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EU Aid for Trade

Progress Report 2021

Review of progress on the implementation of the updated EU Aid for Trade Strategy of 2017

International Partnerships

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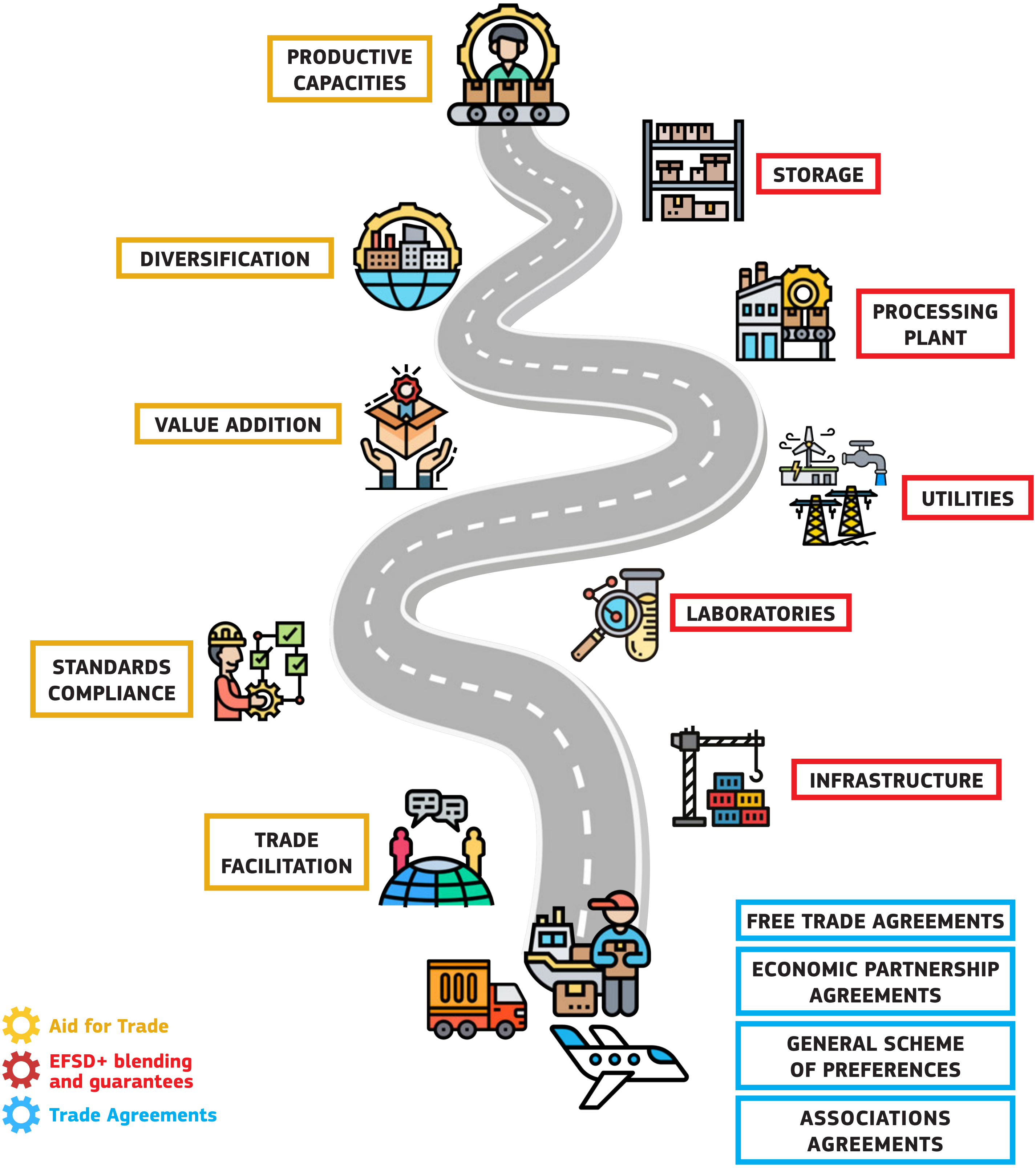
ACRONYMS AND ABBREVIATIONS

