



# Aid for Trade

## Fifth Meeting of Trade Ministers of Landlocked Developing Countries

Theme: Harnessing the Trade Potential of the LLDCs to Implement the Vienna Programme of Action for LLDCs and 2030 Agenda for Sustainable Development

23–24 June 2016 – Geneva, Switzerland

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# Outline

- Aid for Trade – Mandate and Scope
- LLDCs:
  - Impacts of high trade costs
  - Aid-for-Trade Case Stories
- Promoting Connectivity
- Conclusions



# Aid for Trade: 6th WTO Ministerial Conference



Mandate:

“Aid for Trade should aim to help developing countries, particularly LDCs, to build the supply-side capacity and trade-related infrastructure that they need to assist them to implement and benefit from WTO Agreements and more broadly to expand their trade”.

Trade-related policy and regulations.

Trade-related infrastructure.

Building productive capacity.

Trade-related adjustment.

Other trade-related needs.

Mainstreaming of trade – in national and regional development frameworks; donor policies.

Support for regional trade integration.

Trade Facilitation.

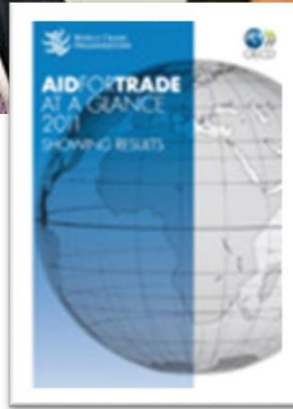
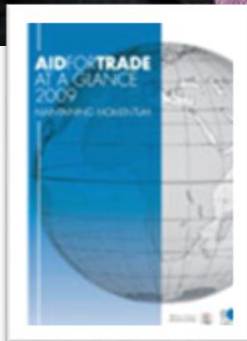
Strengthening private sector engagement.

Monitoring and evaluation.



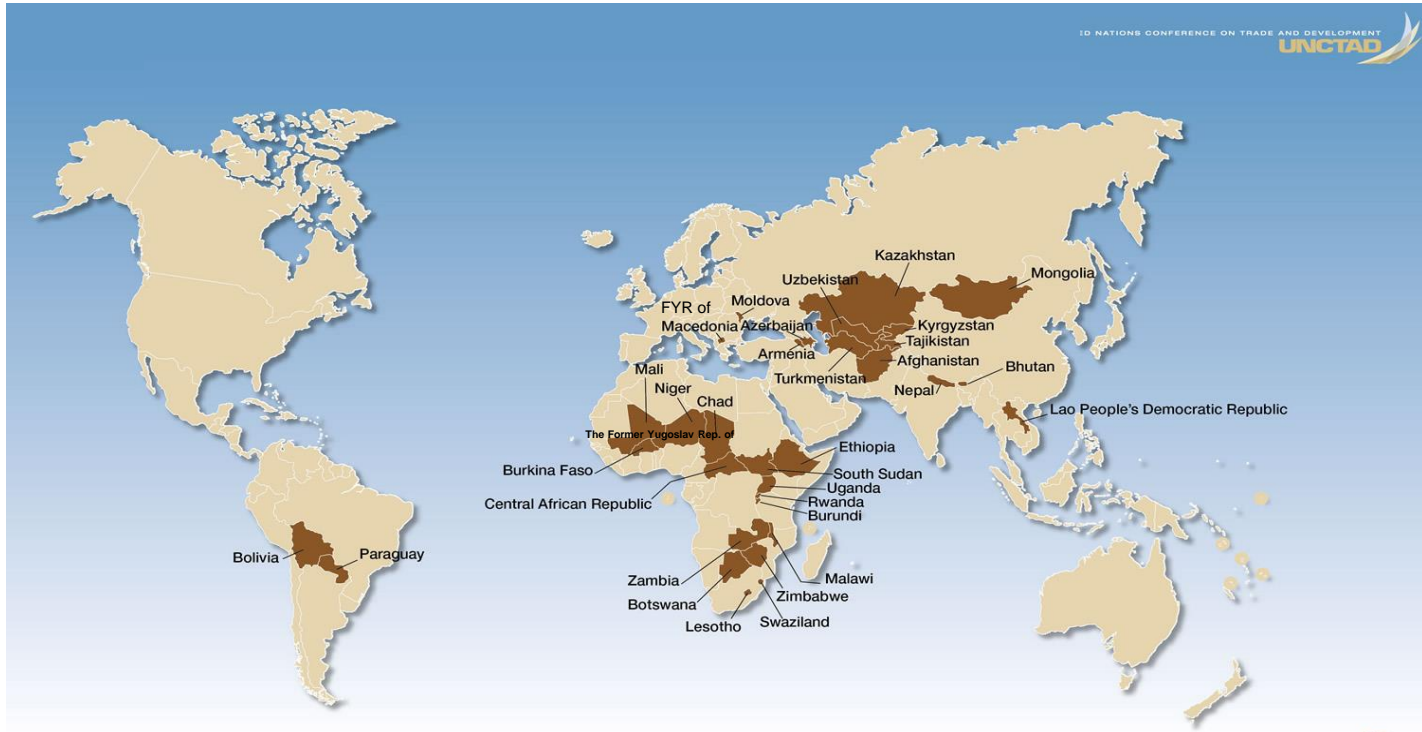
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Since 2007, the 5 Global Reviews of Aid for Trade have maintained commitment on the mainstreaming of trade in development policies.





