



Latest trends in Aid for Trade flows



Monitoring Aid for Trade flows

M&E exercise

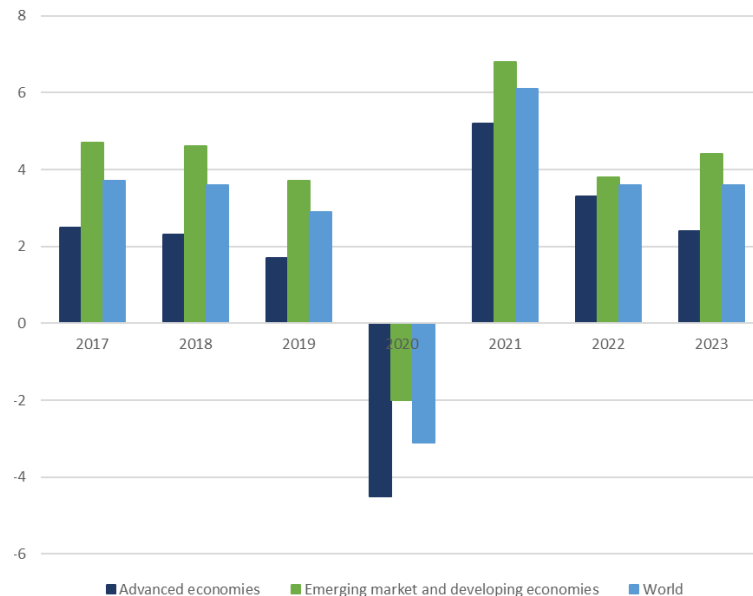




A reporting period marked by COVID-19

- A reporting period marked by COVID-19
- Rebound bolstered by growth in merchandise trade
- War in Ukraine to contribute to significant slowdown in 2022 and 2023
- Developing countries are incurring the highest output losses from the successive crises in comparison to pre-pandemic projections
- Emerging challenges, e.g. climate change, and digital transition

Real GDP growth projections 2017-2023 (in %)



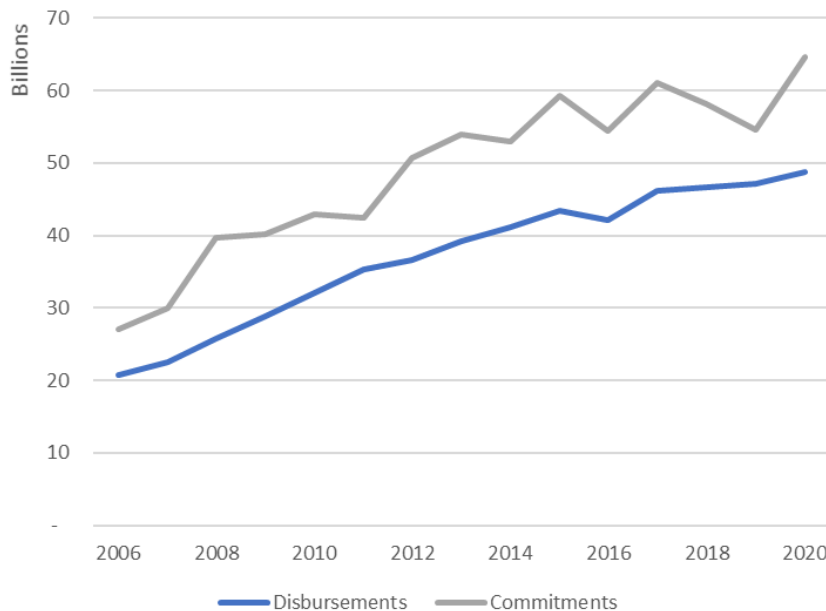
Source: based on World Economic Outlook, IMF data



AFT has remained a priority throughout the crisis

- AFT disbursements have maintained a steady growth since 2016
- Commitments declined in 2019 but exceeded pre-pandemic levels in 2020
- In 2020, AFT represented 30% of total Official Development Assistance – a share that has remained stable since 2015
- About 7% of AFT commitments were dedicated to COVID-19-related activities