ACP	African, Caribbean and Pacific
AfCFTA	African Continental Free Trade Area
AFD	Agence Française de Développement
AfT	Aid for Trade
ASEAN	Association of Southeast Asian Nations
ATO	African Trade Observatory
CAI	Comprehensive Agreement on Investment
CBAM	Carbon Border Adjustment Mechanism
CDP	Cassa Depositi e Prestiti
CEFTA	Central European Free Trade Agreement
CLS	Core Labour Standards
COMESA	Common Market for Eastern and Southern Africa
CRPD	Convention on the Rights of Persons with Disabilities
CRS	Creditor Reporting System
CTEO	Chief Trade Enforcement Officer
D4D	Digital for Development
DAG	Domestic Advisory Group
DCFTA	Deep and Comprehensive Free Trade Area
DG INTPA	Directorate-General for International Partnerships
DG NEAR	Directorate-General for Neighbourhood and Enlargement Negotiations
DG TRADE	Directorate-General for Trade Policy
DP	Development Partners
DTIS	Diagnostic Trade Integration Studies
EAC	East African Community
EBA	Everything-But-Arms preferential trade scheme
EBRD	European Bank for Reconstruction and Development
ECOWAS	Economic Community of West African States
EDF	European Development Fund
EEAS	European External Action Service
EFSD	European Fund for Sustainable Development
EIB	European Investment Bank
EIDHR	European Instrument for Democracy and Human Rights
EIF	Enhanced Integrated Framework
EIP	External Investment Plan
EITI	Extractive Industry Transparency Initiative
EPA	Economic Partnership Agreement
ESA	East and Southern Africa
EU	European Union
EU REDD	EU Reducing Emissions from Deforestation and Forest Degradation Facility
FAO	Food and Agriculture Organisation
FLEGT	Forest Law Enforcement, Governance and Trade
FTA	Free Trade Agreements
GAPIII	Third EU Action Plan on Gender Equality and Women's Empowerment in External Action 2021-2025
GDP	Gross Domestic Product
GHG	Greenhouse Gas
GSP	Generalised Scheme of Preferences
ICCPR	UN International Covenant on Civil and Political Rights
ILO	International Labour Organisation
ILS	International Labour Standards
IOM	International Organization for Migration
IPR	Intellectual Property Rights

ITC	International Trade Center
IUU	Illegal, Unreported and Unregulated (IUU) Fishing
KfW	KfW German Development Bank
LAC	Latin America and the Caribbean
LDC	Least Developed Countries
LMIC	Lower-Middle Income Countries
MFF	Multiannual Financial Framework
MFN	Most Favoured Nation
MRV	Measuring Reporting and Verification (of GHG emissions)
MSMEs	Micro, Small and Medium Enterprises
NDICI	Neighbourhood, Development and International Cooperation Instrument
NQI	National Quality Infrastructure
NTM	Non-Tariff Measures
OCT	Overseas Countries and Territories
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
OSH	Occupational Safety and Health
PBL	Policy-based Lending
PIC	Pacific Independent Island Countries
PIF	Pacific Islands Forum
PNG	Papua New Guinea
PPD	Public-Private Dialogue
PSD	Private Sector Development
REC	African Regional Economic Communities
REX	Registered Exporters System
SAA	Stabilisation and Association Agreement
SADC	Southern African Development Community
SB4A	Sustainable Business for Africa
SDGs	Sustainable Development Goals
SEA	South-East Asia
SIA	Sustainability Impact Assessment
SMEs	Small and Medium Enterprises
SPC	Sustainable Production and Consumption
SPS	Sanitary and Phytosanitary measures
STP	SADC Trade Protocol
TBT	Technical Barriers to Trade
TE	Team Europe
TEI	Team Europe Initiatives
TRA	Trade Related Assistance
TRI	Trade Related Infrastructure
TRTA	Trade Related Technical Assistance
TSD	Trade and Sustainable Development
UMIC	Upper-Middle Income Countries
UN DESA	United Nations Department of Economic and Social Affairs
UNDP	United Nations Development Programme
UNECA	United Nations Economic Commission for Africa
UNFPA	United Nations Population Fund
UNGP	UN Guiding Principles on Business and Human Rights
UNICEF	United Nations Children's Fund
UNOPS	United Nations Office for Project Services
VPA	FLEGT Voluntary Partnership Agreement
WEE	Women Economic Empowerment
WHO	World Health Organisation
WTO	World Trade Organization



AID FOR TRADE IN ACTION

EXECUTIVE SUMMARY

The present report is the **fourth EU Aid for Trade Progress Report under the updated EU Aid for Trade strategy,** and is based on the responses to a questionnaire, completed this year by 98 EU Delegations around the world, and OECD/DAC data on Aid for Trade volumes. It illustrates the EU's contribution to the global Aid for Trade initiative.