# Landlocked Developing Countries (LLDCs) (32)



April 2014

Note: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.



WTO Members	25
In process of WTO accession	5
LDCs	16



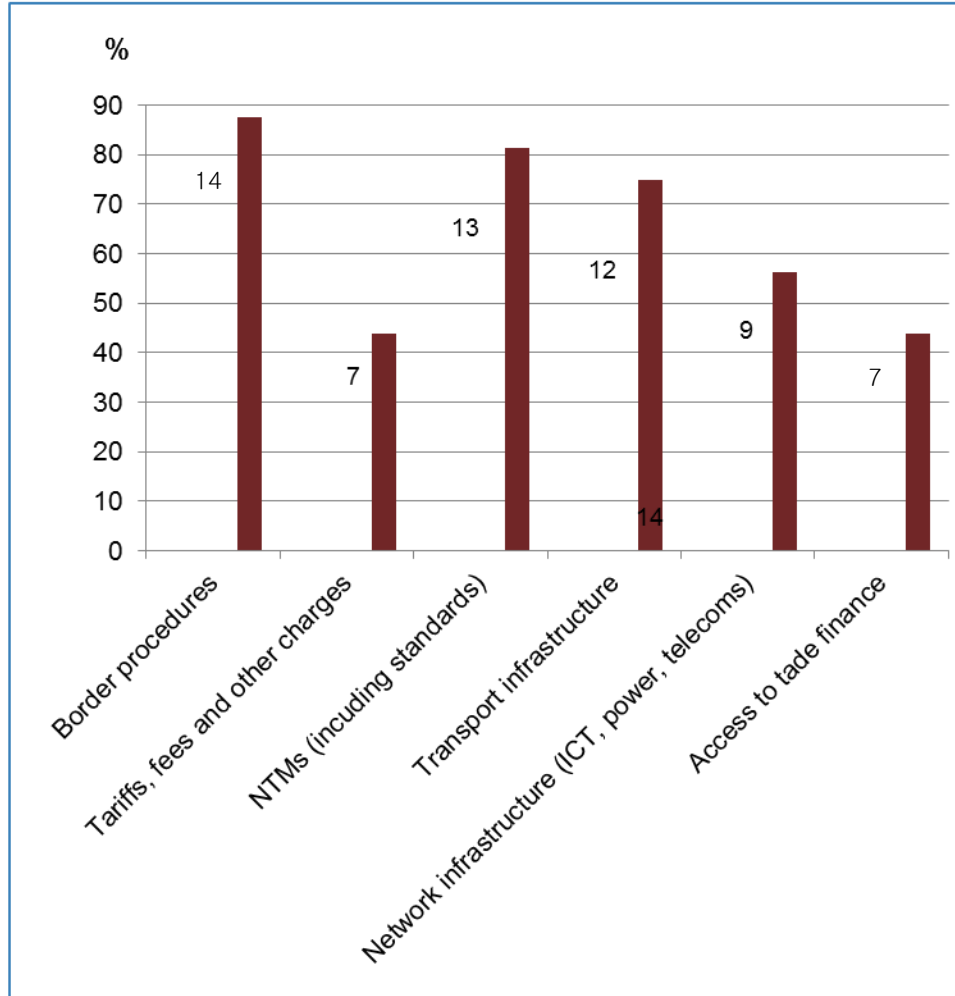
# LLDC respondents to AfT questionnaire (16)

Africa	Asia	Latin America	Europe
Botswana	Afghanistan	Paraguay	
Burkina Faso	Bhutan		
Central African Republic	Lao DPR		
Chad	Mongolia		
Lesotho	Nepal		
Mali			
Rwanda			
Swaziland			
Uganda			
Zimbabwe			