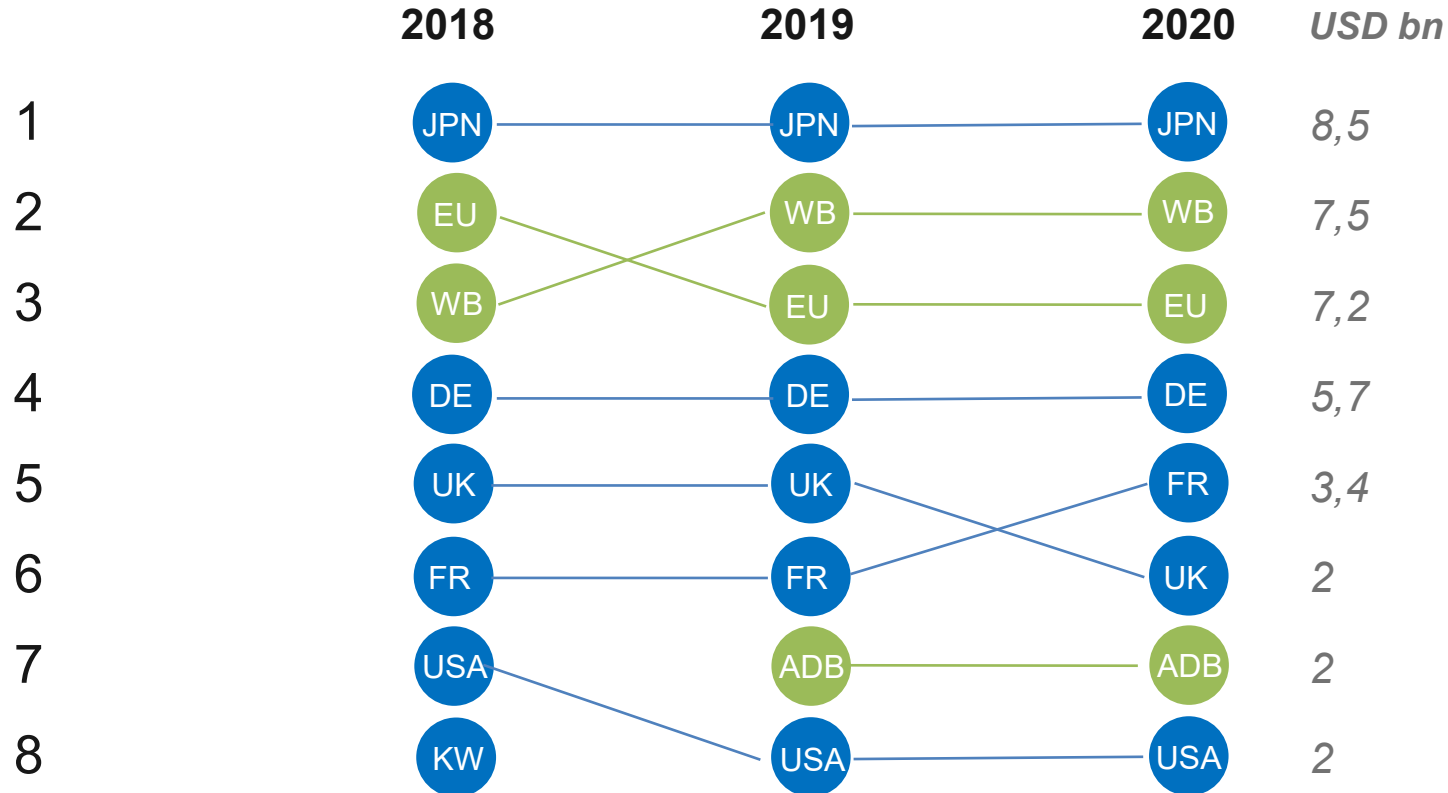
Aid for Trade disbursements and commitments, 2006-2020



