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**World Trade Organization**

Economic Research and Statistics Division

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**WOMEN'S ECONOMIC EMPOWERMENT:  
AN INHERENT PART OF AID FOR TRADE**

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# Women's economic empowerment: an inherent part of Aid for Trade

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## **Abstract**

Aid for Trade supports developing and least-developed countries in building their trade capacity and in increasing their exports by turning market access opportunities into market presence. It does so by addressing four key areas: trade policy & regulations; economic infrastructure; building productive capacity; and trade-related adjustment.

The WTO-led Initiative works with a broad cross-section of stakeholders to: highlight needs (of developing and least-developed countries and regional organizations), mobilize resources (including donors, international financial institutions and other international organizations) and monitor impacts and effectiveness (with OECD and other international organizations).

Through Aid for Trade, the WTO has been focusing on women with the aim of building their capacity to trade and using trade as a tool for their economic development. Gender equality is an inherent part of Aid for Trade. This has also been reflected in the Buenos Aires Declaration on Trade and Women's Economic Empowerment which identified Aid for Trade as a key instrument to assist members in "analysing, designing and implementing more gender-responsive trade policies".

### **Three key facts on women's economic empowerment through Aid for Trade**

- Donors and partner countries have been devoting increasing attention to gender dimensions in Aid for Trade. Both groups have gradually and increasingly integrated gender into their Aid for Trade objectives. They are now at par. The 2019 Monitoring and Evaluation Exercise reveals that women's economic empowerment is now high on both donors and partner countries agendas. Today, 84% of donors' aid-for-trade strategy and 85% of partner countries national or regional development strategy seek to promote women's economic empowerment.
- The main target group of gender related Aid for Trade is women entrepreneurs.
- While gender is now fully part of members aid-for-trade objectives, it has not been fully integrated in their aid for trade priorities. This disconnection between objectives and priorities could explain the difficulty in assessing the real impact of aid for trade on women's economic empowerment. This also shows the challenges to translate objectives into effective programming. Aid for Trade flows confirm this trend.

**Keywords:** Gender, international trade, women's economic empowerment, trade policy, WTO, international trade rules, Aid for Trade.

**JEL Classification numbers:** F1 (F13 and F19), O1 (O19), Z0

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## Introduction

Aid for Trade supports developing and least-developed countries in building their trade capacity and in increasing their exports by turning market access opportunities into market presence. It does so by addressing four key areas: trade policy & regulations; economic infrastructure; building productive capacity; and trade-related adjustment.

As described in Figure 1 below, the WTO-led Initiative works with a broad cross-section of stakeholders to: highlight needs (of developing and least-developed countries and regional organizations), mobilize resources (including donors, international financial institutions and other international organizations) and monitor impacts and effectiveness (with OECD and other international organizations).

Figure 1: How Aid for Trade functions



(Source: Organisation for Economic Co-operation and Development - OECD)

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- While gender is now fully part of members aid-for-trade objectives, it has not been fully integrated in their aid for trade priorities. This disconnection between objectives and priorities could explain the difficulty in assessing the real impact of aid for trade on women's economic empowerment. This also shows the challenges to translate objectives into effective programming. Aid for Trade flows confirm this trend.

## 1. Gender has been an element of the Aid for Trade initiative since its inception

*Reference to gender can be found in the 2006 Aid for Trade Task Force Recommendations.*

The Aid for Trade initiative was created at the Hong-Kong Ministerial Conference in 2005 (Paragraph 57) and in 2006, the Aid for Trade Task Force composed of WTO Members was set up to operationalise the Initiative and frame its objectives. The final report of the Task Force (WT/AFT/1), released in July 2006, provides an explicit and wide mandate for gender equality to be included in the Aid for Trade initiative. Recommendations provide that "Aid for trade should be rendered in a coherent manner taking full account ... of the gender perspective and of the overall goal of sustainable development"<sup>1</sup>. Article 42 of the report stipulate that donors and partner countries jointly commit to the "harmonization of efforts on cross-cutting issues, such as gender equality."

