost all the countries in Latin America and the Caribbean have responded to the COVID-19 pandemic by implementing trade facilitation measures that accelerate digitalization by focusing on:

- simplifying trade procedures;
- adjusting export systems to receive information and documents electronically;
- implementing virtual and remote inspections of cargo;
- developing virtual foreign trade audits.

In general, the pandemic gave a boost to digital transformation initiatives already underway and



Shallot wholesalers
in Bandiagara
market, Mali.

awoke the interest of countries that had not previously contemplated using them (see Table 4 for details). Some of the initiatives that the IDB found to have gained strength included:

- remote traceability of goods and vehicles with the help of technology;
- fostering interaction with the private sector;
- initiatives to improve the management of e-commerce flows;
- new technologies for data analysis (e.g. advanced analytics, machine learning, big data);
- use of blockchain technology for traceability.

The European Union notes in the questionnaire that its ARISE+ Indonesia Trade Support Facility and Programme proved timely during the COVID-19 pandemic. The secure and confidential environment it provided was valuable when physical meetings and consultative opportunities became more complex or impossible. It has established an electronic interface for ASEAN business councils, trade associations and chambers of commerce to engage with the relevant ASEAN bodies and members on trade facilitation, regional economic integration and intra-ASEAN trade.

Table 4: Aid for Trade priorities for donors: Trade facilitation

Donors	Responses in questionnaire
Asian Development Bank	<p>Preparing guidance notes on trade facilitation, vaccines and essential medicines, and national single windows</p> <p>Publications include a compendium of technical notes on trade facilitation and an MSME toolkit</p> <p>Established a resource centre to coordinate knowledge on trade facilitation</p>
Australia	South Asia Regional Trade Facilitation Program (SARTFP) supports increased and inclusive trade, infrastructure investment, connectivity and integration in the South Asia region
United Nations Conference on Trade and Development	Views implementation of the TFA as an important priority
World Bank	Trade facilitation an Aid for Trade priority

Case study

TMEA: Trade facilitation in East Africa in response to the COVID-19 pandemic

Alarmed by the potential decline of trade in East Africa and the resulting jobs and export losses due to the COVID-19 pandemic, many governments in the region strived to keep trade running safely along the main transport corridors to ensure that:

- people had access to affordable goods;
- markets were well supplied;
- traders were still able to operate despite movement restrictions and a loss of incomes.

TradeMark East Africa (TMEA) created a US\$ 32 million Safe Trade Emergency Facility to ensure trade continued safely while protecting livelihoods by providing support to governments so that they could undertake critical sanitary measures along transport and trade routes.

Physical distancing and testing measures for cross-border transport workers slowed the clearance of goods across borders. To address this, TMEA worked on three main issues:

- making ports, borders and critical supply chains safe for trade;
- distributing emergency personal protective equipment;
- fostering trade technology interventions.

As part of the trade technology interventions, TMEA helped 113,000 drivers to register with the Regional Electronic Cargo and Driver Tracking System, launched by the Eastern African Community. Around 70 per cent of the registered drivers had at least one digital COVID-19 certificate on a mobile application.



Trucks queue at the Kabanga border-crossing station between Burundi and Tanzania.

Digital certificates helped to ease traffic at border-crossings, which had previously been stuck in queues caused by long waiting periods for COVID-19 test results. This trade technology intervention was one of a series of measures taken to ensure that goods continued to flow while simultaneously reducing the risk of cross-border transmission of COVID-19.

Source: See https://www.trademarka.com/wp-content/uploads/dlm_uploads/2014/01/Safe-Trade-Report-2020-2021.pdf.

Women's economic empowerment

On women's economic empowerment, there were varied responses to the questionnaire (see Table 5 for details), including the need to:

- prioritize inclusion that considers all communities, but particularly the most vulnerable sectors of the population, such as indigenous people and women (Mexico);
- integrate gender perspectives into trade facilitation (Australia, Canada, European Union, Germany, United Kingdom, United States);
- promote making border agents aware of gender issues (Germany).

In their responses to the questionnaire, Canada and the United Kingdom refer to the Global Alliance for Trade Facilitation, which is a public–private partnership that supports governments in developing countries and LDCs in implementing the TFA, and note its guide on implementing the TFA through a gender perspective.



Fruit sellers on the road between Ouagadougou and Manga, Burkina Faso.

Table 5: Aid for Trade priority: Women's economic empowerment

Regions and donors	Responses in questionnaire
Africa	
Democratic Republic of the Congo	Economic empowerment of women a priority
Latin America and the Caribbean	
Mexico	Prioritizes inclusion that considers all communities, particularly the most unprotected, as well as the most vulnerable sectors of the population (i.e. indigenous people, women)
Donors	
Canada	Support framed in the context of "feminist foreign policy"
Germany	Supports trade facilitation at the Mwami-Mchinji border between Malawi and Zambia with a project that promotes making border agents aware of gender issues
United States Agency for International Development	Implement policies through a gender lens Gender neutrality can result in unintentional bias against women
World Bank	Although trade facilitation measures are often assumed to be non-discriminatory and apply to all traders in their design, measures might impact/benefit traders in different ways

A study published in 2020 and funded by USAID examines women's economic empowerment and gender equality in terms of trade facilitation (see USAID case study). Among the recommendations in the study is to implement policies through a gender lens (Singh *et al.*, 2020). Gender neutrality can result in unintentional bias against women, the study underlines. This point is also highlighted in the response to the questionnaire made by the World Bank, which recalls that trade facilitation measures are often assumed to be non-discriminatory and apply to all traders in

their design. However, these measures may not necessarily impact or benefit all traders in similar ways.

