



**Committee on Trade and Development
Aid for Trade**

AID-FOR-TRADE MONITORING AND EVALUATION

BACKGROUND NOTE

1 INTRODUCTION

1.1. This background note explains the monitoring and evaluation exercise that lies at the heart of the Aid-for-Trade (Aft) Initiative. It recalls the rationale for the Aft monitoring and evaluation (M&E) exercise, its purpose and what it seeks to track, the process by which it is conducted, participants, content, and the frequency with which it has been conducted. The background note also considers Members' perspectives on how the M&E exercise could be updated. The note includes an outline agenda for a Symposium at which the M&E exercise will be discussed further.

2 RATIONALE

2.1. The Aid-for-Trade monitoring and evaluation exercise stems from the recommendations that the WTO Task Force on Aid for Trade issued in document WT/AFT/1 in 2006.¹ Strengthening Monitoring and Evaluation is one of the objectives of the Task Force's recommendations for operationalizing Aid for Trade. In this section, progress in monitoring and evaluation is seen as *"essential in building confidence that increased Aid for Trade will be delivered and effectively used"*. It is also set to *"provide strong incentives to both donors and recipients to advance the Aid-for-Trade agenda"*.

2.2. The recommendations of the Task Force provide for the results of the M&E exercise to be presented at a periodic global review *"based on reports from several different sources, to be published [...] on the WTO webpage: from the country level; from donors; from the regional level; from relevant multilateral agencies; and, from the private sector."* The periodicity of Global Reviews has been biennial, starting in 2009, with the eighth Review completed in 2022. Exceptionally, a Stocktaking Event was held in place of the 2021 Global Review, reflecting the impact of the COVID-19 pandemic.

3 AIMS AND OBJECTIVES

3.1. The objective of the monitoring and evaluation exercise is to track Aid-for-Trade financing and whether it is achieving its intended results.² The monitoring and evaluation exercise aims to:

- contribute to policy coherence by providing information on how trade issues are being integrated into development strategies (i.e. trade mainstreaming) by partner countries, Regional Economic Communities and Transport Corridors (RECT/TCs), donors and South-South partners;
- offer perspectives on Aid-for-Trade needs, support received, the efficacy of assistance, and the future direction for trade and development needs and support; and

¹ WTO, Recommendations of the Task Force on Aid for Trade, WT/AFT/1.

² Report by the Director-General, Follow up to the Aid-for-Trade Task Force Recommendations, WTO Monitoring and Evaluation, JOB(06)/262.

- highlight how Aid for Trade is contributing to specific themes highlighted by Members in the AFT Work Programmes.

3.2. The monitoring and evaluation exercise is conducted at three levels.³

- *Assessing Flows*: Analysis is undertaken by Organisation for Economic Co-operation and Development (OECD) to track where Aft resources are being provided, for which purpose and by which organizations, with a view to promoting transparency on commitments and disbursements.

The Task Force defined Aid for Trade as projects and programmes which have been identified as trade-related development priorities in the recipient country's national development strategies. A monitoring definition is also set out in the WT/AFT/1 Recommendations that includes the following categories: (a) Trade policy and regulations; (b) Trade development; (c) Trade-related infrastructure; (d) Building productive capacity; (e) Trade-related adjustment; and (f) Other trade-related needs. This is the definition on which the OECD's reports Aid-for-Trade statistics on financial flows.⁴

- *Self-assessment questionnaires*: Developing and least developed countries, bilateral donors, South-South assistance providers and relevant international financial organisations (including regional and multilateral development banks) are asked to respond to the self-assessment questionnaires that examine the process of trade mainstreaming into development strategies, on the scope and effectiveness of their Aid-for-Trade activities, and address specific thematic questions identified in the Aid-for-Trade Work Programmes.
- *Case stories*: Self-assessment questionnaire respondents are invited to provide links to projects or programmes that they wish to showcase that discuss the effectiveness of Aid-for-Trade support provided.