Gender is therefore an inherent part of Aid for Trade and the Buenos Aires Declaration on Trade and Women's Economic Empowerment launched in December 2017, in the margins of the 11<sup>th</sup> WTO Ministerial Conference, by 118 WTO Members and Observers<sup>2</sup> has reinforced this aspect of Aid for Trade. The Buenos Aires Declaration provides a platform to better understand the links between trade and women's economic empowerment and identified various WTO instruments that can be used for this purpose. Aid for Trade has been highlighted in the Declaration as an instrument to make trade more inclusive. The Declaration provides that signatories "have agreed to collaborate on making our trade and development policies more gender-responsive, including by ... Ensuring that Aid for Trade supports tools and know-how for analysing, designing and implementing more gender-responsive trade policies".

*The Aid for Trade Initiative was built and operationalised during four different phases between 2005 and 2019. Gender has been a growing focus since the initial phase (see Figure2 below).*

- Phase 1: 2005-2007: during this phase, Aid for Trade was created and established with gender at the heart to the Initiative (as seen above) as a cross cutting issue as explained above, during that period, efforts were focussing on building the basis of Aid for Trade, taking stock of main trends, identifying how Aid for Trade should materialise and improving the evaluation process.
- Phase 2: 2007-2010: during this phase, Aid for Trade was operationalised and evaluated. The first Monitoring and Evolution exercise (M&E) was launched during this period. It helps understand how trade is mainstreamed into development strategies and how to adjust them. The M&E has become an indispensable tool to assess the impact of Aid for Trade interventions and helped members to formally gather information on how gender had been integrated into Aid for Trade programmes. Members started to report on how gender was integrated in their Aid for Trade objectives. Reporting by donors began in 2007 followed by partner countries in 2009.
- Phase 3: 2010-2017: during this phase, gender continued to be incorporated into members Aid for Trade objectives. The M&E showed a continued and growing focus on gender and members confirmed that this issue is a key element of their Aid for Trade objectives. Members have also identified, trade in services, ecommerce, access to global value chains and trade facilitation as areas of Aid for Trade work that can support women's empowerment.

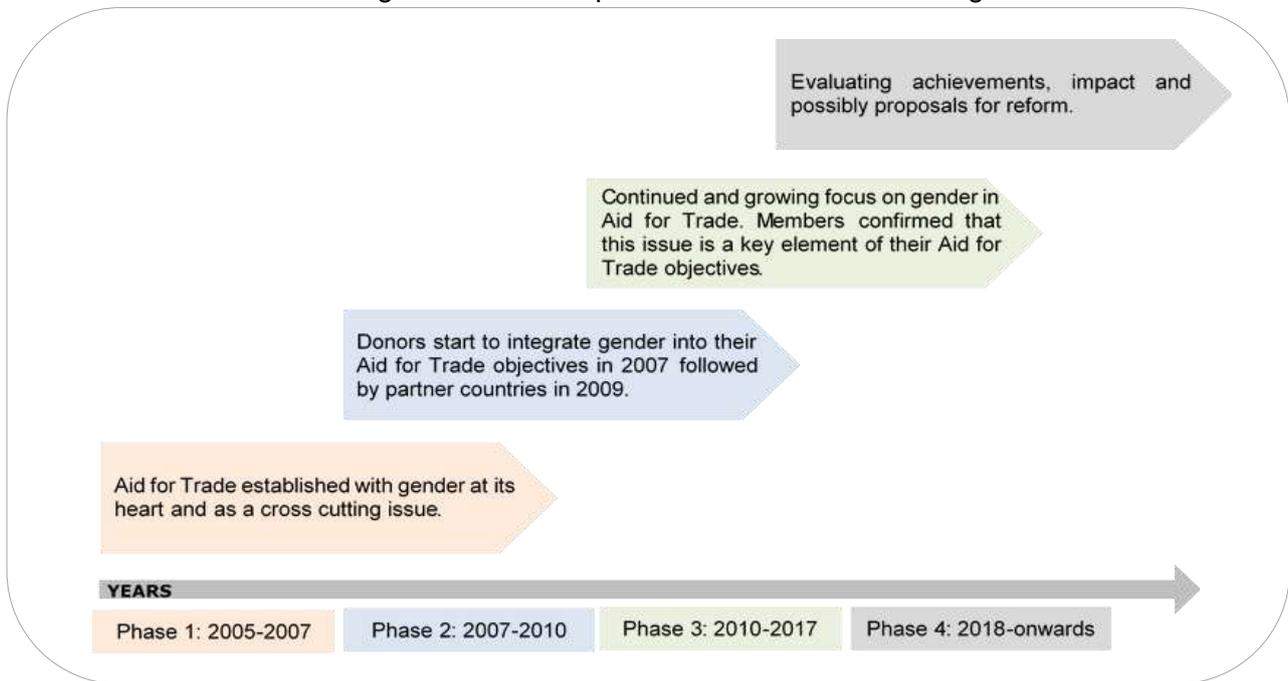
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<sup>1</sup> Section F. Operationalizing Aid for Trade, section F.2 Guiding Principles.