There is a global lack of data on how trade facilitation interventions impact traders by gender at the company level. There is a lack of information on the actual proportion of cross-border traders who are women. Few countries, know the number of women active in cross-border trade.

Women cross-border traders wait at the Rubavu border-crossing between the Democratic Republic of the Congo and Rwanda.



Case study

USAID: Facilitating trade policies at borders through a gender perspective

The 2020 USAID report *Women's Economic Empowerment and Gender Equality in Trade Facilitation: The Role of Customs and Border Services* provides recommendations on how to implement trade facilitation policies at the border through a gender perspective.

Even before they confront customs agencies, women face a daunting array of barriers to starting and growing their businesses:

- unequal access to financial services;
- higher costs for goods and services due to their smaller scale and unequal access to distribution networks;
- lack of access to legal, marketing, IT and trade information.

Disproportionate burdens of care for children as well as for the elderly, sick and disabled in their families also constrain women in ways that men are not constrained. Women small-scale traders also struggle with low literacy levels due to lack of schooling and a lack of entrepreneurial expertise. They tend to have limited access to capital, social and political influence and representation. They operate in male-dominated environments, where they hold little power relative to male customs and border officials.

In their dealings with women traders, customs officers sometimes have high levels of direct contact, particularly where automation does not exist or is limited. In these cases, individual behaviour can make a significant difference in the ease or difficulty experienced by women traders – especially small-scale cross-border traders. Even where customs processes are automated and personal interaction with agencies is minimal (and primarily through customs brokers and lawyers), women traders may face more barriers, ranging from unequal access to information, networks and capital, to social norms that favour male leadership.

Trade facilitation policies and implementation measures must consider and support the needs of women, including cross-border and other micro traders. Gender-neutral implementation is not sufficient. Progress to support the needs and experiences of women traders becomes more sustainable when it is carried out in the context of organizational cultures and processes (i.e. institutional architectures) that are designed to address and advance gender equality and women's empowerment. In this context, customs agencies can and should create work environments that are both more diverse (increasing trust and institutional legitimacy, by reflecting the populations they serve) and more supportive for women traders (through decreased corruption and sexual harassment).

Source: Text adapted from Singh *et al.* (2020).

Rubavu border-crossing between
the Democratic Republic of the
Congo and Rwanda.



Regional integration

An Aid for Trade priority that emerges from the M&E exercise for both partner countries and donors is regional integration (see Table 6 for details).

Africa

Several African countries identified the African Continental Free Trade Area (AfCFTA) as a driver of change in their Aid for Trade priorities. Mali, for example, highlights that to be able to participate in continental trade within the framework of AfCFTA, it needs to strengthen the competitiveness of its companies and remove barriers to trade. It also needs to encourage its companies to innovate and invest more in new modern production techniques, as well as promote exchanges in products with high added value.

Various donors also highlight their support to AfCFTA implementation in their responses to the questionnaire, for example:

- the European Union supports AfCFTA implementation as part of the Team Europe Initiative and Joint Programming Tracker;⁵
- the International Trade Centre supports gender inclusion through the project SheTrades: Empowering Women in the AfCFTA;⁶
- the United Nations Development Programme (UNDP) supports an inclusive AfCFTA through dedicated programmes of actions towards MSMEs (especially those led by women and youth);⁷
- the United Kingdom supports AfCFTA negotiations and implementation with a package of up to £35 million.⁸

Pacific region

Support for implementation of the Pacific Agreement on Closer Economic Relations Plus (PACER Plus) is highlighted in Australia's response to the questionnaire. Australia notes that the agreement offers a new forum for policy dialogue and decision-making about Aid for

Trade priorities and refers to the Implementation Unit⁹, established to help to implement PACER Plus and deliver regional Aid for Trade activities in the new PACER Plus Development and Economic Cooperation Work Program.

Arab region

Regional approaches to Aid for Trade and COVID-19 recovery are reported by the International Islamic Trade Finance Corporation in its response to the questionnaire. The second phase of the Aid for Trade Initiative for the Arab States (AfTIAS) Programme aims at increasing intra-regional trade through:

- the removal of market access barriers;
- increasing the role of Arab states in GVCs;
- ensuring that the benefits of trade are shared more inclusively across all population groups, including, in particular, vulnerable groups, such as women and youth.

Asia

In its response to the questionnaire, the Asian Development Bank (ADB) argues that one of the lessons from the COVID-19 pandemic is the need for wider, deeper and more open regional cooperation and integration (RCI). It identifies RCI opportunities in key emerging themes that underpin the goals of inclusive, sustainable and resilient recovery (ADB, 2022). The ADB makes the case for an expansion of RCI to new and emerging areas such as:

- high-quality regional connectivity that is resilient and contributes to a net zero transition, including railways and ports, and clean energy trade infrastructure;
- trade facilitation and finance to make supply chains more resilient;
- trade in ICT-enabled services, digitalization and e-commerce;
- environmentally sustainable growth.