4 PROCESS

4.1. To date, eight monitoring exercises have taken place based on the structure outlined in the Task Force recommendations. The monitoring exercises have proceeded as follows:

- *Self-assessment design*: At this stage, Members adopt the Work Programme for the coming biennium, discuss perspectives to be surveyed, comment on draft questionnaires and launch the monitoring and evaluation exercise. This process is run through the CTD Aid-for-Trade Committee.
- *Survey stage*: Aid-for-Trade stakeholders (i.e. developing countries, South-South partners, bilateral and multilateral donors and regional economic communities/transport corridors) are invited to complete the self-assessment questionnaires. The OECD and WTO engage in outreach activities to publicise the M&E exercise and encourage responses.
- *Analysis of Aid-for-Trade financing flows by the OECD*: Data on official development assistance committed and disbursed to developing countries and reported to the Creditor Reporting System (CRS) is collected and analysed by the OECD using the monitoring definition set out in the WT/AFT/1.⁵

³ Report by the Director-General, Follow up to the Aid-for-Trade Task Force Recommendations, WTO Monitoring and Evaluation, JOB(06)/262.

⁴ <https://www.oecd.org/dac/aft/aid-for-tradestatisticalqueries.htm>.

⁵ Managed by the Organisation for Economic Co-operation and Development (OECD), the Creditor Reporting System is a database that collects data on Aid activity. The CRS covers around 90 percent of all Official Development Assistance (ODA) and Other Official Flows (OOF) and was identified by the Task Force as the best available data source for tracking global Aid-for-Trade flows. The CRS aid-activity database, established in 1967, is the internationally recognised source of data on aid activities (allowing for geographical and sectoral breakdowns) and is widely used by governments, organisations, and researchers to review ODA and OOF trends over time and between agencies. There is a time-lag of 18 months for the data to be collected, reported, and made available online. For example, statistics for 2021 commitments and disbursements will be reported in mid-2023 (Aid for Trade at a Glance 2013, WTO).

- *Dissemination of results:* The information collected through the surveys and submitted to the CRS are analysed and compiled into reports published on the WTO and OECD websites.⁶ In addition to publishing the results of the analysis of the monitoring and evaluation exercise on the Internet, workshops are organised to present them to Members under the auspices of the Committee on Trade and Development (CTD) Aid for Trade at the WTO. The M&E exercise is analysed together in the publications co-authored by the WTO and the OECD, together with contributions from other partners.
- At the 2022 Global Review, two reports were issued that analyse the monitoring and evaluation survey:
 - Aid for Trade Global Review: *Empowering Connected, Sustainable Trade*, 2022 (WTO)
 - Aid for Trade at a Glance 2022: *Empowering Connected, Sustainable Trade* (OECD & WTO)⁷
- *Global Review:* Eight successive Aid-for-Trade Global Reviews (and one Stocktaking Event) have been held in Geneva to allow the trade and development community to review the status of Aid for Trade, discuss countries' development priorities and guide future efforts under the Initiative. Summaries of discussions held at each Global Review are compiled on the WTO Aid-for-Trade website.⁸

4.2. The table below shows the years in which M&E exercises have been conducted, as well as the theme on which the M&E exercise and Reviews focused. Monitoring and evaluation exercises are carried out once every two years, except in 2020, as the COVID-19 pandemic prevented such efforts.

Table 1. Theme of the M&E exercise and Global Review of Aid for Trade

#	Year	Theme
1	2007	First Global Review of Aid for Trade
2	2009	Maintaining Momentum
3	2011	Showing Results
4	2013	Connecting to Value Chains
5	2015	Reducing Trade Costs for Inclusive, Sustainable Growth
6	2017	Promoting Connectivity
7	2019	Supporting Economic Diversification and Empowerment
8	2022	Empowering Connected, Sustainable Trade