<sup>2</sup> To this day, the Buenos Aires Declaration has been endorsed by 123 WTO Members and Observers

- Phase 4: 2018-onwards: after 12 years of existence, this phase will focus on evaluating achievements, impact and possibly proposals for reform.

Figure 2: The four phases of Aid for Trade and gender



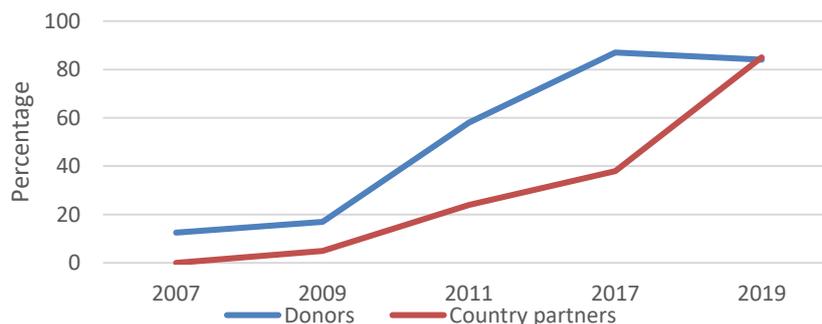
Source: Author, adapted from Aid for Trade M&Es 2007 to 2019

## 2. Gender is a key focus of WTO members aid-for-trade objectives

Donors and partner countries have been devoting increasing attention to gender dimensions in aid for trade. Both groups have been gradually and continuously integrating gender into their aid-for-trade objectives showing that progress on gender is a common objective.

Figure 3 below shows the percentage of donors and partner countries that have integrated gender as an objective in their aid for trade activities between 2007 and 2019. It shows that donors and partner countries have jointly evolved towards more integration during this period. They are now at par in incorporating gender in their aid-for-trade objectives. The 2019 Monitoring and Evaluation Exercise reveals that women's economic empowerment is high on both donors and country partners agendas. About 84% of donors aid-for-trade strategy and 85% of partner countries national or regional development strategy seek to promote women's economic empowerment.

Figure 3: The evolution of gender integration into Aid for Trade objectives



Source: OECD-WTO Aid for Trade monitoring exercises (2007-2019)

The data from the M&E also shows that both donors and partner countries have been targeting specific groups and mostly women entrepreneurs. This is in line with the recommendations provided by the Aid for Trade Task Force final report. It highlighted the importance to include the private sector while evaluating the impact of their Aid for Trade interventions.

In the very early stages of the implementation of Aid for Trade, only donors were focussing their objectives on gender. In 2007, there were 12.5% of donors who had started integrating women empowerment requirements into their aid-for-trade objectives. In particular, three of them have referenced to gender as a cross-cutting issue and one had included gender as part of programmes targeting the private sector.

Between 2007 and 2010, during the Initiative's operationalisation and the establishment of the M&E, gender has been continuously mainstreamed into bilateral donors' Aid for Trade objectives. Partner countries started to integrate gender into their aid-for-trade objectives only starting 2009.

*As of 2009, both groups included gender into their Aid for Trade objectives*

In 2009, about 17% of donors were including gender into their aid-for-trade objectives in a very targeted and specific manner. They mostly focused their objectives on the private sector development. Some donors reported that they had developed tools and indicators to quantitatively and qualitatively assess the differential impact of trade on men and women. Also, some expected that results of Aid for Trade mainstreaming into overall assistance would lead to greater control by women over productive assets. Only one donor mentioned gender as a cross cutting issue. As of 2009, about 5% of partner countries started to include gender in their Aid for Trade and trade strategy objectives, with a specific focus on regional activity and women entrepreneurs. One partner country acknowledged the importance of women's work into its export sectors.