A market trader in Tanzania proudly presents his spices.

Table 6: Aid for Trade priority: Regional integration

Regions and donors	Responses in questionnaire
Africa	
Madagascar	Strengthening regional integration with AfCFTA, Common Market for Eastern and Southern Africa and Southern African Development Community
Mali	<p>To participate within AfCFTA, company competitiveness needs to be improved and barriers to trade removed</p> <p>Companies need to innovate and invest more in new modern production techniques, as well as promote exchanges in products with high added value</p>
Donors	
Australia	<p>PACER Plus offers new forum for policy dialogue and decision-making about Aid for Trade priorities</p> <p>Implementation Unit established to implement PACER Plus</p> <p>PACER Plus Development and Economic Cooperation Work Program with a budget of A\$ 25 million (2021-2025)</p> <p>A regional Pacific Aid for Trade Strategy coordinated by the Pacific Islands Forum Secretariat and a PACER Plus Needs Assessment undertaken in 2021 were helping to inform and shape Australia's regional Aid for Trade approach and activities</p>
Canada	Fosters environmentally friendly intra-African trade flows in goods and services by conducting a strategic environmental assessments to examine potential entry points and opportunities for climate change considerations
International Islamic Trade Finance Corporation	<p>Second phase of AFTIAS aims at increasing intra-regional trade through:</p> <ul style="list-style-type: none"> ▪ removal of market access barriers ▪ increasing role of Arab states in GVCs; ▪ ensuring benefits of trade are shared more inclusively across entire population, in particular vulnerable groups such as women and youth

COVID-19 pandemic's effect on Aid for Trade priorities

The economic impact of the COVID-19 pandemic is the main driver of change in Aid for Trade priorities. Almost half of the responses to the questionnaire report changes in priorities since the last survey was conducted in 2019 – the year before the COVID-19 pandemic. The highest rate of change is

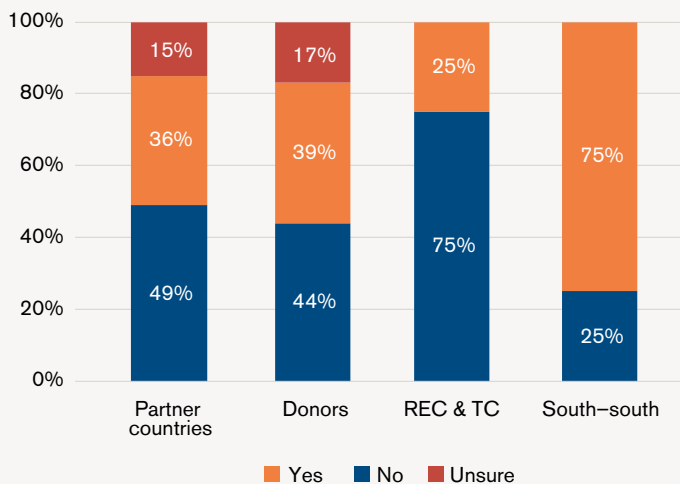
“The economic impact of the COVID-19 pandemic is the main driver of change in Aid for Trade priorities.”

reported by developing countries: 26 of 53 responses (49 per cent) indicated that their Aid for Trade priorities had changed; similar to 16 of 36 responses (44 per cent) from donors (see Figure 3).

As shown in Figure 4, the top four drivers of change in the development strategies of developing country partners and donors are:

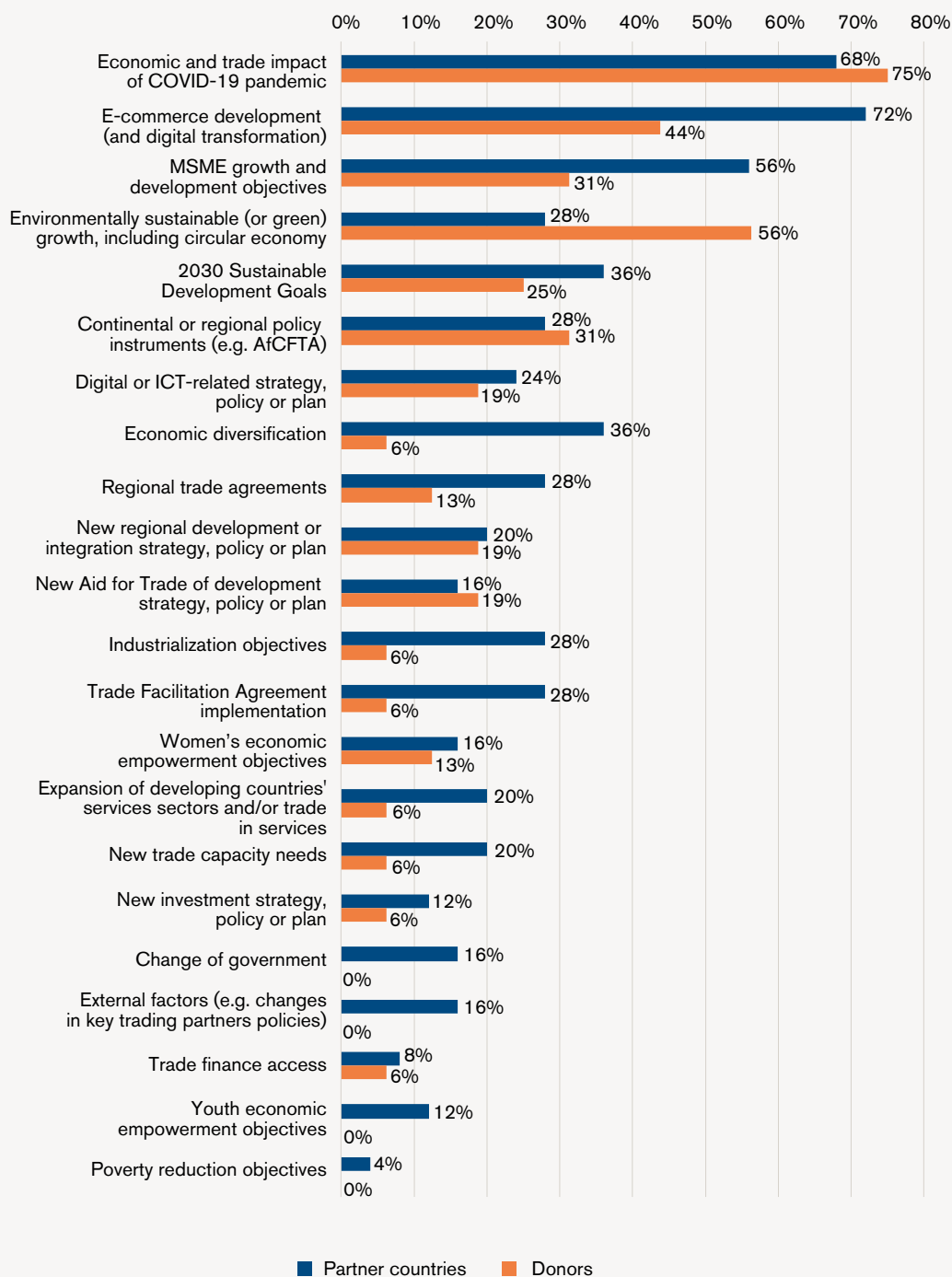
- economic and trade impact of COVID-19 pandemic;
- e-commerce development and digital transformation;
- MSME growth and development objectives;
- environmentally sustainable (green) growth, including the circular economy.

Figure 3: Change in Aid for Trade priorities



Source: WTO Secretariat.

Figure 4: Drivers of change in Aid for Trade priorities reported by developing country partners and donors



Source: WTO Secretariat.

Economic and trade impact of COVID-19 pandemic

Many responses to the questionnaire refer to strategies enacted to support economic recovery from the COVID-19 pandemic: 39 developing countries (74 per cent) pointed to specific strategies they had enacted to cope with the economic and trade impacts of the pandemic.

Mauritius cites measures introduced by the government, the Bank of Mauritius and other public-sector bodies to mitigate the impact of the pandemic on the economy and the population. Saint Lucia highlights that the medium-term development strategy was modified to deal with the pandemic and resources were diverted to meet health and safety challenges and other emerging issues. St Lucia also points to the need to engage donors on refinancing existing debts and securing additional finances to meet immediate needs. The COVID-19 pandemic also hit the LDCs hard (see Box 3).

The questionnaire response of the IDB notes that Latin America and the Caribbean faced the worst socioeconomic crisis in the 61-year history of the bank. The region is currently at a critical juncture due to the COVID-19 pandemic. Long-standing structural weaknesses and recent natural disasters have further amplified pre-existing development gaps.

In 2020, GDP declined by 7.4 per cent in the Latin America and the Caribbean region, which was the biggest fall since 1821, and total employment fell by 10 per cent. In the region, 44 million people were expected to have fallen into poverty and 52 million to have dropped out of middle class strata. Most countries will not return to pre-pandemic levels of GDP until 2023 or real income per capita levels until 2025. The IDB also notes that most worrisome for the region is the rising level of public debt.

The COVID-19 pandemic prompted a rapid increase in sovereign debt across most regions as governments have sought to cushion the impact of the pandemic. The WTO estimates that average government debt increased by roughly 9 percentage points of GDP among low and middle-income countries during the first year of the pandemic, compared to an average of 1.9 percentage points in the decade prior to the pandemic.

The COVID-19 pandemic exerted similarly deleterious effects on growth and development prospects in other regions. According to the African Development Bank, the pandemic led to Africa's first recession in 50 years, with GDP contracting by 2.1 per cent in 2020, 38.7 million more people sliding into extreme poverty and fiscal deficits doubling to 8.4 per cent of GDP (AfDB, 2021).



The COVID-19 pandemic forced the closure of schools and businesses in Madagascar.