Altogether, the EU provides **preferential treatment to 126 countries eligible for EU official development assistance (ODA)**, of which 54 through FTAs in force and 72 through one of the three types of GSP. Eight countries benefitting from a GSP scheme have also an FTA in force. As noted in the latest Report on the Generalised Scheme of Preferences covering the period 2018-2019, GSP+ beneficiaries have made progress in effective implementation of the 27 international conventions listed in the arrangement.

This report comes at critical juncture when, **due to COVID-19, progress towards the SDGs has slowed**, with poverty increasing for the first time in 20 years. On average, GDP in developing countries is projected to be about 7.5% lower in 2022 than what was expected before the COVID-19 crisis, with one out of four countries projected to experience a loss of more than 10%. Due to a decline in resources of USD 700 billion, and an increase in needs of USD 1 trillion to recover from COVID-19, the SDG funding gap in developing countries is projected to increase from USD 2.5 trillion pre-COVID to USD 4.2 trillion a year for the foreseeable future, a 70% increase.

The impact of the global pandemic on trade has been dramatic. EU27 imports from developing countries declined by almost EUR 100 billion (-16%) from EUR 621.6 billion to EUR 522.9 billion between 2019 and 2020. **Team Europe, i.e. the European Union and its Member States (with their development finance institutions and implementing agencies) as well as the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD) acting together, reacted swiftly** to counter the impact of COVID-19 on its partner developing countries. Renewed commitments were made as part of the new Team Europe approach, both in the Joint Communication on the Global EU Response to COVID-19 and in the Council Conclusions on Team Europe Global Response to COVID-19.

In 2019, the last year for which full data are available, the EU and EU Member States' commitments amounted to EUR 17.9 billion, an increase of 12% in real terms compared to 2018. **The EU and EU MS remain the leading AfT donor with 38% of global AfT. Africa continued to receive the largest share** of AfT commitments in 2019, with 43% of total AfT, followed by Asia (21%), Europe (13%)[1], and America (8%). In response to COVID-19, Team Europe mobilised resources of EUR 46 billion as of April 2021, including re-oriented resources under several ongoing projects to better respond to the crisis as well as additional resources.

Unsurprisingly, **96% of EU AfT went to countries that current have preferential access to the EU market.** Countries that currently have an FTA or EPA in place with the EU received 61% of Aid for Trade that can be allocated by current trade regime, mostly for economic infrastructure and building productive capacity, and almost all trade-related adjustment support. Countries with access to the GSP received over one third of EU aid for trade, relatively more focused on trade policy and regulations and building trade development related capacity, the latter particularly per LDCs with access to the EBA scheme. Countries with access to the standard GSP scheme received more aid for infrastructure, particularly renewable energy production.

The EU intends to increase **the share of EU AfT allocated to LDCs** to help them double their share of global exports, a target that has so far been missed, as LDCs' share on global exports has remained at 1% and on exports to the EU at 2% in 2020, more or less stationary since 2010. Similarly, the share of EU and Member States' AfT channelled towards Least Developed Countries was 15% in 2019, at the same level as of 2017 and 2018, as shown in this report, and still far from the 25% target of total EU AfT by 2030, as specified in the EU 2017 Joint AfT Strategy. The proportion of EU and Member States' AfT channelled towards countries in situations of fragility and conflict grew instead from an average of 16% in 2016-2018 to 19% in 2019.

EU Aid for Trade is provided through varying approaches that take into consideration the different needs based on the level of income. In LDCs EU AfT is more concentrated on agriculture accounting for 34% of all cumulative commitments over the period 2010-2019, compared to 10% for lower-middle income countries (LMIC) and 8% for upper-middle-income countries (UMIC). Building productive capacity for trade development received also a greater share of EU AfT in LDCs (25% compared to 9% in both LMICs and UMIC over the same period), as well as in fragile states (30%), and, not surprisingly, 60% of such capacity building was in agriculture.