*The year 2011 constituted a turning point with regards to Aid for Trade and gender.*

Many donors changed their Aid for Trade strategies in 2011<sup>3</sup>. Within this context, they have developed more focused and better targeted Aid for Trade programmes with gender equality objectives. About 58% of donors have re-focussed their Aid for Trade strategies towards gender equality, giving the issue high priority (8% as a most important objective and 25% as important). This shift allowed donors to better assess results and impact of their strategies, focussing on women in export industries and women traders. One donor mentioned that it had directed one fourth of its development assistance on women traders, entrepreneurs and farmers.

In 2011, about 24% of partner countries have included gender equality as a key objective of their Aid for Trade strategies<sup>4</sup>. About 67% of them defined the success of their Aid for Trade in their country as dependent on greater gender equality<sup>5</sup>.

From 2013 onwards, members continue to include gender into their objectives and Aid for Trade is seen by both donors and partner countries as key for development and gender equality. In 2013, they were also looking at gender in relations with key topics and where Aid for Trade should focus. Accessing global value chains have been identified as crucial for women's economic empowerment. About 50% of the donors have identified women's

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<sup>3</sup> Aid for Trade at a Glance 2011: Showing Results

<sup>4</sup> For 6% it is most important. 3% less important.

<sup>5</sup> 12% identified gender equality as a most important factor of success; 55% as important and 18% as less important or negligible.

economic empowerment as a specific target in the development of value chains and 60% have women empowerment objectives in the development of value chain.

Overall, 62% of partner countries believed that accessing global value chains is key for women's economic empowerment. Furthermore, 26% of them considered that accessing value chains has a most important impact for women economic empowerment. Only 13.5 % were unsure or believed it did not have any impact.

In 2017, about 87% of donors integrate women's economic empowerment into their Aid-for-Trade programmes and about 38% of partner countries consider that Aid for Trade can help achieve gender equality. Donors and partner countries are starting to align on issues related to Aid for Trade, gender, services and e-commerce.

About 95% of donors believed that the development of trade in services can contribute to women's economic empowerment and 91% of them agreed that growth in e-commerce in developing countries contributes to women's economic empowerment.

Similarly, 92% of the partner countries considered that the development of services capacity contributes to women's economic empowerment. All partner countries considered that growth in e-commerce contributes to women's economic empowerment. It is interesting to note that while all partner countries surveyed acknowledge that e-commerce provides economic opportunities for women, only 47% believe that the development of computer and related services would have an impact on women's economic empowerment.

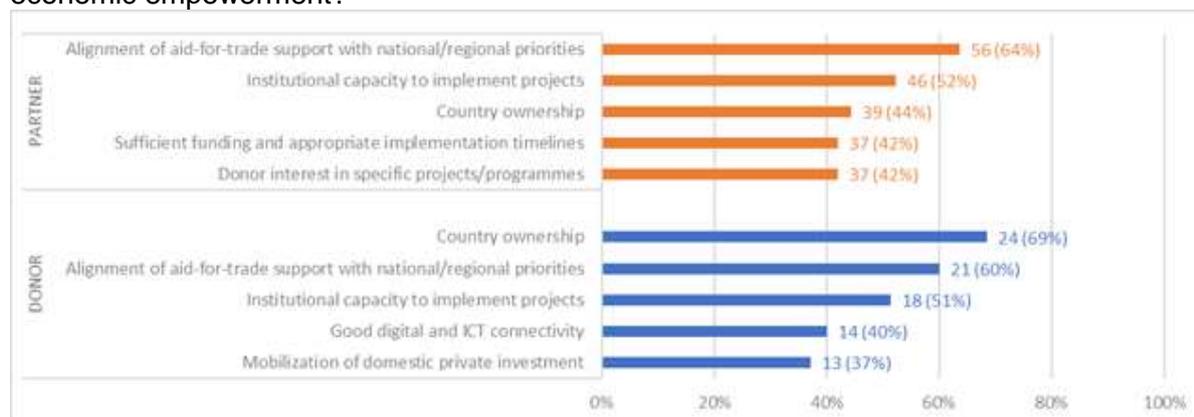
Until 2017, both donors and partner countries included gender in their aid-for-trade objectives. While partner countries were lagging behind donors for many years, they are now at par with donors (see Figure 3 above) as per the data from the 2019 Monitoring and Evaluation (as seen above).

The 2019 Monitoring and Evaluation also shows that donors and partner countries share a similar evaluation of how Aid for Trade impacts women's empowerment. In addition, for Donors, women's empowerment is also a key factor for changing their aid-for-trade strategies

Both groups listed the same top three factors that contribute to Aid for Trade success in promoting women's empowerment: country ownership; alignment of Aid for Trade support with national/regional priorities and institutional capacity to implement projects (see Figure 4 below).