Source: WTO

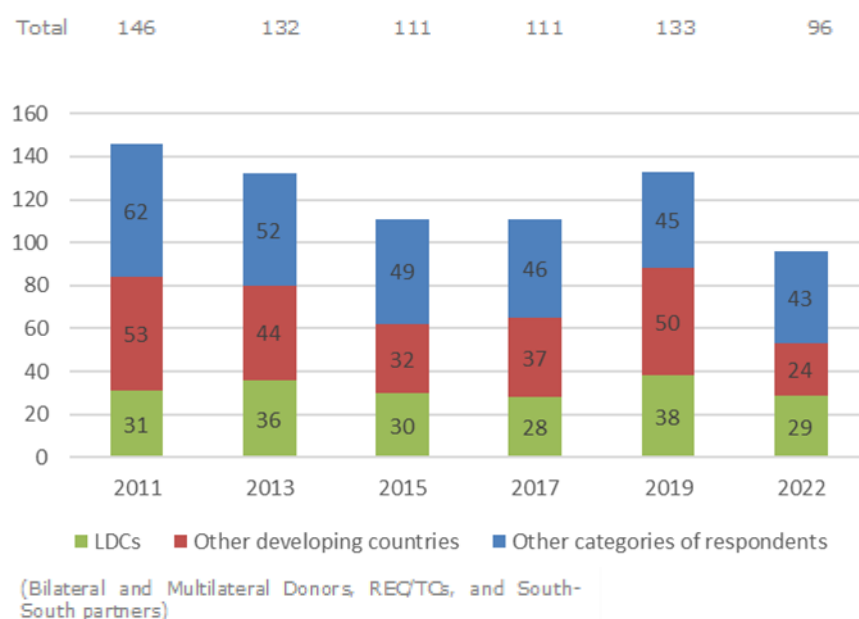
5 MONITORING AND EVALUATION EXERCISE IN NUMBERS

5.1. The surveys carried out in the context of the monitoring and evaluation exercises have enjoyed good levels of participation. Engagement is geographically diverse and by Members at all levels of development, including LDCs – see Figure 1 overleaf.

⁶ Respectively www.wto.org/aidfortrade and <http://aid4trade.org>.

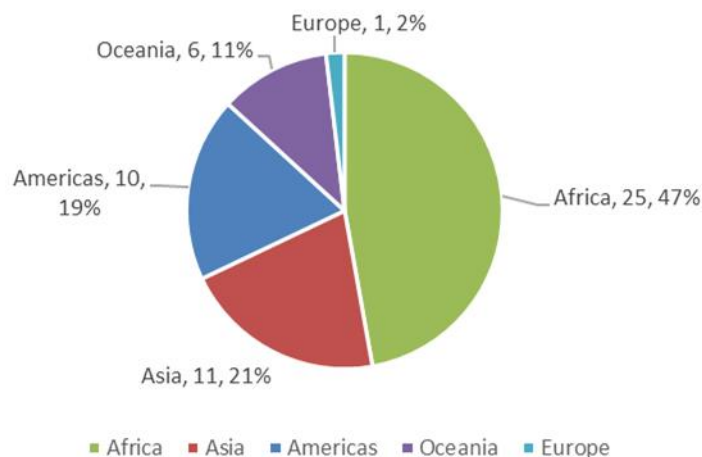
⁷ In terms of dissemination of results, we note that, for example, the Global Review 2019 had 1587 participants and the Aid for Trade at a Glance publication was viewed over 60,000 times.

⁸ The latest summary report is available under document symbol WT/COMTD/AFT/W/92 and can be downloaded from www.wto.org/aidfortrade.