1 Non-EU countries from the EU neighbourhood and enlargement countries.

EU Aid for Trade in LMICs is more concentrated on energy infrastructure that accounted for 44% of all cumulative commitments over the period 2010-2019, compared to 27% for both LDCs and UMICs, while EU AfT for transport infrastructure is broadly aligned among the three income groups with shares between 21 and 24%. 42% of EU AfT energy-related support was for energy production from renewable sources, 31% for distribution and 17% for energy policy.

EU Aid for Trade in UMICs is more concentrated on banking and financial services that received 26% of all cumulative commitments over the period 2010-2019, compared to 3% for LDCs and 12% for LMICs, and building non-trade development related productive capacity, with a share of 37% of all commitments compared with 25% for LDCs and 24% for LMICs.

The EU continues to provide AfT through **its blending operations** ('blending' means a combination of EU grants with loans or equity from public and private financiers). During 2020, the EU provided guarantees and blending for a total of EUR 1.8 billion, leveraging resources for over EUR 10 billion, two thirds of which in Africa and the Neighbourhood countries.

EU Aid for Trade supported also **regional integration** through multi-country programmes focusing on the negotiation and implementation of regional trade agreements and on support to key regional value chains. In particular, between 2014 and 2020 the EU has been supporting the African Continental Free Trade Area (AfCFTA) through its Pan-African Programme with more than EUR 74 million. This funding has been used for capacity building in the negotiation, ratification and implementation of the AfCFTA Agreement, so that African countries and intra-African trade can benefit from the opportunities that the Agreement provides. At a multi-country level, through EPAs Global/ Regional /National programs, the EU has been supporting negotiation and implementation of EPA (and i-EPA) provisions, with a total amount of EUR 86 million between 2014 and 2020.

The effort by Team Europe in supporting improvements in the **regulatory environment for the private sector** has been consistent. The EU provided about EUR 1 billion per year for private-sector-development (PSD) sector budget support. Team Europe works closely with governments and private sectors in partner countries to help them develop and implement policies in support of private sector development (PSD) and private sector engagement (PSE). These policies are aimed at a conducive business environment that enables the creation of decent jobs, inclusive growth, sustainable investment, increased productivity, enhanced competitiveness, and improved economic opportunities for the poor.

The European Commission has given itself a specific threshold for the Multiannual Financial Framework (MFF) 2014-20 to dedicate EUR 240 million for **trade facilitation** over the time of the MFF. The cumulative value from 2014-2019 was EUR 423.7 million, by far exceeding the commitment to WTO at a time of signature of the Trade Facilitation Agreement (TFA).

The EU has also launched several global and regional initiatives **promoting gender equality, protecting the environment, fostering decent work and supporting digitalisation** in 2020. The launch of the Digital for Development (D4D) Hub is an example of a global multi-stakeholder platform that marks a turning point in the EU's international partnerships to support a human-centric digital transformation. The D4D Hub bundles the multitude of digital initiatives by European actors for unparalleled coordinated impact.

The EU Aid for Trade has been increasingly focused on results leading to a more inclusive and greener global economy. The EU has put women's economic empowerment, environment preservation, fight with climate change as well as digitalisation as the key areas in all EU external actions. Building inclusive, low-carbon and climate-resilient economies and protecting biodiversity are at the heart of the EU's Aid for Trade.

Building on the successes of the Team Europe's approach that emerged in 2020 as a response to the effects of Covid-19 pandemic the EU is developing nearly 150 Team Europe Initiatives that will be strategic and transformational responses to sustainable development challenges, and foster a rapid, fair and green recovery from the damage caused by the pandemic, thus building back better. While these initiatives, currently under design and approval processes, will belong to future editions of the EU Aid for Trade Report, this year's issuance marks the beginning of this new approach to cooperation for development, Aid for Trade in particular.

PREFACE

The present report is the fourth EU Aid for Trade Progress Report under the updated EU Aid for Trade strategy and illustrates the EU's contribution to the global Aid for Trade initiative. Coming almost four years after the adoption of the updated Joint EU Strategy on Aid for Trade[2], this report aims at being even more results- oriented than in the previous years, as called for in that Strategy.