Source: OECD



8 donors account for nearly 80% of AFT disbursements

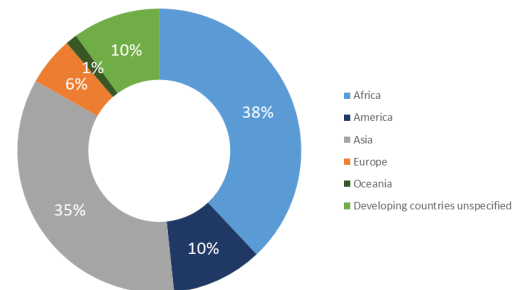




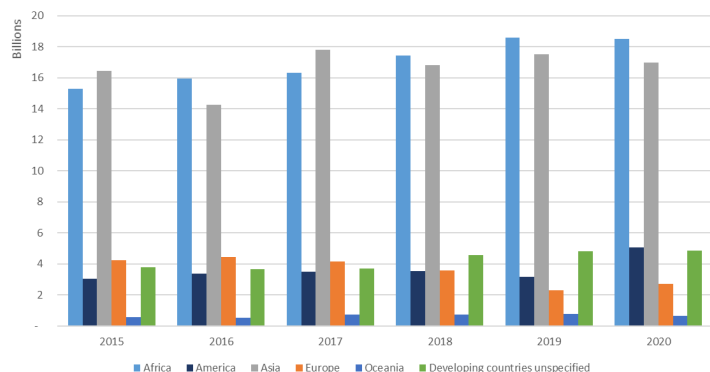
Africa and Asia remain the largest recipients of AFT

- In 2020, Africa received the highest share of AFT (38%), followed by Asia (35%), America (10%), Europe (6%) and Oceania (1%)
- These shares have remained relatively stable in recent years

Aid for Trade disbursements by region, 2020 (%)



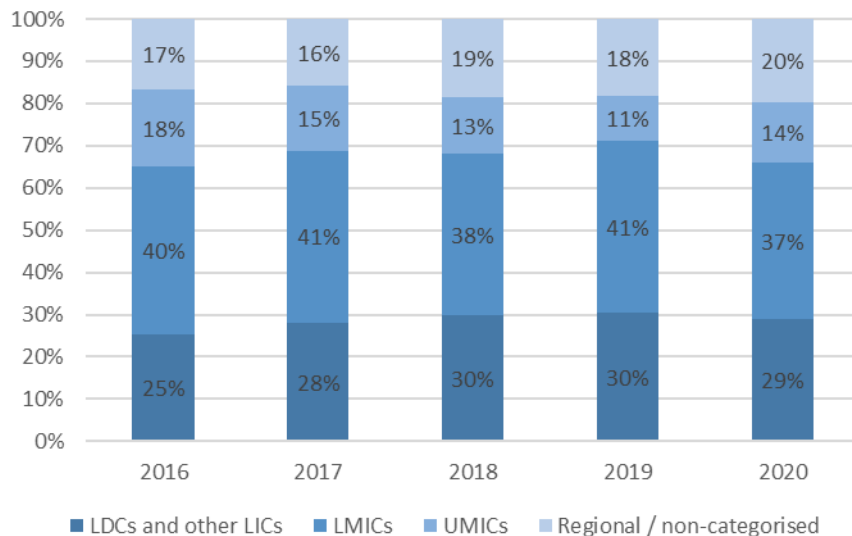
Aid for Trade disbursements by region, 2015-2020 (USD Bn)