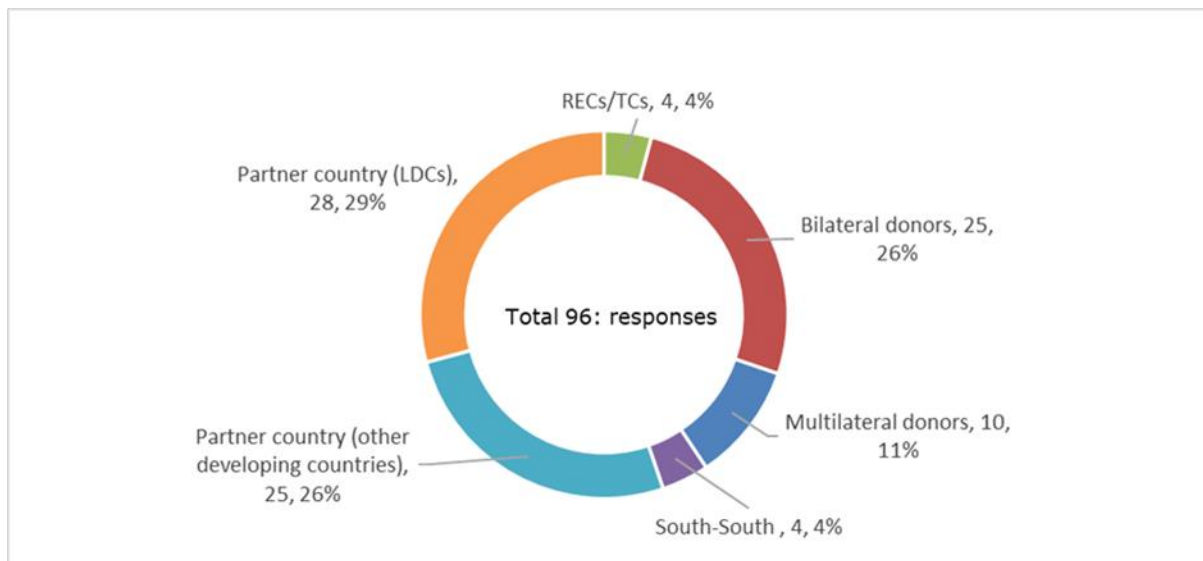
Figure 1: Responses to the M&E questionnaire, by participant category (2011-2022)

Source: Aid for Trade at a Glance 2022, WTO

5.2. Successive monitoring and evaluation exercises have been widely circulated and published in order to obtain the broadest possible coverage of views from the different stakeholders in the Initiative, in terms of the category of participant (developing country, regional economic community and transport corridor, South-South partner, or donor) and in terms of geographical representation. As an example, the following graphs illustrate these aspects within the results received in 2022.

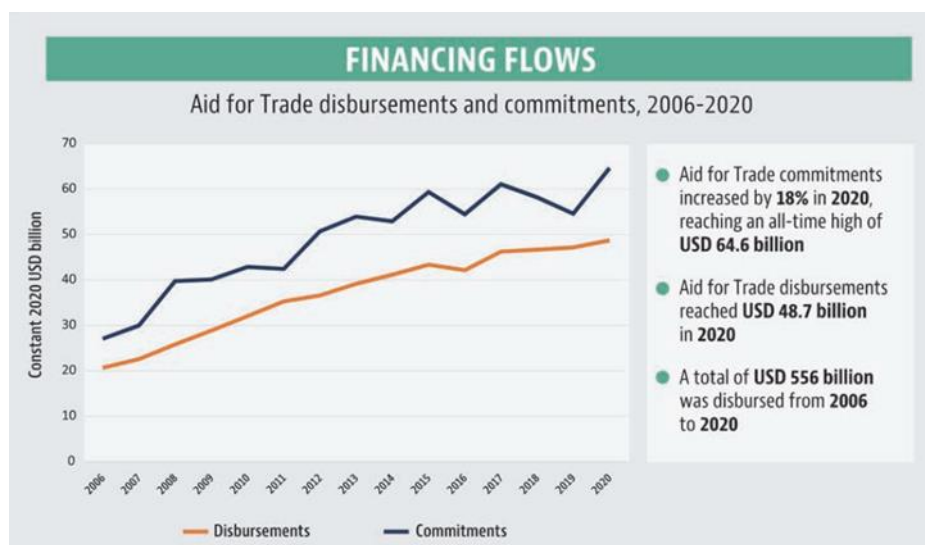
Figure 2: Partner Country Responses by Continent

Source: Aid for Trade at a Glance 2022, WTO

Figure 3: Responses to the M&E exercise by Respondent

Source: Aid for Trade at a Glance 2022, WTO

5.3. The M&E exercise also quantitatively tracks Aid-for-Trade flows. A total of USD 556 billion has been disbursed since the Initiative was launched.

Figure 4: Aid-for-Trade Disbursements and Commitments, 2006-2020

Source: Aid for Trade at a Glance 2022, OECD

5.4. The OECD's Creditor Reporting System brings together Aid-for-Trade data in a structure modelled on the different categories of Aid for Trade as identified by the Aid-for-Trade Task Force in document WT/AFT/1. The system also offers search options such as capturing flows by region, by economic sector, by partner country, by donor, by purpose code, etc.