In addition, 67% of South-South partners believe that coordination among donors is a top factor contributing to Aid for Trade success in promoting women's empowerment.

Figure 4. What factors contribute to the success of Aid for Trade in promoting women's economic empowerment?

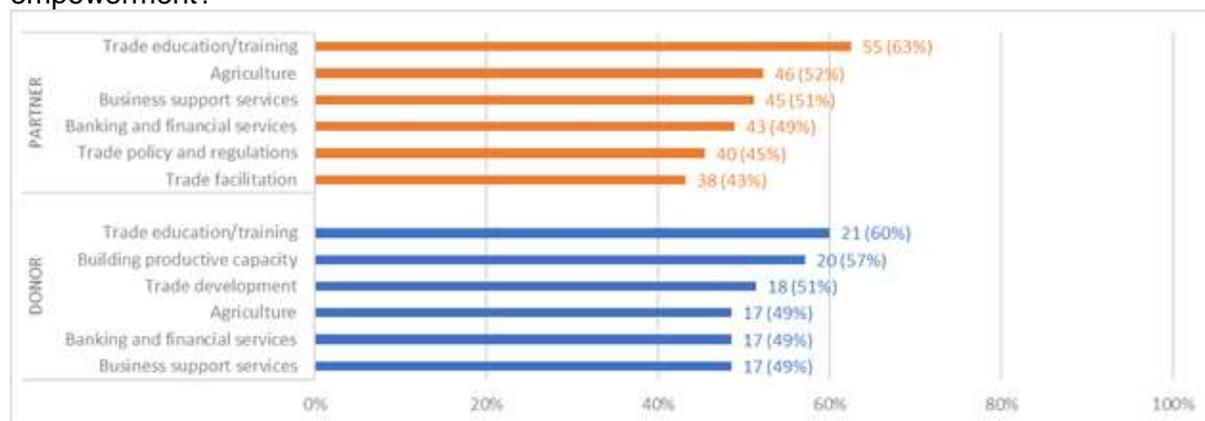


Source: OECD-WTO aid-for-trade monitoring exercise (2019)

For both donors and country partners, trade education and training are the best forms of aid-for-trade financing that supports women's empowerment. (see Figure 5 below).

About 67% of South-South partners believe that aid-for-trade financing best supports women's trade education and training.

Figure 5. What forms of aid-for-trade financing, in your view, best support women's economic empowerment?

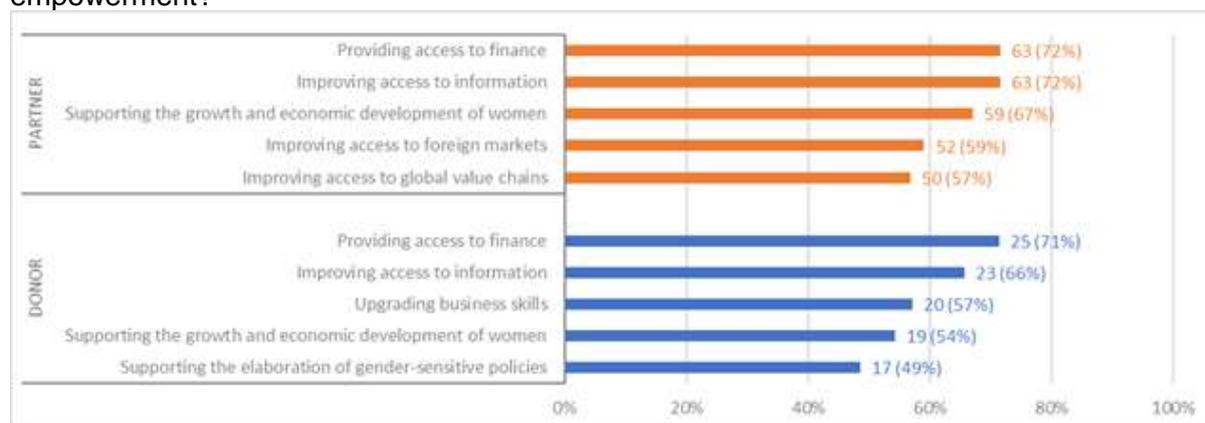


Source: OECD-WTO aid-for-trade monitoring exercise (2019)

Both donors and partner countries believe that Aid for Trade contributes to providing access to finance and improving access to information for women. (Figure 6 below).