This report takes into consideration the significant impact of the COVID-19 pandemic on Team Europe's partner countries, and presents in the last chapter details on Team Europe's response to the coronavirus, mobilising EUR 46 billion in resources and adapting several AfT programmes to the new challenges of a post-COVID recovery 'building back better'.

It reflects the revisions in direction of Aid for Trade (AfT) as set out in the 2017 update to the original 2007 joint EU Strategy on Aid for Trade. In particular this report reflects the 2017 Strategy's call for more comprehensive monitoring and reporting and the need to improve the analysis and showcasing of the impact of EU AfT. It also serves to show tangible results and success stories to the public at large, including our partner countries, other donors, think tanks, civil society organisations and academia.

Each report is issued annually and is compiled during the year succeeding the data collection. This report thus covers AfT activities of the EU and its Member States that were ongoing in 2020[33] and the timeframe for policy development and programmes runs to the end of 2020. The report is in two different, but related parts: Qualitative Analysis and Quantitative Analysis.

The Qualitative Analysis starts by examining EU trade and development relations by the main regions; it then looks at how partner countries can make the most of EU trade agreements; then follows a thematic perspective which in turn is followed by showing the different approaches for least developed / middle income and more advanced developing countries; part one ends with a section on how the sustainability objectives are being advanced.

Part two, the Quantitative Analysis, is supported by many charts, tables and graphs and breaks down AfT by category, sector, geographic area etc. **For the first time, the quantitative part includes data for the European Union without the United Kingdom that left the Union in February 2020. All time series are therefore for the current EU 27 Members and are expressed in constant prices**. There are then very detailed pages of EU donor profiles and breakdowns of regional and bilateral AfT. When preparing the quantitative section, care was taken to ensure that the different illustrations of facts, figures and trends were both clear and as visually appealing as possible.

The information in the report is based on a questionnaire (survey) prepared by the European Commission's Directorate-General for International Partnerships (DG INTPA), with the thematic unit "Micro-economic Analysis, Investment Climate, Private Sector, Trade and Employment (E2)" as the 'chef de file'. Work was done in collaboration with the Directorate-General for Neighbourhood and Enlargement Negotiations (DG NEAR) and Directorate-General for Trade Policy (DG TRADE). The questionnaire is completed jointly by EU Delegations and Member States' missions in developing countries.

This survey is used to collect feedback from the field on how the AfT agenda is progressing at country/ regional level. It also identifies best practices and lessons learnt in advancing other EU policy objectives when putting the AfT programme into action (i.e. related to women's' economic empowerment, climate change, decent work and fair trade etc.).

Part of this feedback includes case stories, press releases and photographs on all aspects of the EU and EU Member States' AfT practical work. These are an invaluable tool for illustrating what AfT is in its tangible form and helps to better communicate AfT to a wider public as a policy which is easier to 'grasp'. These different visual materials were then synthesised and edited to provide illustrative examples, usually with photographs, throughout this report. An additional benefit is that the questionnaire provides EU Delegations and EU Member States' field offices with a tool to facilitate discussion on Aid for Trade and

2 See the 13 November 2017: ''Achieving Prosperity through Trade and Investment: Updating the Joint EU Strategy on Aid for Trade" COM(2017)667 and 11 December 2017 Council Conclusions: "Council Conclusions (15573/17)"

3 The quantitative part, sourced from the OECD Creditors Reporting System (CRS) database, includes figures for 2019 (where 2020 is a year X and the system available data is for the year X-2).

to advance together in implementing the policies embedded in the EU Strategy on AfT, including through the EU AfT interventions.

This report also contains a comprehensive set of very detailed statistical analyses of data extracted from the OECD Development Assistance Committee Creditor Reporting System (DAC CRS). The OECD/CRS is an internationally recognised data source on official development assistance (ODA) and other official flows (OOF), with aid data disaggregated geographically, by sector and by many other aspects. Each reported activity is assigned a CRS code (or purpose code) used by the OECD to record the activities of aid projects. A brief history of EU Aid for Trade and main definitions are presented in Annex 1.