# LLDC responses to AfT Questionnaire

## Most important sources of trade costs for the export of merchandise goods

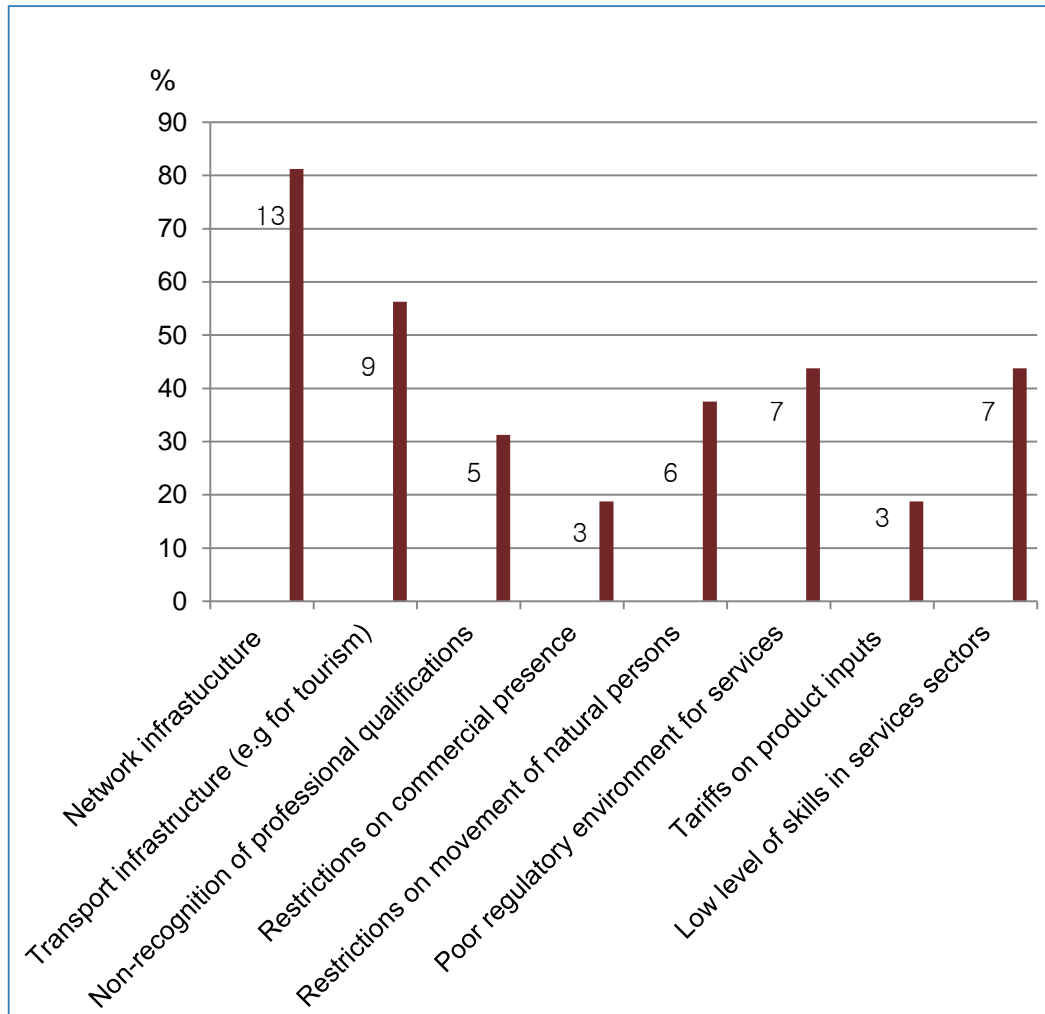






# LLDC responses to AfT Questionnaire

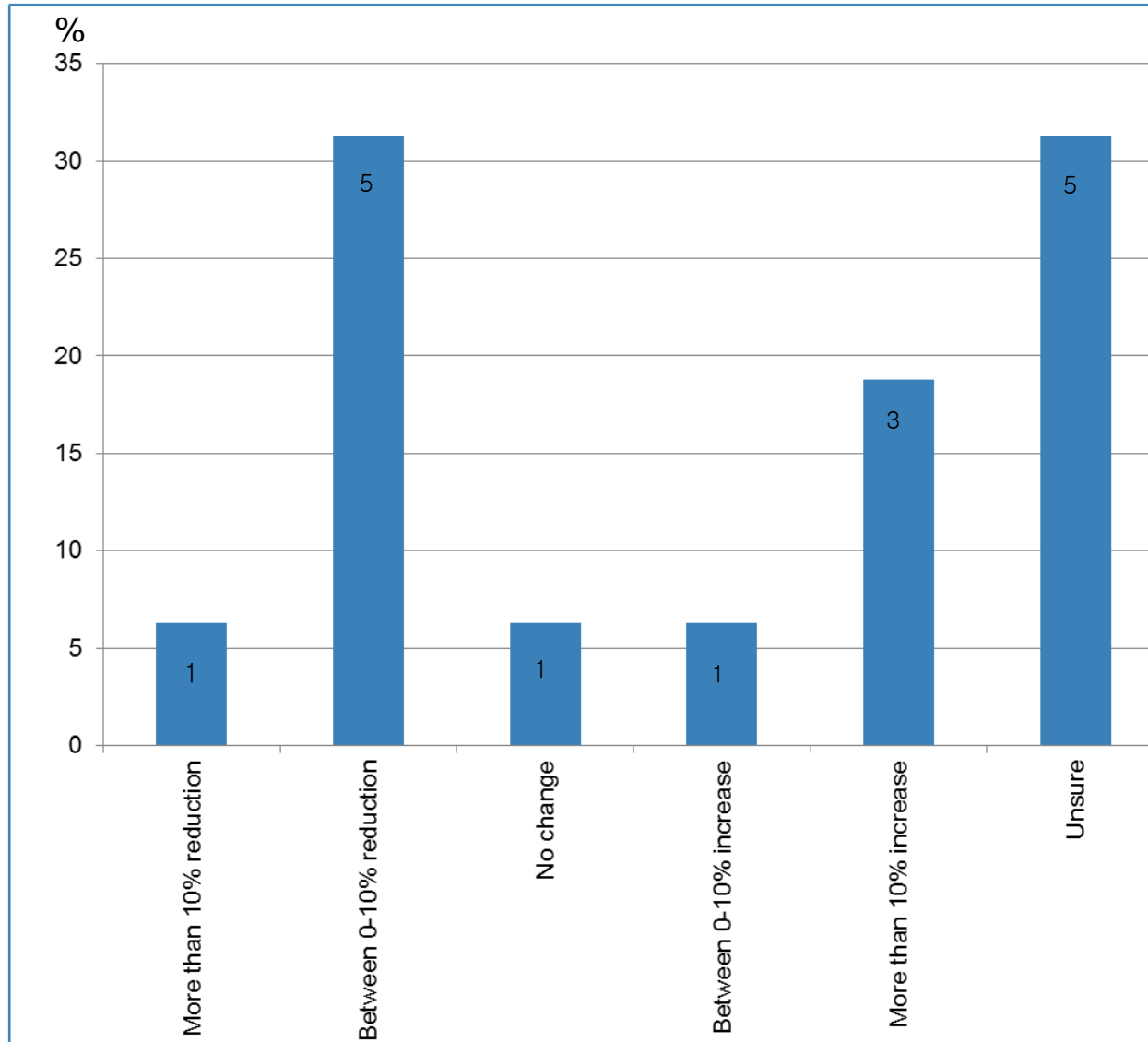
Most important sources of trade costs for the export of services