Box 3

Economic and trade impact of the COVID-19 pandemic on LDCs

The ability of LDCs to recover from the ongoing pandemic is severely impacted by the challenges they face in trading. Their trade performance is negatively influenced by several factors, such as:

- weak productive and institutional capacity;
- narrow export base and limited market destinations;
- widening trade deficit;
- susceptibility to high price volatility for primary commodities;
- declining demand and global economic contractions resulting from the COVID-19 pandemic.

Merchandise exports

LDCs accounted for 1.15 per cent of global trade in 2020, and 1.14 per cent in 2021. In the second quarter of 2020 as the impact of COVID-19 kicked in, LDC merchandise exports declined 30 per cent year-on-year, compared to a 21 per cent drop in merchandise exports at the world level. In value terms, LDC merchandise exports shrank by nearly 12 per cent in 2020, compared to just over 7 per cent for the world as a whole. Travel exports in LDCs dropped 88 per cent year-on-year in the second quarter of 2020 due to travel restrictions and lockdowns.

Services exports

Services exports in LDCs have been hit particularly hard by COVID-19. In 2020, services exports for LDCs dropped by 40 per cent, which is more than double the drop in world services exports. COVID-19 highlights the need for LDCs to build their supply-side capacity for services to diversify their economies.

Doha Programme of Action for the Least Developed Countries for the Decade 2022-2031

The United Nations Doha Programme of Action for the Least Developed Countries for the Decade 2022-2031* recognizes that:

“Notwithstanding the massive expansion of trade and investment in the past decades, least developed countries face considerable challenges in effective integration into global trading systems and in benefiting from the opportunities afforded by international trade and global value chains.”

One of the targets of the programme is to significantly increase Aid for Trade support for LDCs, which is expected to double by 2031 compared with 2018 levels.

Source: WTO (2022).

* See UN document A/76/L.47.

The African economies most significantly hit by the pandemic were those dependent on tourism. These economies experienced an 11.5 per cent contraction in economic activity in 2020, compared to oil-exporting economies, which experienced a decline of 1.5 per cent in GDP (AfDB, 2021).

At a sectoral level, tourism was one of the sectors hardest hit by the pandemic. The pandemic-induced halt in tourism caused severe recessions in tourism-dependent economies, including those in Asia. In its response to the questionnaire, Samoa highlights the serious shortage of work in the tourism and hospitality sector due to the impact of COVID-19.

Saint Vincent and the Grenadines notes that with the country being heavily dependent on services (particularly tourism) both for income and jobs, the impact of COVID-19 has dealt a heavy blow to its economic situation. In travel

and tourism alone, the income contribution from these sectors has decreased from 41.7 per cent of GDP to only 16.4 per cent and from 44.8 per cent of total employment to 38.2 per cent, many of whom operate in the informal sector.

However, responses to the questionnaire do not indicate any attempts to move away from dependence on this sector. For example, Samoa notes that its tourism authority requires technical assistance and capacity building to train more managers and supervisors in the tourism industry to take advantage of the return of tourism. Similarly, Saint Lucia, while highlighting the impact of COVID-19 on its tourism sector, also recalls its plans to increase investment and build capacity in the sector through new ports and hotel rooms.

Strategies to support economic recovery from the COVID-19 pandemic were also prominent in the responses from donors (see Table 7 for details).

Table 7: COVID-19 pandemic: Economic and trade impact

Regions and donors	Responses in questionnaire
Asia and the Pacific	
Samoa	Serious shortage of work in tourism and hospitality sector due to the impact of COVID-19
Latin America and the Caribbean	
Saint Lucia	Plans to increase investment and build capacity in tourism sector through new ports and hotel rooms
Saint Vincent and the Grenadines	Heavily dependent on services (particularly tourism) both for income and jobs, so impact of COVID-19 dealt heavy blow to the economy
Donors	
Asian Development Bank	Assistance to developing country members includes vaccination support and surpassed US\$20 billion by September 2021
European Union	Together with member states and European financial institutions has provided more than €46 billion of financing in its global response to COVID-19
International Islamic Development Bank	Response package to mitigate the impact of the pandemic worth US\$ 4.6 billion
United States	COVID-19 Global Response and Recovery Framework to end the pandemic globally



The tourism sector in Vanuatu was hit hard by the COVID-19 pandemic.

E-commerce development and digital transformation

E-commerce development and digital transformation is the most frequently cited driver of change to Aid for Trade priorities reported by developing country partners since 2019 (see Box 4). Responses to the questionnaire indicate that the prioritization of this area originates from the outbreak of COVID-19, which (see Table 8 for details):

- highlighted the importance of e-commerce (Mali) and the digitalization of the economy (Republic of Moldova, Philippines);
- prompted the expansion of e-commerce in light of the travel restrictions imposed (Madagascar);
- encouraged the development of an e-commerce strategy (Zambia);
- catalysed reforms to digitalize public services (Togo).

Box 4

The role of digital trade in developing countries' road to recovery

A joint World Bank and WTO policy note reports that digitization is creating new trade opportunities by giving access to remote and foreign markets for firms of all sizes in any location, and by lowering trade costs and expanding the variety of goods and services that can be traded.