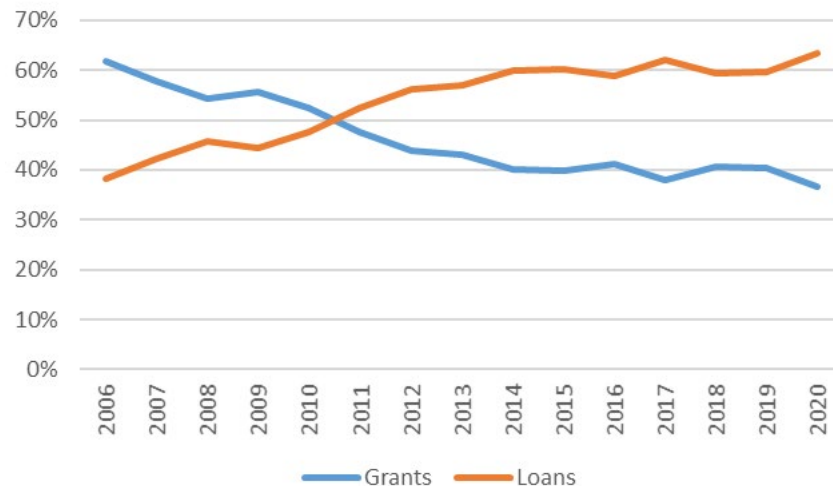


AFT keeps becoming less and less concessional

Share of AfT disbursements by level of income



Aid for Trade disbursements, by type

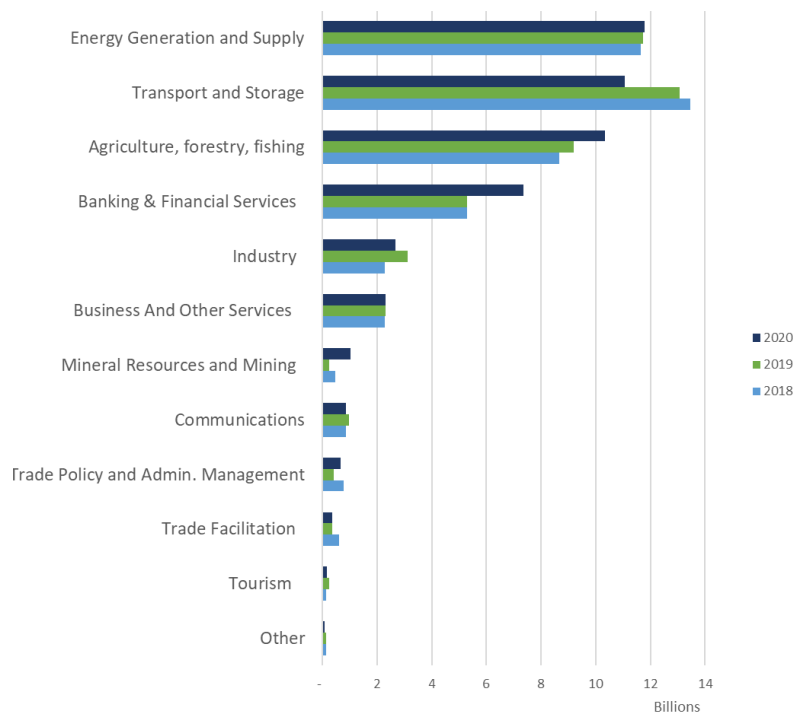




Sectoral allocations have evolved

- Energy Generation and Supply became the sector receiving the highest share of AFT (24%)
- Support to Transportation and Storage has significantly decreased (-18% since 2018)
- Rise of support allocated to Agriculture, as well as banking and financial services

AFT disbursements by sector, 2018-2020 (USD bn)

