WORLD TRADE ORGANIZATION

DEVELOPING TRADE
FOR SHARED PROSPERITY

Committee on Trade and Development
Aid for Trade
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Roadmap to the 20th Anniversary: Reinforcing Trade Potentials

Communication from the Chairperson[1]

1. Aid for Trade has evolved since its inception in 2006. USD 648 billion has been disbursed to help developing countries build supply-side capacity, trade-related infrastructure and capacity in trade policy and regulations. Today Aid-for-Trade (AfT) flows represent one fifth of total Official Development Assistance (ODA). Aid for Trade comprises of grants and concessional loans meeting ODA criteria. The concessional loan component of Aid for Trade has grown over time, reaching 62% of total AfT disbursements in the past two years.

2. On average, 98% of Aid for Trade goes towards strengthening infrastructure and productive sectors. So far, only 2% of Aid for Trade has been dedicated to trade policy and regulations, a sector which is of direct relevance to the work of the WTO. The priorities of developing economies, including the least developed countries (LDCs), remain addressing supply-side constraints and building trade-related infrastructure. At the same time, there is growing appetite for insights into Aid for Trade's activities regarding trade policy and regulations, including lessons learned, which could leverage trade capacity building in developing economies and LDCs. The category of trade policy and regulations includes trade policy and administrative management; trade facilitation; regional trade agreements; multilateral trade negotiations; and training.

3. Every two years at the Global Review of Aid for Trade, the WTO welcomes the international community to examine progress made in supporting the greater integration of developing countries into global trade. Over the years, discussions have ranged from value chains, trade costs and connectivity, to diversification and sustainability. Trade integration remains key for achieving structural transformation and economic diversification.

4. The 9th Global Review of Aid for Trade took place from 26-28 June 2024. It focused on three main themes: i) food security; ii) digital connectivity; and iii) the mainstreaming of trade. Discussions highlighted the importance of addressing longstanding needs, notably in the area of agriculture and trade facilitation, as well as emerging priorities, including digitalization and transition to net zero.

5. A changing international environment, the evolving nature of trade, and new forms of trade cooperation mean developing economies need appropriate support to benefit from emerging opportunities. At the same time, tighter aid budgets demand more efficient and impactful use of available resources to meet the diverse needs of developing economies. The crucial role of the private sector, who represent the major share of financial flows to developing countries, to support development objectives is increasingly recognized.

6. In recent years, there has been renewed interest in examining the scope of the AfT definition. The AfT discussions will continue to deepen the understanding of AfT measurement and the synergies between aid and trade performance. The implementation of Aid for Trade has generated a growing body of evidence, lessons learned and best practices that will continue to inform and support Aid for Trade in developing economies. Members stress the need for robust monitoring and evaluation, notably with a view to assessing Aid for Trade's impact on the ground.

1 This document provides the context for AfT work in 2025 and in the lead up to the Global Review expected to be held in 2026. It is issued under the Chair's own responsibility. It is without prejudice to the positions of Members or to their rights and obligations under the WTO.

7. The discussions in recent years continue to highlight emerging opportunities for developing economies in services, digital trade and transitioning to net zero, including through regulatory cooperation. Synergies between trade and sustainable development objectives could be further explored. In addition, building resilient supply chains continues to remain a priority in view of an increasingly volatile international environment. In line with past cycles, the next Global Review is expected to take place in 2026. The period in the run up to the next Review offers an opportunity to reflect on some of these topics.

8. An important dimension of the work going forward is to enable improved deliberations under the aegis of the Committee on Trade and Development (CTD) by bringing more voices from beneficiaries and development partners with a view to generating knowledge and lessons learned in the AfT space. Testimonials and experiences shared by developing economies, including LDCs, will feature in "Aid for Trade: challenges and success stories".

9. Three formal sessions of Aid for Trade are anticipated for 2025. With regard to the format, it is my intention to combine a short formal session with an informal experience-sharing, in March and in June. A third session in November will take stock of global AfT efforts in a "classic" format, providing an opportunity for relevant multilateral and regional development partners to provide an update. There will be another opportunity to have one more AfT session before the next Global Review in 2026. Members will continue to be consulted in shaping the work.

10. The deliberations will be underpinned by both quantitative and qualitative analysis. The Organisation for Economic Co-operation and Development Creditor Reporting System (OECD CRS) database will continue to be one of the key data sources to analyse AfT flows. There are ongoing efforts by various international organizations to measure South-South cooperation as well as private finance mobilized through official interventions. Improving understanding through quantitative methods and enriching discussions through qualitative analysis will remain important, with partners and beneficiaries both taking greater ownership of these processes. The discussions will encourage relevant stakeholders to exchange expertise and identify solutions for specific challenges.

11. The knowledge generated throughout these deliberations will feed into a report for Aid for Trade's 20th anniversary which will also contain relevant statistics and insights from the OECD-CRS. The "Twenty years of trade development: a global review" will provide a platform to take stock of what has been achieved, identify lessons learned and explore ways to help developing economies, including LDCs, realize trade opportunities and become core players in global trade. Raising the profile of Aid for Trade could positively contribute to strengthening the coherence in global policy making.