5.5. Aid-for-Trade funds provided by South-South partners are not reporting to the OECD's Development Assistance Committee (DAC). South-South partners provide information on the support that they provide to other developing countries in the CTD Aid-for-Trade Committee and in responses to the M&E exercise.

5.6. With regard to the participation of South-South partners, it is worth mentioning their participation in the Aft monitoring exercise. Table 2 shows their participation in recent years.

Table 2. Providers of South-South Cooperation Participating in the Aft M&E exercise

Year	Providers of South-South Cooperation Participating in the Aft M&E exercise
2022	China, Colombia, Indonesia, Turkey
2019	China, Colombia, Indonesia, Singapore, Turkey
2017	Brazil, Chile, Indonesia
2015	Chile, China, Indonesia
2013	Chile, China, Colombia, Costa Rica, Indonesia, Mauritius, Mexico, Morocco, Oman
2011	Argentina; Brazil; Chile; China; Colombia; Ecuador; India; Indonesia; Mexico; Oman

Source: WTO

6 COMMENTS ON THE M&E EXERCISE

6.1. During the consultations on the preparation of the Aid-for-Trade Work Programme for 2023-2024, suggestions were made by two Members with regard to updating the monitoring and evaluation exercise.

6.2. One Member highlighted the need for:

- An overhaul of the monitoring and evaluation exercise, which should be inclusive with greater partnership and ownership by partner countries. A greater focus on local accountability will provide incentives to strengthen local ownership and management for results. This would encourage all key actors to honour commitments, meet local needs, improve effectiveness, and reinforce mutual accountability. It would bring enhanced transparency, scrutiny, and dialogue. It would foster synergies between trade and other economic policy areas in developing countries, for effective aid delivery as embodied in the Paris Declaration on Aid Effectiveness.
- A monitoring exercise that follows the path from demand, i.e., mainstreaming and prioritization, to trade-related projects and programmes, through outputs such as enhanced capacity to trade, and the impacts in terms of improved trade performance and lower level of poverty, etc.
- The Aid-for-Trade monitoring framework should evolve to specifically incorporate the recipient country's perspective through an analysis by categorization of Aid for Trade in accordance with the recommendations of the task force (para D of W/AFT/1); analysing the nature of aid (grant or concessional loans); ownership and common understanding of the recipient country in the area of analysis of impact; review of survey format hence making it more objective; incorporating of assessment parameters as set in Paris Agreement and ACCARA Accord."

6.3. Another Member would like the surveys to be more periodic and more focused on the work of the Committee. The Member would like the questions to be more specific and less academic, thus easier to answer for partner countries.

7 SYMPOSIUM OF AID-FOR-TRADE MONITORING AND EVALUATION

7.1. A Symposium on the Monitoring and Evaluation exercise is planned to examine how the M&E function of the Aid-for-Trade Initiative is organized and delivered with a view to ensuring that the Initiative remains focused on its objectives.

7.2. An outline agenda for the Symposium can be found in Annex.

ANNEX**SYMPOSIUM ON THE AID-FOR-TRADE MONITORING AND EVALUATION EXERCISE**

Date (tbc)

In this Symposium, presenters will exchange perspectives on how the Aid-for-Trade Monitoring and Evaluation Exercise has been conducted since the launch of the Aid-for-Trade Initiative in 2006 and share insights on how the exercise could be improved.

DRAFT AGENDA

INTRODUCTION	Opening remarks
SESSION 1	How the Aid-for-Trade Monitoring and Evaluation Exercise has been conducted to date <ul style="list-style-type: none">• WTO• OECD Question and Answer session
SESSION 2	Perspectives on the Aid-for-Trade Monitoring and Evaluation Exercise <ul style="list-style-type: none">• Members' perspectives Question and Answer session
SESSION 3	Views of M&E partner organizations <ul style="list-style-type: none">• Perspectives of partner organizations Question and Answer session
CONCLUSION	Closing remarks Chair of the Committee on Trade and Development