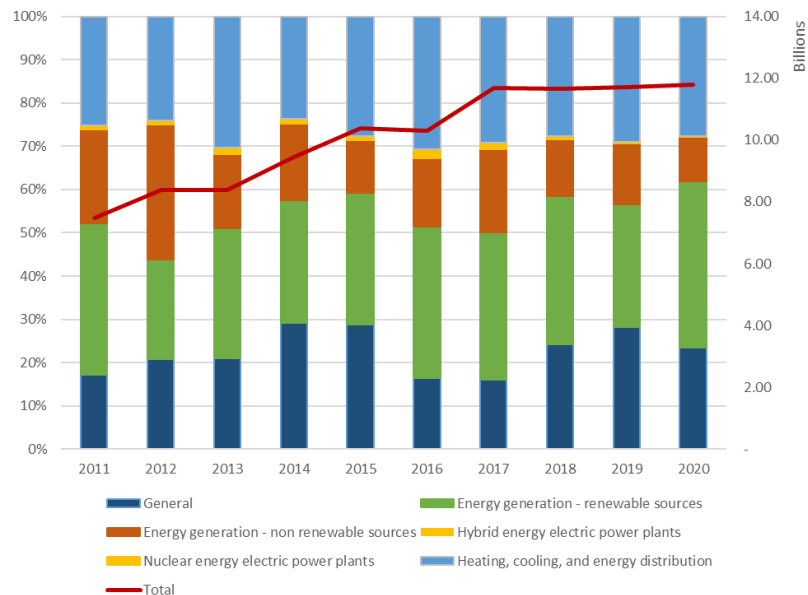




Sectoral deep dive – example of energy

- Overall support remained steady
- Increase of proportion of support going to renewable sources
- Moderate evolution since 2011
- Aligned with commitments to green ODA

Energy generation and supply AFT disbursements, 2020

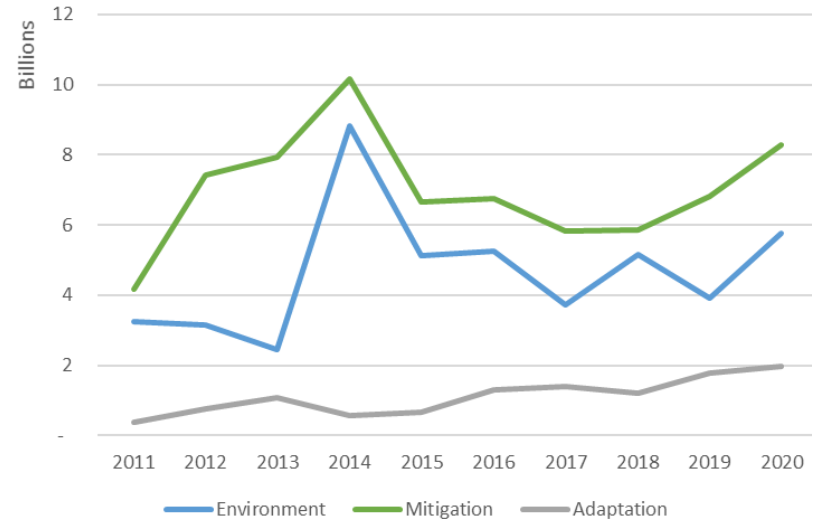




A growing focus on sustainability

- Projects with a primary objective to promote environmental sustainability are on the rise, but commitments remain below 2015 levels
- Projects overwhelmingly focus on climate mitigation
- Nearly 70% of projects targeting the environment focus on energy (36%), agriculture, forestry and fishing (34%)
- Climate mitigation projects focus on energy (40%), transport (34%), and banking and financial services (15%)
- Adaptation projects are largely concentrated in agriculture (68%)

Projects from bilateral donors with a focus on environment and climate change, commitments, 2011-2020 (USD bn)