# LLDC responses to AfT Questionnaire

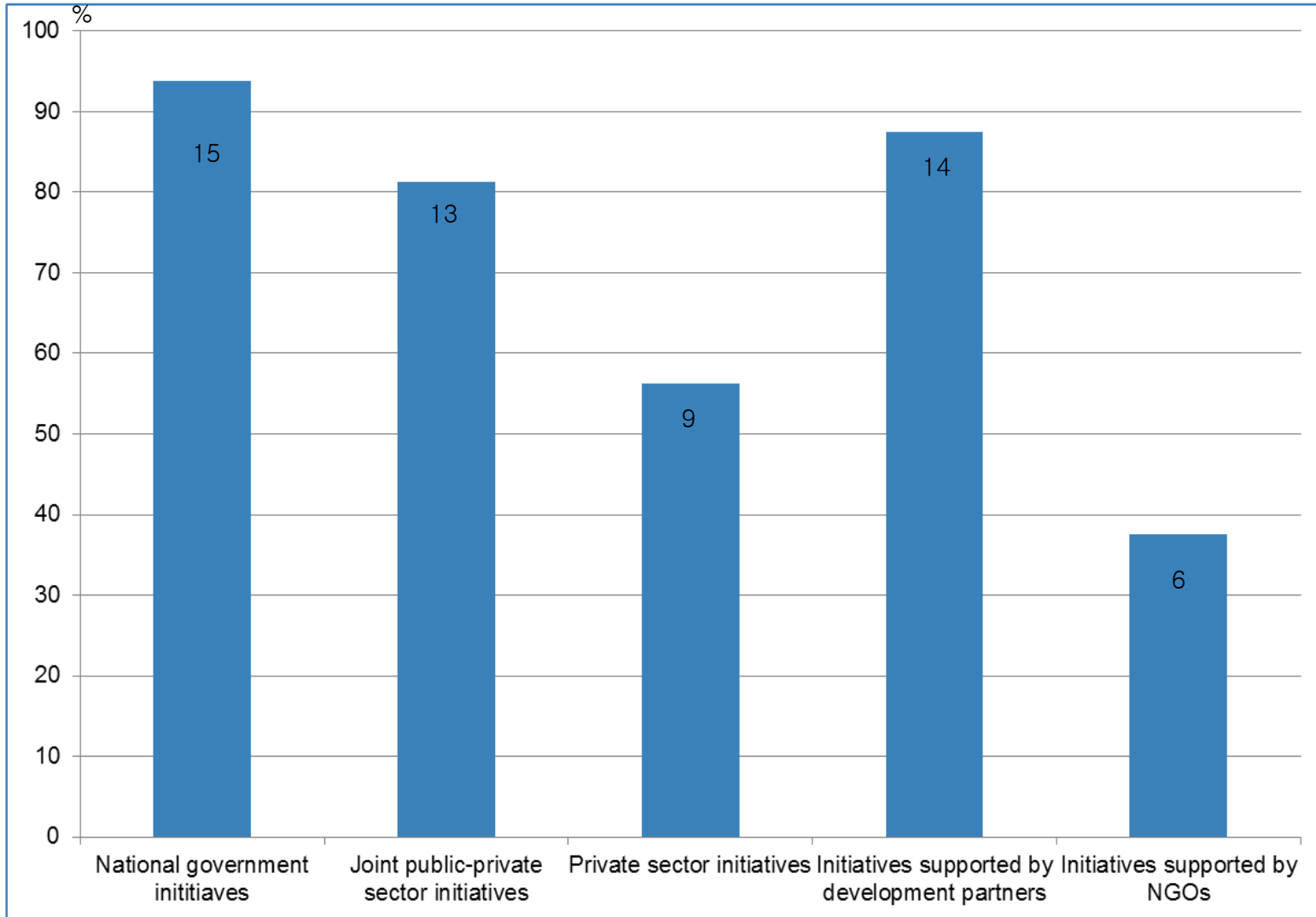
## How have your trade costs evolved over the past 5 years?