New technologies are having a transformative effect on international trade by powering digital trade. Establishing a conducive environment for digital trade, however, remains a complex endeavour. The foundations of digital trade rest on a modern telecommunications infrastructure, a favourable business environment and an educated population. In addition, digital trade requires specific enabling conditions such as specific digital skills and entrepreneurship to engage in digital trade.

Cross-border transactions need effective electronic payment systems. A sound regulatory framework is also needed to strengthen trust in digital markets and provide tools for remote transactions, including cross-border data governance, platform regulation, online consumer protection and digital documentation signature. Furthermore, goods sold across borders through e-commerce need efficient trade facilitation and logistics suited to e-commerce deliveries. Global digital trade would benefit from substantial and clear international rules.

Source: Text adapted from World Bank and WTO (2022).

Table 8: COVID-19 pandemic: E-commerce development and digital transformation

Regions	Responses in questionnaire
Africa	
Madagascar	Travel restrictions during pandemic prompted expansion of e-commerce
Mali	Outbreak of COVID-19 highlighted importance of e-commerce
Togo	Roadmap 2020-2025 seeks to strengthen attractiveness to investors through reforms to digitalize public services and to establish infrastructure for data hosting
Zambia	Developing an e-commerce strategy
Asia and the Pacific	
Philippines	Pandemic highlighted importance of the digitalization of the economy
Europe	
Republic of Moldova	Pandemic highlighted importance of the digitalization of the economy



EXPERT OPINION

Sustaining Aid for Trade in a world of overlapping crises

By Mona Haddad, Global Director for Trade, Investment and Competitiveness, World Bank

This year's Global Review of Aid for Trade takes place at a time of overlapping global crises. The global economy is facing simultaneous emergencies, including the ongoing COVID-19 pandemic, supply chain disruptions, stagflation risks from accelerating inflation and decelerating growth, mounting debt distress across the developing world, continuing climate change and biodiversity challenges, and increasingly situations of fragility and conflict. The spillover effects of the conflict in Ukraine are being felt worldwide, as rising energy and food prices are impacting the most vulnerable population segments (World Bank, 2022).

The World Food Programme estimates that 44 million people in 38 countries are at risk of famine, while another 276 million have become food insecure.* The case for open agricultural trade could hardly be stronger.

Damages in Ukraine will inevitably add to the burden on donor resources already stretched by COVID-19 support measures. The World Bank Group has mobilized US\$ 3 billion in support of Ukraine and is preparing a US\$ 170 billion surge in financing to help our client countries cope with the overlapping crises.

The underlying challenge of inequality adds to the urgency of strengthened cooperation and solidarity, including for trade. The pandemic deepened inequality because of limited access to vaccines for people in poorer countries and their governments' inability to match fiscal and monetary support implemented in advanced economies.

Responding to the COVID-19 crisis remains critical.** The World Bank committed US\$ 11 billion to purchase and deploy vaccines in the last fiscal year, benefiting 81 countries. We delivered US\$ 204 billion of tailored support to our client countries in 2020 and 2021, including for health, education and social protection, to address the damage to human

capital in low and middle-income developing countries from the COVID-19 pandemic.

Keeping markets open and facilitating cross-border trade are central to easing the supply constraints weighing on recovery, driving inflation and worsening inequality. Unfortunately, some countries are adopting the opposite policies – notably export curbs – which can amplify supply problems and inflation. Our research shows that export restrictions alone have added seven percentage points to the price of wheat (World Bank, 2022). Such measures, which risk igniting tit-for-tat escalation that could trigger a severe food crisis, should be urgently reconsidered.

The pandemic highlighted the potential of digital technologies for supporting economic development and building resilience and preparedness against crises. The World Bank Group is stepping up work with public and private partners to help developing countries harness the full potential of digital transformation. WTO members can do their part by reaching agreement on digital trade rules commanding global appeal and supported by Aid for Trade.

Finally, climate change remains a critical global challenge to which WTO members are called upon to shape a supportive trade response. The World Bank Group's *Climate Change Action Plan 2021-2025* (World Bank, 2021a) aligns to the Paris Agreement by bolstering efforts to promote biodiversity, improve access to green energy sources and clean water, and support a just transition to a low-carbon economy adapted to each country's circumstances. We supplied a record US\$ 26 billion of climate financing in 2021. We look forward to sharing insights from our analytical work*** on the key role trade can play in helping countries achieve their net zero emission aims and reap the opportunities opened up by a transition to a low carbon world at this year's Global Review of Aid for Trade.

* See <https://www.un.org/press/en/2022/sc14894.doc.htm>.

** See <https://www.worldbank.org/en/who-we-are/news/coronavirus-covid19>.

*** See Brenton and Chemutai (2021).

MSME growth and development objectives

The growth and development of MSMEs is also a driver of change in Aid for Trade priorities that some countries placed in the context of the COVID-19 pandemic. Responses to the questionnaire include (see Table 9 for details):

- improving the export skills and performance of MSMEs (Fiji, Pakistan, Saint Lucia, Senegal);
- revitalizing the MSME sector together with digital and ICT capacities to counter the adverse impact of the pandemic (Pakistan);
- improving the computer literacy of MSME owners to use digital and e-commerce hardware and software effectively (Samoa);
- prioritization of MSMEs as an objective in updated development strategies (The Gambia, Peru, Togo).