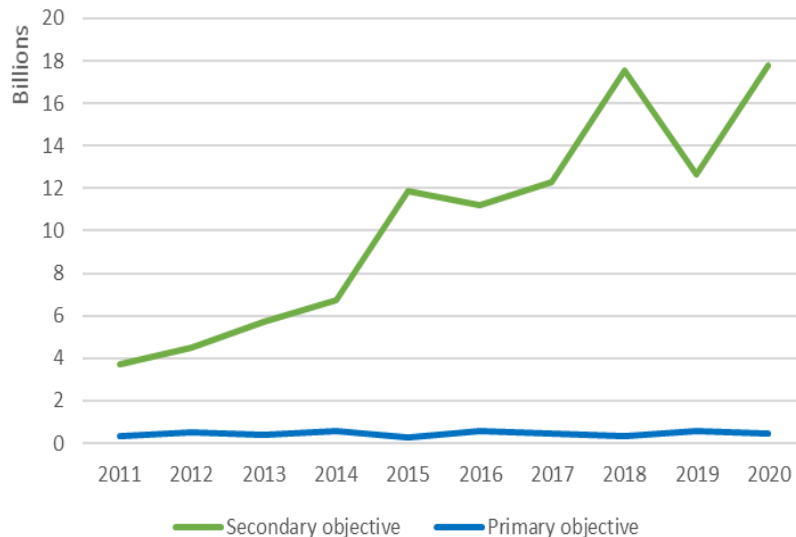




Gender is increasingly mainstreamed in AFT projects

- Projects with a primary objective to promote gender equality are stable
- Projects with a significant objective to promote gender equality are increasing
- In 2020, almost 90% of projects targeting gender equality focused on building productive capacity
- Within those, 33% are in the agriculture sector, 27% in industry, 24% in banking and financial services
- More than half of projects that target environmental objectives also have a focus on gender

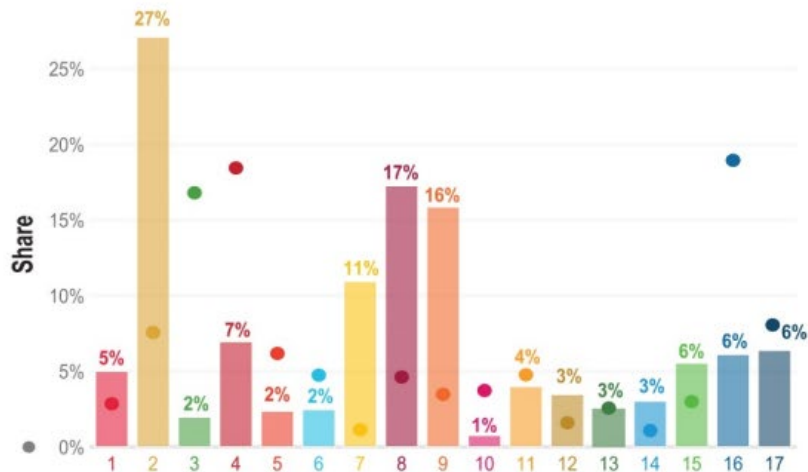
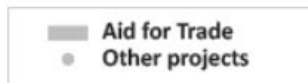
Projects from bilateral donors with a primary and secondary focus on gender, commitments, 2011-2020 (USD bn)



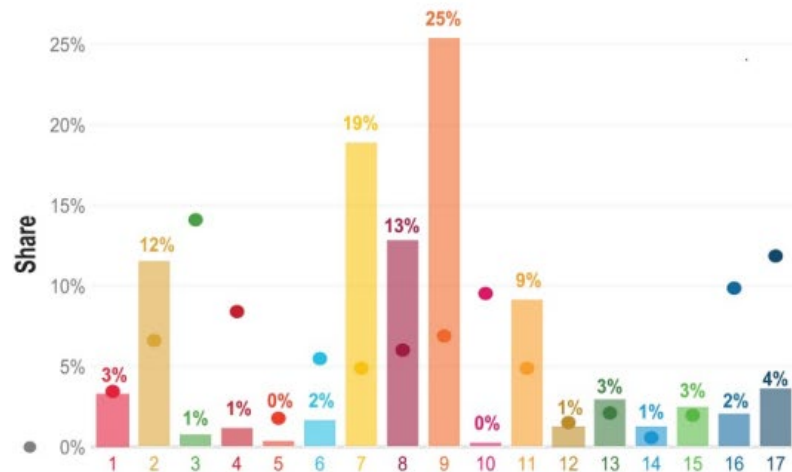


AFT contributes to all SDGs

**A4T projects
by SDG (2012-17)**



**A4T disbursements
by SDG (2012-17)**





Conclusion

- Key role of AFT in the recovery
- Potential of AFT in addressing key vulnerabilities and emerging challenges
- Importance of adequate metrics to monitor and measure AFT flows and impact
 - work on TOSSD, SDG Financing Lab to shed light on links with SDGs, resource mobilisation, etc