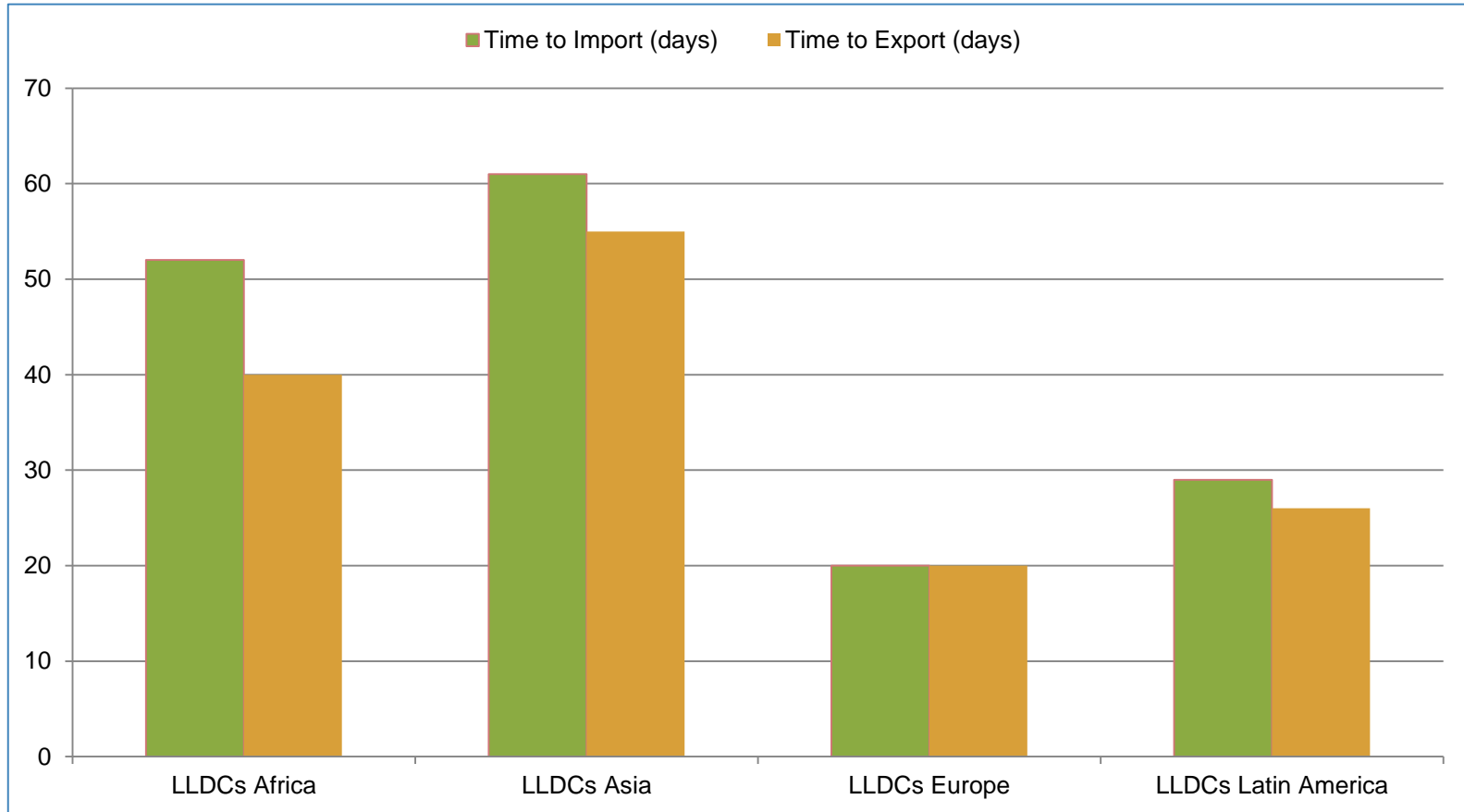
# LLDC responses to AfT Questionnaire

## Action taken by governments to reduce trade costs



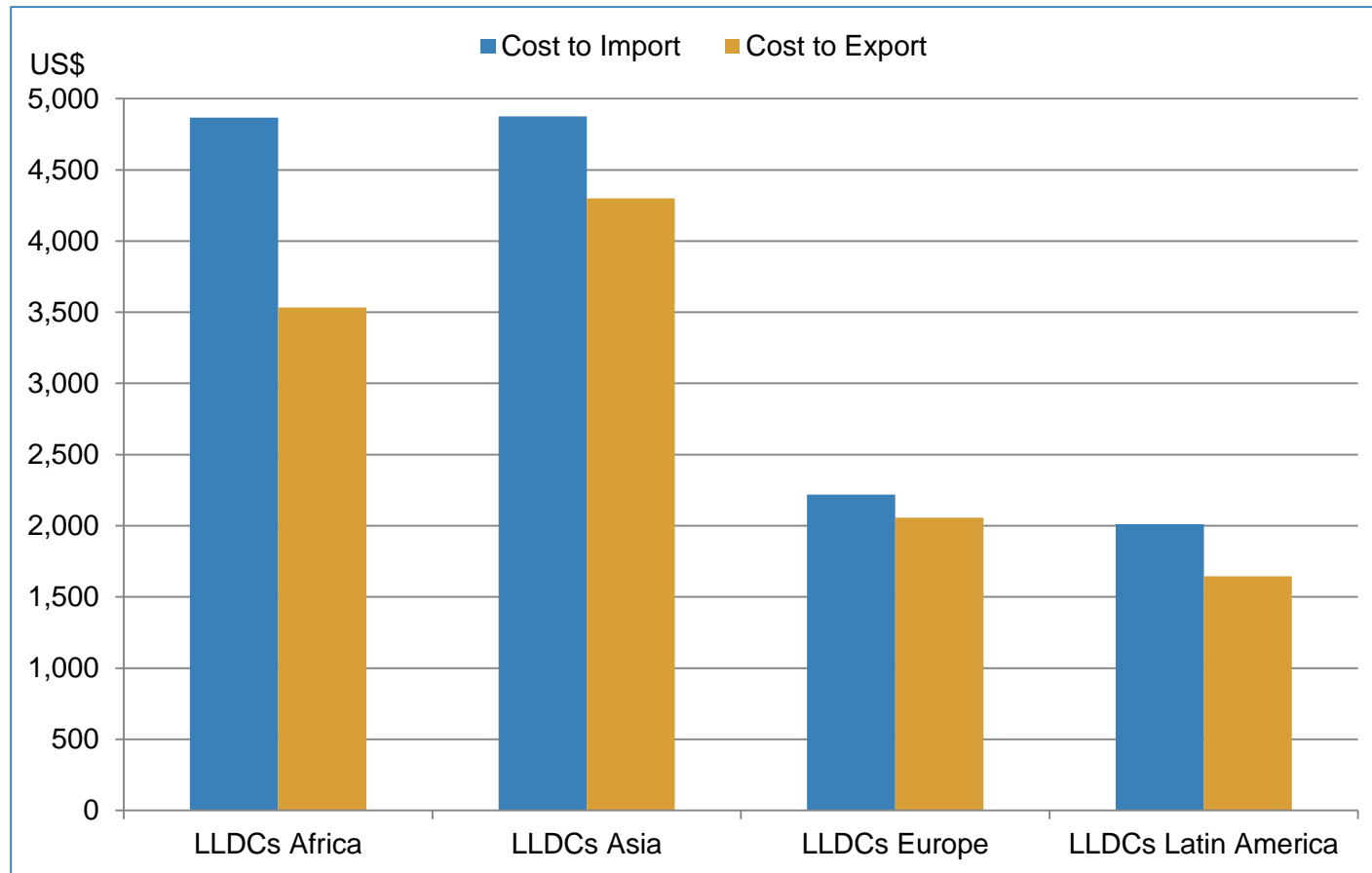