MSMEs account for 95 per cent of all firms, accounting for 60 per cent of total employment and 50 per cent of GDP in developed countries and 35 per cent in developing countries.¹⁰ Research suggests that the pandemic has exacerbated the higher fragility of MSMEs as compared to larger firms, due to their limited access to finance, physical and digital infrastructure and to information on risk management (WTO, 2021b).

Research by the International Trade Centre highlights that smaller firms were less resilient to the economic shocks caused by the COVID-19 pandemic than larger companies (ITC, 2021). The research found that factors than just firm size also played a role in resilience. A series of business fundamentals were demonstrated by MSMEs that showed a high degree of resilience through the pandemic.



Businesswoman pours molten metal into dirt-covered moulds to make 120-230 cooking pots each day, Kampala, Uganda.

Table 9: COVID-19 pandemic: MSME growth and development objectives

Regions	Responses in questionnaire
Africa	
The Gambia	Prioritization of MSMEs as an objective in development strategies
Togo	MSME contribution to development and growth is considerable and a priority area for Aid for Trade
Asia and the Pacific	
Pakistan	Seeking to revitalize the MSME sector together with digital and ICT capacities to counter the adverse impact of the pandemic
Samoa	Need to improve the computer literacy of MSME owners to use digital and e-commerce hardware and software effectively
Latin America and the Caribbean	
Peru	Prioritization of MSMEs as an objective in development strategies

Environmentally sustainable (green) growth, including the circular economy

Environmental sustainability is the second most-cited driver of change in Aid for Trade priorities by donors. The World Bank is among a number of donors to promote a build back better approach in COVID-19 recovery support in the form of a green, resilient and inclusive development strategy.

Responses to the questionnaire also suggest that environmental sustainability is an established priority for developing countries (see Table 10 for details). Fifty-one developing country governments (96 per cent) that replied to the self-assessment questionnaire indicate that sustainable development is a priority in their national development plan or strategy.



Banana crop still on the stalk in Bangladesh.

Table 10: COVID-19 pandemic: Environmentally sustainable (green) growth, including the circular economy

Regions	Responses in questionnaire
Africa	
Comoros	Strategy to foster development that is resilient to climate change and disasters at all levels of development
Zambia	Established the Ministry of Green Economy and Environment
Asia and the Pacific	
Bangladesh	Priority is coping with trade-related challenges post-LDC graduation
Fiji	Small island developing states face existential crisis due to climate change Development strategy encourages trade of environmental good and services and promotes a circular economy
Vanuatu	Many changes in Aid for Trade priorities induced by natural disasters and climate change Increased incidence of cyclones, droughts, floods, volcanic eruptions and rising sea levels severely hampered exports of goods and services to foreign markets Building domestic productive capacity given higher priority and attention refocused on agriculture sector and MSMEs
Latin America and the Caribbean	
Colombia, Guatemala	Greater emphasis on sustainability, compliance with environmental commitments and development of the circular economy driver change in Aid for Trade priorities

Growing importance of Aid for Trade

Aid for Trade has become increasingly important to partner countries and an important tool to promote policy coherence for donors. Stakeholders who responded to the questionnaire stating that it has become more important since 2019 included:

- 38 of the 53 (72 per cent) developing country partners;
- two of 4 regional communities (Pacific Islands Forum Secretariat and WAEMU);
- one south–south respondent (China).

“Aid for Trade has become more important to beneficiaries and an important tool to promote policy coherence for donors.”

In contrast, 26 out of 36 (72 per cent) donors were of the view that there had been no change in the importance of the Aid for Trade Initiative since 2019.

In their responses to the questionnaire, most developing country partners point to the economic and trade impacts of the COVID-19 pandemic as reasons for the growing importance of Aid for Trade, giving examples such as (see Table 11 for details).

- the need for more Aid for Trade to augment national budgets following the adverse fiscal impact of COVID-19 (Lesotho, Pakistan);
- budget restrictions resulting from the COVID-19 pandemic meaning more international cooperation was required for some foreign trade projects (Peru);
- adverse effects of the COVID-19 disproportionately impacting LDCs (Zambia);

A farmer in Burkina Faso grows crops of banana, cabbage, lettuce, potato and onion.





Ethiopian farmers sort tomatoes before going to market.

- increased importance for Aid for Trade in the context of grappling with the effects of global warming and climate change (Zambia) and the impact of natural disasters (Saint Vincent and the Grenadines);
- the need for more Aid for Trade post-conflict to rebuild infrastructure, productive capacities and support vulnerable members of the population, in particular women and youth (Yemen).
- the need for continued Aid for Trade to implement measures in the WTO's Trade Facilitation Agreement (Grenada, Mozambique);
- the need for Aid for Trade to implement the AfCFTA (The Gambia, Mali);
- general need for Aid for Trade to support the realization of policy objectives (e.g. making Comoros an emerging country by 2030, supporting Uganda's aim to become an export-oriented economy while ensuring continued economic diversification, and adapting to the rapidly changing domestic and global trading environment in the case of Vanuatu).