PART I

QUALITATIVE ANALYSIS

PART I: QUALITATIVE ANALYSIS

Figure 1 showing key qualitative perceptions on the ground is based on the responses to a questionnaire, completed this year by 98 EU Delegations around the world, compared to 88 for the 2020 report. In most instances, responses were prepared jointly with the local representations of EU Member States. Such feedback helps pinpoint areas for improvement and better tailor the thematic, methodological and organisational support provided to operational staff in partner countries to improve the quality and impact of EU Aid for Trade.

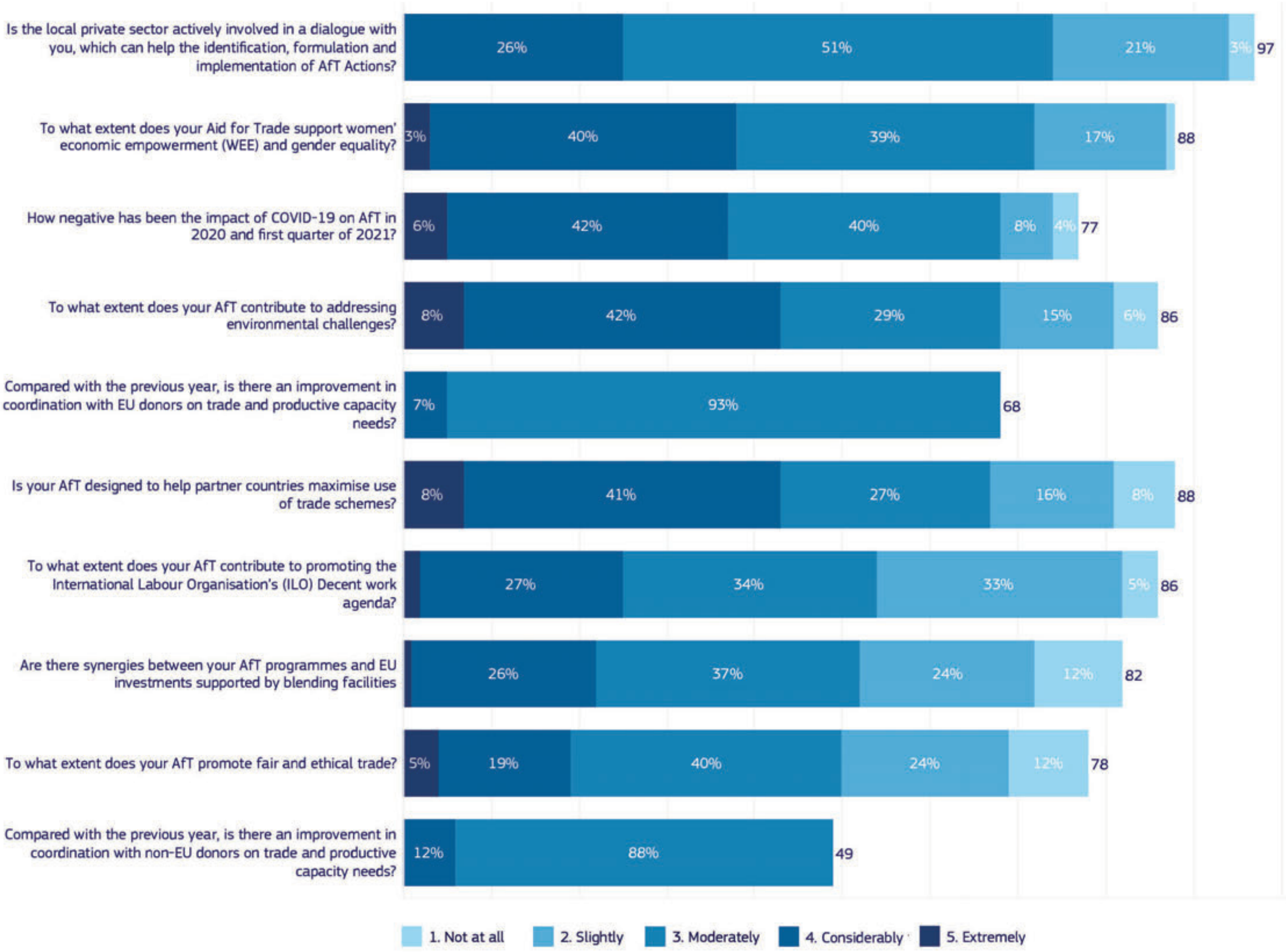


Figure 1 – Key Findings from Survey

1 TRADE AND DEVELOPMENT BY REGION

Trade is a major part of the economy and indeed of our day-to-day lives. It supports many of our jobs and gives us a wider variety of consumer choice. International trade drives our prosperity and that of our global partners.