# LLDCs – Average time to import/export 2014



Source: World Bank Development Indicators

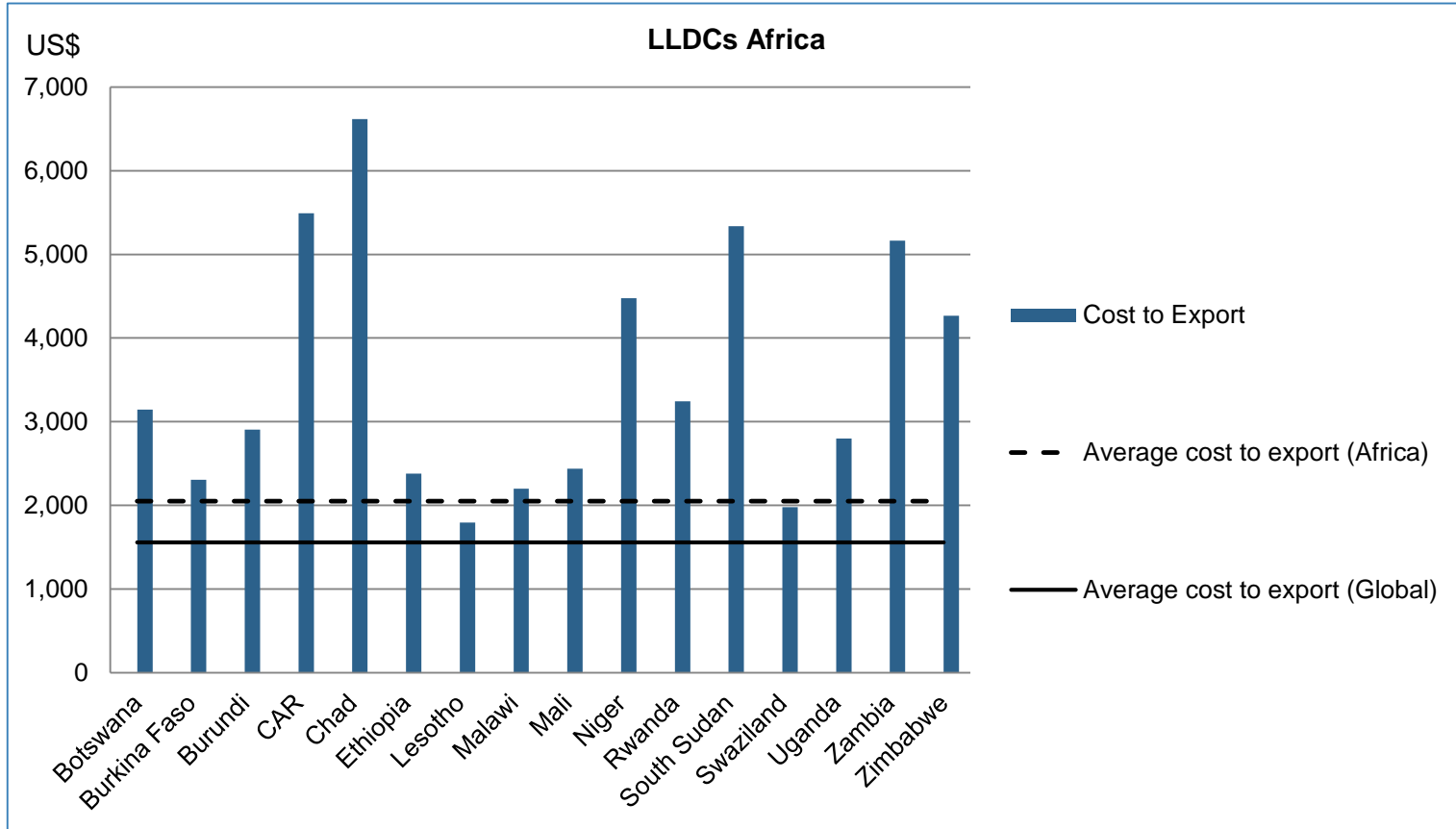
# LLDCs – Average cost to Import/Export 2014 (per container)