South-South partners believe that their Aid for Trade programmes can contribute to women's economic empowerment in improving access to information; improving the provision of services; supporting the growth and economic development of women; and supporting the elaboration of gender-sensitive policies.

Figure 6. How best can Aid for Trade make a contribution to women's economic empowerment?



Source: OECD-WTO aid-for-trade monitoring exercise (2019)

## 2. There is a disconnect between aid-for-trade objectives, priorities and programming with regards to gender

In designing their Aid for Trade programmes, members set objectives in their development or aid strategies and define priority areas of work. While they change their aid-for-trade objectives



and strategies on regular basis (for instance in 2011 most donors changed their strategies<sup>6</sup>), the priorities, especially for partner countries often remain the same.

It has been established above that in the 12 years of the Aid for Trade Initiative's existence, members have been gradually and increasingly integrating gender into their aid-for-trade objectives. Many have also defined gender equality as a key objective that can help achieve Sustainable Development Goals (SDGs), poverty reduction and growth.

However, during the same period, gender was not mentioned as an Aid for Trade priority. Priorities, in partner countries mostly, have remained unchanged while they have also increasingly included gender into their aid-for-trade objectives. In the last 12 years, partner countries' priorities have generally focused on export diversification, trade related infrastructure, trade policy and regulations, competitiveness, access to global value chains and trade facilitation. The disconnection between objectives and priorities could explain the difficulty in assessing the real impact of Aid for Trade on women's economic empowerment. The results of the 2011 M&E are very revealing to that effect:

- 24% of partner countries have included gender equality as a key objective of their Aid for Trade strategies.
- 67% of them defined the success of their Aid for Trade in their country as dependent on greater gender equality.
- Over 50% reported that Aid for Trade did not (or very slightly) resulted in greater gender equality, do not see any difference or very slightly.

One of the reasons for this discrepancy is that gender has not been fully integrated in Aid for Trade priorities. This also shows the difficulty to translate objectives into effective programming. This is a common challenge faced by both donors and partner countries. For instance, it is difficult to understand and assess how building trade-related infrastructure could have an impact on women's empowerment.

Aid for trade flows confirm this trend. There are two types of Aid for Trade interventions on gender: gender specific programmes/projects and programmes/projects where gender is one of the focus areas. Almost all the flows go to programmes/projects where gender is one of the objectives, among others. Between 2006 and 2016, USD 3.4 billion were disbursed to gender specific programmes/projects, while USD 45 billion was spent on programmes/projects where gender is the one of the objectives.

In fact, case stories have been one of the main ways for members to assess Aid for Trade's impact and how many trade-related and gender-related projects have delivered tangible results in developing countries. Between 2011 and 2017, the M&Es have collected information from over 600 case stories. Moreover, in the 2013 M&E, 11% of the case stories in were focussing on gender empowerment. Few select examples include the following:

- Infrastructure building projects have an impact on women's livelihoods. For instance, the Aid for Trade project in Uganda called Kalangala Infrastructure Services and Renewables Project generated USD 1 million in government revenue and created more than 300 jobs. It also empowered women by providing them with electricity and creating job opportunities for them (case story 99 - 2015).
- Capacity building and standards compliance projects have an impact of women's economic empowerment: In Madagascar, after complying with European regulations on litchi food safety, Madagascar increased its exports and improved relations between exporters and importers in the sector (case story 45 – 2015). About 80% of

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<sup>6</sup> Aid for Trade at a Glance 2011: Showing Results



litchi exports to the EU come from Madagascar and women are involved in the GVC as producers and in processing activities. Around 100,000 workers and producers are involved in the GVC in Madagascar and among them women.

However, these examples are anecdotal and there would be a need for a more systemic approach in evaluating Aid for Trade's impact on women's economic empowerment. In fact, some members have mentioned such an approach without necessarily implementing it. In 2007, one donor mentioned the importance of measuring success against aid-for-trade objectives and believed that progress should be assessed against key cross-cutting constraints, such as gender inequality. In 2009, other donors also mentioned how tools and indicators should be developed to assess quantitatively and qualitatively the differential impact of trade on men and women.

Recently, major donors have started to review their Aid for Trade activities in support of women, especially assessing their concrete impact and developing specific indicators.