These views are shared by several donors. Aid for Trade remains a key component of Australia's COVID-19 development response under the economic recovery policy in the Indo-Pacific.

Similarly, New Zealand highlights that although the COVID-19 pandemic has created a greater need for Aid for Trade, the allocation of financing had not increased, so essentially there was more demand for the same financing.

Several donors point to the potential of Aid for Trade to reduce aid fragmentation and to improve coherence. In the responses to the questionnaire, they say the aim of their strategies included (see Table 11 for details).

- increasing the leverage of Aid for Trade for better informed and coordinated delivery (European Union);
- using Aid for Trade to bring greater coherence to donor efforts and to bring about increased operational efficiency in advancing inclusive growth (Canada);
- using Aid for Trade programmes to break down barriers to trade internationally and to allow developing countries to access markets (United Kingdom).

In its response to the questionnaire, the United States also highlights that the critical linkages between trade issues and development programming called for a greater level of cross-sectoral integration and coordination. US trade-related capacity building focuses on implementing trade agreements, facilitating trade flows and enhancing economic responsiveness.

The United States also said it takes into account the changing environment marked by the e-commerce boom, expansion of trade in services and the dispersion of production across many countries with integrated GVCs. It addresses other evolving factors such as:

- increasing regionalism;
- increasing numbers of international trade agreements;
- greater focus on environment, labour and gender matters;
- greater role of the private sector.

Table 11: COVID-19 pandemic: Growing importance of Aid for Trade

Regions and donors	Responses in questionnaire
Africa	
Lesotho	Need for more Aid for Trade to augment national budgets following the adverse fiscal impact of COVID-19
Mauritius	Aid for Trade more important after the pandemic
Zambia	Aid for Trade more important because the pandemic affects LDCs more than other countries Increased importance for Aid for Trade in grappling with effects of global warming and climate change
Asia and the Pacific	
Pakistan	Need for more Aid for Trade to augment national budgets following the adverse fiscal impact of COVID-19
Latin America and the Caribbean	
Peru	Budget restrictions resulting from the pandemic meant more international cooperation required to carry out some foreign trade projects
Saint Vincent and the Grenadines	Aid for Trade more important due to the impact of natural disasters on economy (i.e. combined effect of La Soufrière volcanic eruption and a hurricane in 2021) Aid for Trade needed to rebuild damaged infrastructure, production capacity, the modernization of the services sectors and the use of ICT infrastructure to enhance competitiveness and facilitate trade
Middle East	
Yemen	More Aid for Trade needed post-conflict to rebuild infrastructure, productive capacities and support vulnerable members of the population (women, youth) Conflict left trade-related infrastructure damaged or destroyed Normal course of trade negatively affected, with focus of aid on humanitarian assistance
Donors	
Australia	Aid for Trade a key component of COVID-19 development response under Partnerships for Recovery policy in the Indo-Pacific
Canada	With Aid for Trade, greater coherence of efforts and better position to engage with increased operational efficiency in advancing inclusive growth
European Union	2017 strategy sought to increase Aid for Trade leverage for better informed and coordinated delivery, further deepened by the Team Europe approach Approach sought to scale up impact by making the most of instruments across EU external policies, in particular: <ul style="list-style-type: none"> ▪ EU External Investment Plan ▪ trade agreements (e.g. Economic Partnership Agreements, free trade agreements, Deep and Comprehensive Free Trade Areas) ▪ trade schemes (Generalized Schemes of Preferences, Everything but Arms)
New Zealand	Pandemic created a greater need for Aid for Trade However, Aid for Trade financing had not increased, resulting in more demand for the same allocation
United Kingdom	Aid for Trade programmes helping to break down barriers to trade internationally and to allow developing countries to access market

Endnotes

1. See <https://www.oecd.org/coronavirus/policy-responses/getting-goods-across-borders-in-times-of-covid-19-972ada7a>.
2. See https://www.wto.org/english/tratop_e/devel_e/a4t_e/gr21_e/gr21_e.htm.
3. See https://www.wto.org/english/news_e/events_e/gscforum2022_e.htm.
4. See <https://ariseplus-indonesia.org/en>.
5. See <https://europa.eu/capacity4dev/tei-jp-tracker/tei/support-african-continental-free-trade-area>.
6. See <https://www.shetrades.com>.
7. See https://www.undp.org/africa/press-releases/afcfta-and-undp-announce-new-partnership-support-largest-trade-area-towards-inclusive-growth-africa?utm_source=EN&utm_medium=GSR&utm_content=US_UNDP_PaidSearch_Brand_English&utm_campaign=CENTRAL&c_src=CENTRAL&c_src2=GSR&gclid=EAlaIQobChMIl5iYgv6a-AIV0o1oCR1t4AsDEAAYASAAEgL_v_D_BwE.
8. See <https://www.gov.uk/government/news/uk-backs-africas-ambitious-continental-free-trade-initiative>.
9. See <https://pacerplus.org>.
10. See https://www.wto.org/english/tratop_e/msmesandtra_e/msmesday20_e.htm.