Source: World Bank Development Indicators



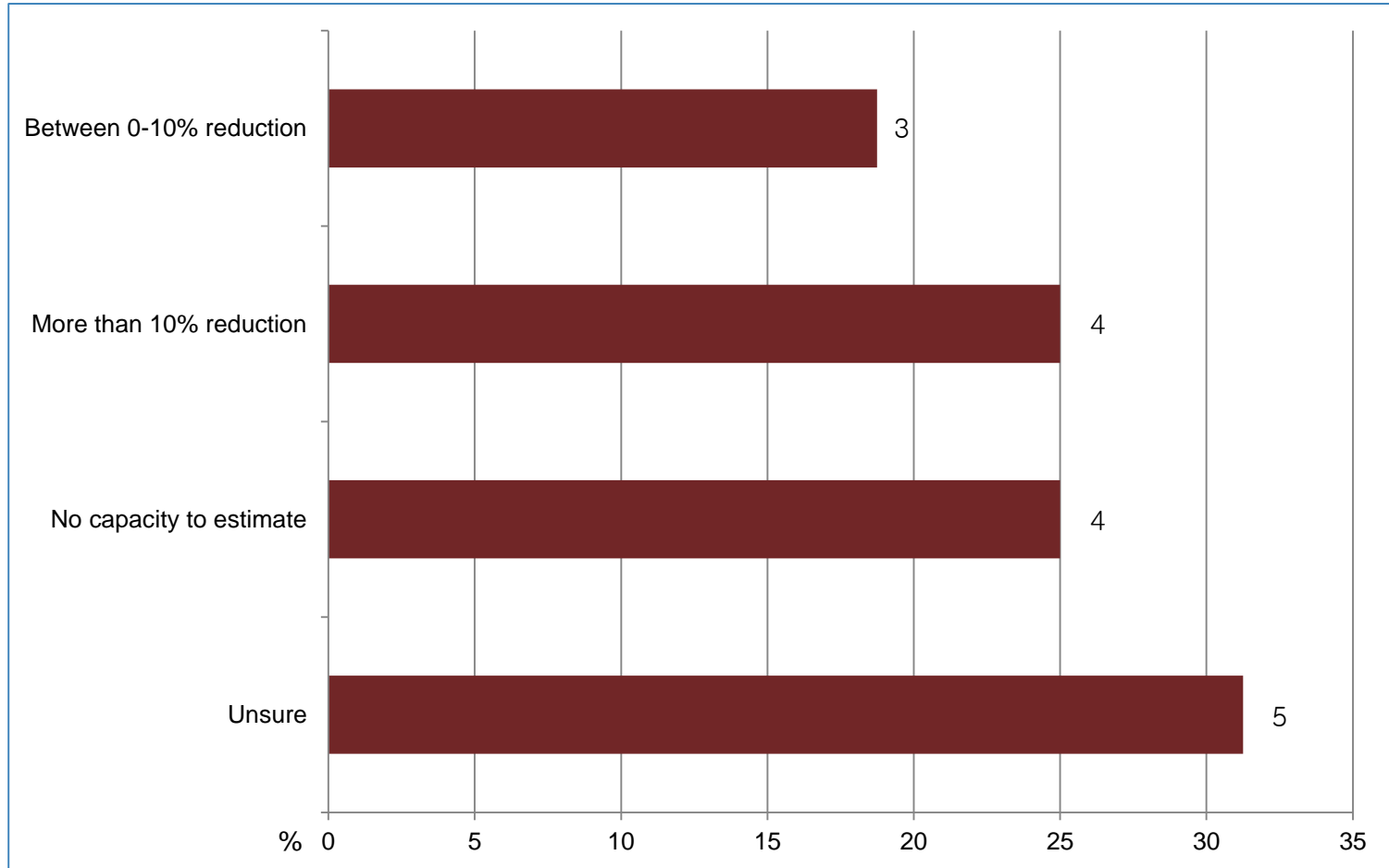
# LLDCs – Average cost to Export 2014 (per container)





# LLDC – Responses to AfT questionnaire

## Impact of TFA implementation on evolution of trade costs





# LLDCs

## Aid-for-Trade Case Stories

Country	Case story title / Description	Impact
Afghanistan	Hairatan (Northern Uzbekistan) to Mazar-e-Sharif (Afghanistan) Railway Project (to support Afghanistan in the development of a reliable, efficient, safe, and sustainable transport link to improve internal and international connectivity)	Increased employment, including women's employment (employment in project area has grown by more than 10% per year since 2010. Over 1,000 people are employed in logistics and unloading operations, with more jobs expected to emerge; increased per capita income; increased economic growth and regional trade and cooperation.
Burundi	Ensuring Quality and Sustainability along the Coffee Value Chain in Burundi	Increased domestic investment; increased employment, including women's employment; export market diversification; reduction in incidence of absolute poverty.
CAR	Facilitation of Transit and Transport (set of activities to facilitate the free circulation and promote trade along the Bangui (Central African Republic – Douala (Cameroon) Corridor	Increased domestic and foreign investment; export and import market diversification; increased consumer welfare; increased per capita income.
Ethiopia	Air Transport Projects in Ethiopia (three complementary but sequentially implemented projects to expand route network, modernize air fleet, improve aircraft maintenance and productivity, increase capacity of Addis Ababa International Airport to meet expected increase in passenger tariff and aircraft movements and to comply with ICAO standards)	Increased domestic and foreign investment; increased employment; export and import market diversification; reduction in export market concentration.
Lao, PDR	Trade Development Facility (to increase Governments' capacity to undertake tasks related to regional and global economic integration)	Increased domestic and foreign investment; increased employment; export market diversification; increased consumer welfare; increased per capita income.
Lao, PDR	Integrated Multi-donor Trade Program (financing, knowledge and partnerships to support Governments' efforts to build export competitiveness and facilitate closer regional integration)	Increased women's employment; export and import market diversification.





