

2018-2019 AID FOR TRADE WORK PROGRAMME AND MSMEs

DRAFT BRIEFING NOTE VERSION 12 FEB 2019, 23.00

1. Agreed on 7 May 2019, the 2018-2019 Aid-for-Trade Work Programme¹ focuses on "*Supporting Economic Diversification and Empowerment for Inclusive Sustainable Development*". Under this umbrella theme, MSMEs are also an area of focus.
2. The focal point of the Work Programme is the Aid for Trade Global Review (AfT GR). The Global Review will take place on 3-5 July 2019. The Review is based on a monitoring and evaluation (M&E) exercise. Results of the M&E will inform the 2019 Aid for Trade at a Glance publication to be launched at the Review. The request form to organize side events at the Global Review can be downloaded [here](#). Completed forms should be emailed to aft.wto@wto.org by 31 March 2019 at the latest.
3. MSMEs, though small in size, are large in number and represent the overwhelming majority of enterprises in most economies. MSMEs development is integral to the vision of inclusive, sustainable growth as detailed in the 2030 Sustainable Development Agenda. Aid-for-trade assistance to address the challenges they face -- and that disproportionately affected them -- is expected to return sizeable positive externalities on account of their important socio-economic policy dimension. This is most notable in the areas of poverty alleviation and in the economic empowerment of otherwise disadvantaged groups (including women, youth and rural populations). Experience suggests that MSMEs also offer an important route to economic diversification.
4. Early findings of the 2018-2019 M&E, conducted on some 65 developing country respondents, suggest that AfT can best contribute to the economic development of MSMEs by improving access to foreign markets (identified by 82% of respondents), providing access to finance (82%), improving access to global value chains (71%), improving access to information (63%) and upgrading business skills (60%).
5. In addition, respondents indicated that AfT best supports MSMEs when it is invested in trade education (66%), agriculture (66%), trade facilitation (60%), business support services (60%) and transport & storage infrastructure (53%).
6. Finally, respondents indicated that, in their country, the following factors most contributed to the success of Aid for Trade: alignment of aid-for-trade support with national/regional priorities (70%), good trade-related infrastructure (69%), country ownership (58%), institutional capacity to implement projects (64%) and capacity to draft funding application (49%).
7. A series of thematic workshops are also being planned under the auspices of the Committee on Trade and Development (CTD). In addition to any focus at the GR, there will be a Workshop on Aid for Trade, MSMEs and access to finance that will take place in the last quarter of 2019 or in the first quarter of 2020. The Workshop will build on an earlier event held during the 2014-2015 Work Programme on the topic of "Aid for Trade and SME competitiveness: Connecting Developing Country SMEs to Global Value Chains".

¹ 2018-2019 Aid for Trade Work Programme (WT/COMTD/AFT/W/75)