Aid for Trade Monitoring and Evaluation Exercise 2019

Aid for Trade Workshop

Monday, 20 May 2019
Overview

M&E Exercise

- Monitoring and evaluation (M&E) exercise is a core element in the 2019 WTO Aid for Trade (AfT) biennial work programme which focuses on the theme ”Supporting Economic Diversification and Empowerment for Inclusive, Sustainable Development through Aid for Trade”
- M&E exercise includes self assessment questionnaires
- Thematic focus
  - Aid for Trade priorities
  - Economic diversification
  - Economic empowerment
Overview

M&E Responses

Aid-for-Trade M&E responses, total, 2011-2019

M&E responses from the LDCs, 2011-2019
Setting the Scene

Justine Lan
Outline
Key messages

Priority  Progress  Problems  Prospects
Aid-for-Trade Priority
Trade priorities

Most of the partner country respondents stated that:

• Their national development strategy include trade priorities
Aid-for-Trade Priority

Trade priorities

Their top priorities are...

- Export diversification: 74%
- Trade facilitation: 70%
- Transport infrastructure: 49%
Aid-for-Trade Priority
Regional perspective

Africa
• Export diversification

Asia
• Export diversification

LAC
• Trade facilitation
• Export diversification ranked second

Oceania
• Transport infrastructure
• Export diversification ranked second
Aid-for-Trade Priority

**LDC priorities**

- The top priority for **LDCs** is **export diversification**
- This is also the case for **LLDCs**
Aid-for-Trade Priority
State of play: Export diversification
Aid-for-Trade Priority
State of play: Export diversification

Figure 2: Export diversification in terms of destination markets
Number of export markets in 2017

- United States; China; Japan; Korea, Republic of; European Union; India; Malaysia; Switzerland; Turkey; Brazil (more than 200 markets)
- Canada; Indonesia; Singapore; South Africa; Australia; Hong Kong; China; New Zealand; Chinese Taipei; Russian Federation; Mexico; Argentina; Norway; Sri Lanka; Chile; Ukraine; Philippines; Pakistan; Egypt (between 150 and 200 markets)
- Colombia; Belarus; Israel; Uruguay; Peru; Tunisia; Ecuador; Serbia; Thailand; Viet Nam; Jordan; Oman; United Arab Emirates; Paraguay; Bangladesh; Morocco; Tanzania; Saudi Arabia (between 100 and 150 markets)
- Dominican Republic; Myanmar; Nigeria; Uganda; Senegal; Iran; Costa Rica; Kazakhstan; Guatemela; Ghana; Algeria; Cameroon; Bosnia and Herzegovina; Honduras; Mauritius; Kuwait; Qatar ... (between 50 and 100 markets)

LLDCs, SIDSs, LDCs and other developing countries (less than 50 markets)
Most respondents stated that:

- **Economic diversification is a priority** in their national or regional development strategy.

- Among LDC and LLDC respondents, there was **unanimity** in policy prioritization of economic diversification.

<table>
<thead>
<tr>
<th>Partner country</th>
<th>LDC</th>
<th>LLDC</th>
<th>UN SIDS</th>
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<tbody>
<tr>
<td>Yes</td>
<td>100%</td>
<td>100%</td>
<td>79%</td>
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<tr>
<td>No</td>
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<td>Unsure</td>
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Economic Diversification

Priorities

"Diversification is an essential component of the Government's strategies to reverse the trap of low economic growth shown in El Salvador for several decades" – El Salvador

“The Central African Republic is full of important natural resources. But, the base of the economy rests only on some products (coffee, cotton, diamond, wood,). Economic diversification is defined as the expansion or development of new sources of income in the country” – Central African Republic

“Our nation is using economic diversification to improve inclusiveness and reduce heavy dependence reliance on resource sectors” – Lao PDR

“The decline in crude oil and petrol commodity prices meant that the country has to look for ways to diversify its economy.” – Yemen
1. Economic diversification is a core objective of the trade and development policies of partner countries.
Outline

Key messages

Priority  Progress  Problems  Prospects
Some respondents stated that:

- **Progress in economic diversification** has been recorded since the launch of Aid-for-trade initiative in 2006

This share is **50%** higher than the rest of developing countries (**44%**).
Some respondents stated that:

- Progress in economic diversification has been recorded since the launch of Aid-for-trade initiative in 2006, mostly in export diversification and agriculture.
Economic Diversification Progress
Regional perspective: Sector of progress

with regional variation..