# LLDCs

## Aid-for-Trade Case Stories



Country	Case story title / Description	Impact
Malawi	Technical Assistance on Trade Facilitation (to strengthen regional integration – especially with Malawi as main trading partner)	Increased domestic and foreign investment; increased employment; increased remittances.
Malawi	Customs Modernization Programme – Malawi Revenue Authority (to introduce and implement new procedures and processes for import and export management)	Increased domestic and foreign investment; increased employment, including women's employment; increased remittances; export and import market diversification; increased per capital income; reduction in incidence of absolute poverty.
Malawi	Development of a Robust National Quality Infrastructure (to reduce trade costs, the need for re-testing, re-inspection and re-certification abroad)	Increased employment, including women's employment; export market diversification; reduction in incidence of absolute poverty.
Rwanda	Rwanda Investment Climate Reform Program (to improve the regulatory environment, build institutions, and reduce cost of doing business)	Increased foreign investment; increased employment, including women's employment; increased consumer welfare.
Rwanda	Electronic Single Window (to facilitate efficient cross border trade)	Increased domestic and foreign investment; increased employment.
Uganda	Trade Facilitation through the Uganda Revenue Authority (URA) Customs Business Systems Enhancement Project (to increase efficiency of the URA, to increase international business demands, to reduce the costs of trade and to increase revenue collection)	Increased foreign investment; increased remittances.
The FYROM	Risk-Based Border Inspections in the Western Balkans (to provide faster clearance processes and lower trade costs for Macedonian traders)	Increased savings of the trading community.

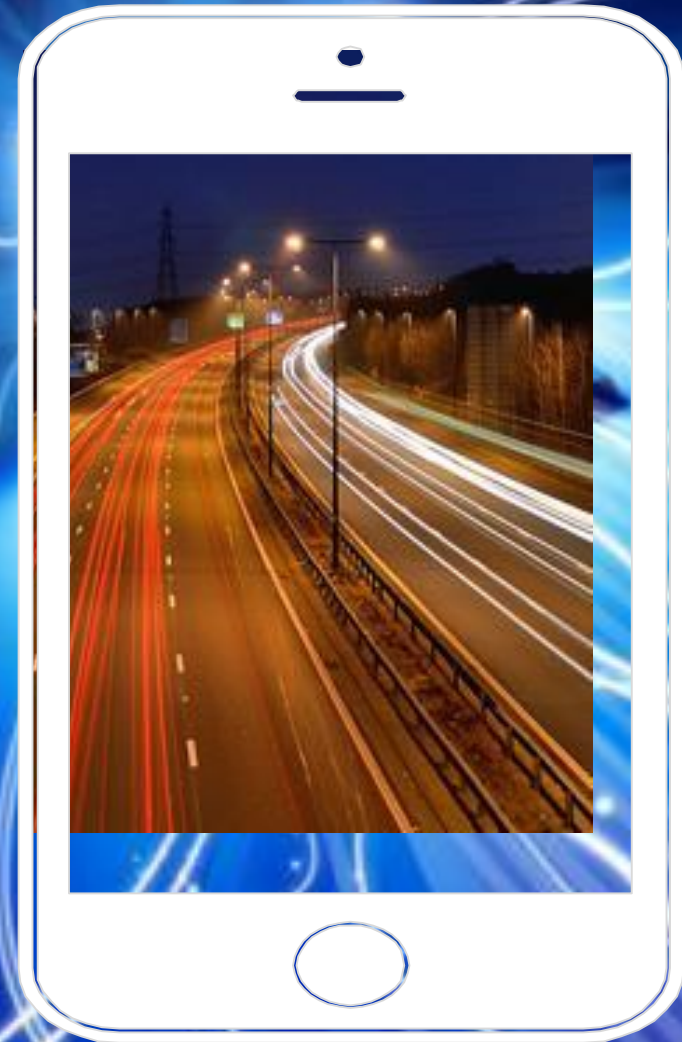
# Promoting Connectivity

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Theme of the 2016–2017 Aid-for-Trade Work Programme and Sixth Global Review

Focus on:

- Trade Facilitation.
- E-commerce.
- Infrastructure, services and investment climate reforms.
- TFA implementation assistance.





# Conclusions

- Research highlighting the impact of high trade costs on economic growth and development of LLDCs.
- Trade costs – natural / man-made.
- Actions being undertaken by LLDCs and supported by development partners yielding results.
- Theme to be further progressed in Sixth Global Review.
- More needs to be done.



# Thank you

For more information visit:

[www.aid4trade.org](http://www.aid4trade.org) and the WTO website: [www.wto.org](http://www.wto.org)