- **Africa**: agriculture
- **LAC**: services
- **Asia**: industry and agriculture
1. Diversification is a **core objective** of the trade and development policies of partner countries.

2. Encouraging progress in diversification is reported, but it is not uniform, nor universal
Most respondents stated that:

- **Limited industrial or manufacturing capacity is the top constraint** to economic diversification as identified in their national or regional development strategy.
Economic Diversification Constraints
Constraints for LDCs

- They pose **greater challenges** to the LDCs

- Limited industrial or manufacturing capacity
  - Other developing: 60%
  - LDC: 97%

- Limited access to trade finance
  - Other developing: 60%
  - LDC: 79%

- Inadequate network infrastructure (power, water, telecommunication)
  - Other developing: 32%
  - LDC: 79%

“Lack of **basic infrastructure, such as water, electricity, and telecommunications**, coupled with inadequate FDI in productive sectors have limited the capacity to diversify“ - Guinea
Economic Diversification Constraints

Constraints

Other challenges cited reflect inherent challenges
Economic Diversification Constraints
Constraints for LLDCs

- **High trade costs** were cited as one of the top constraints by LLDCs.

- Limited industrial or manufacturing capacity: 74% LLDC, 82% Other developing
- Limited access to trade finance: 68% LLDC, 68% Other developing
- High trade costs: 48% LLDC, 68% Other developing

“Network infrastructures is severely lacking in Central African Republic. The rate of access to electricity is merely 3% which makes it difficult to develop or run a business, especially because our country is a landlocked country.” – Central African Republic
Economic Diversification Constraints

Constraints for UN SIDS

- **Small domestic markets** were the main constraint among respondents in the UN SIDS category.

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“Limited natural resources, limited domestic market, being located far away from major markets” – Mauritius
1. Economic diversification is a \textbf{core objective} of the trade and development policies of partner countries.

2. Encouraging progress in diversification is reported, but it is not uniform, nor universal

3. With some challenges to overcome
Outline

Key messages

Priority
Progress
Problems
Prospects
Most respondents stated that:

- Looking ahead, *agriculture* is the top sector in which *further aid-for-trade support will be most required*, followed by services and industry.
Most respondents stated that Aid for trade financing is needed in trade education and training.

Prospect Economic Empowerment: AFT financing

WOMEN

- Trade education/training
- Agriculture
- Business support services

MSME

- Trade education/training
- Business support services
- Trade facilitation
- Agriculture
- Transport and storage infrastructure

YOUTH

- Trade education/training
- Business support services
- Agriculture

Legend:
- UN SIDS
- LLDC
- LDC
- Partner countries
Prospect
Linkages

**AS OUTPUT**
“The national development strategy focuses on access to large markets, partnership between actors of regional trade which will increase the wealth of vulnerable actors in trade including women and youth”

**AND INPUT**
“Economic empowerment is seen as an enabler to international trade”

“The national development strategy includes strengthening capacities of youth and women to better participate in the international trade value chains”

“To create productive jobs, priority areas focus on providing support to MSMEs, youth and women, especially in high-tech industries”
1. Economic diversification is a **core objective**

2. Encouraging progress in diversification is reported, but it is not uniform, nor universal

3. With some challenges to overcome

4. Economic empowerment can be both the output and catalyst to economic diversification
1. Economic diversification is a **core objective of** the trade and development policies of partner countries

2. Encouraging progress in diversification is reported, but it is not uniform, nor universal

3. With some challenges to overcome

4. Economic empowerment can be both the output and catalyst to economic diversification
Thank you
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