EU trade instruments are major drivers of the EU's relationship with developing countries, complementing and adding an additional layer for cooperation on top of traditional development assistance. Currently, 126 partner countries that are eligible for EU development cooperation have preferential access to the EU market, 54 through a free trade agreement in force, and 72 through one of the three unilateral EU preferential trade schemes under the Generalised Scheme of Preferences (Standard GSP, Everything But Arms, GSP+). Progress on each Free Trade Agreement/EPA during 2020 is discussed by continent later in this chapter, while information on partner countries, and entry into force of each FTA/EPA is presented in Annex 2.

In 2015, the EU renewed its commitment to leveraging trade policy to support development in the poorest countries, by enabling them to integrate into and move up regional and global value chains1. At the core of this commitment is also the EU's objective to contribute to the UN's Sustainable Development Goals (SDGs). To this end, the EU overhauled its Aid for Trade strategy in 2021. The EU Trade Policy Review – An Open, Sustainable and Assertive Trade Policy, adopted in 2021, includes several priority areas related to trade with developing countries, such as promoting responsible and sustainable value chains, as well as strengthening the EU's partnerships with Africa2. The strategy also commits the EU to play a leading role in creating momentum for meaningful WTO reform.

Just as trade instruments complement and enhance traditional development cooperation, targeted and effective AfT is the key to unlock the potential of trade policy in achieving these objectives. Therefore, EU AfT operates within partners' trade and economic policies as mainstreamed into their development strategies.

Specifically, the EU supports and scales up the development impact of bilateral and multilateral trade agreements to which its development partners are signatories. Examples include the implementation of the Africa Continental Free Trade Area (AfCFTA), as well as the WTO's Trade Facilitation Agreement. The EU has also reoriented its AfT strategy towards helping partner countries make the most of their trade relationship with the EU. This includes tapping into the full potential of our Free Trade Agreements (FTAs), Economic Partnership Agreements (EPAs), and the Generalised Scheme of Preferences (GSP).

1.1 TYPES OF EU TRADE AGREEMENTS INVOLVING DEVELOPING COUNTRIES

The EU has a number of different categories of Free Trade Agreements, each tailored to the specific requirements of each country or region.

Deep and Comprehensive Free Trade Areas (DCFTAs) are offered to neighbourhood countries and deepen the economic relations between these countries and the EU. They focus on bringing their legislation closer to the EU acquis, notably in trade-related areas.

The EU's Economic Partnership Agreements (EPAs) with African, Caribbean and Pacific (ACP) States and regions have an explicit development objective. They are asymmetric trade agreements, with the ACP partners liberalising around 80% of trade over a period of 15 to 20 years, while the EU allows duty-free, quota-free access from day one. EPA partners do not pay any tariffs or duties on any of their exports to the EU. Seven Economic Partnership Agreements are in application with 32 out of 79 ACP countries. These include 14 Caribbean countries, 14 African countries and 4 Pacific countries. Another 21 countries have concluded regional EPA negotiations that are yet to be implemented.

New Generation Agreements are all those signed by the EU since 2009, which include dedicated chapters on Trade and Sustainable Development (TSD). In these chapters, the EU and its partner countries commit to

1 The European Commission Communication: ''Trade for all. Towards a more responsible Trade and Investment Policy'', 14.10.2015, COM(2015)0497 final, https://eur-lex.europa.eu/legal-content/en/ALL/?uri=celex%3A52015DC0497

2 European Commission (2021). Trade Policy Review – An Open, Sustainable and Assertive Trade Policy. Communication, February 2021. https://trade.ec.europa.eu/doclib/docs/2021/february/tradoc_159438.pdf

respecting a number of international conventions for labour standards and environmental preservation. The first such agreement was between the EU and South Korea. Since then, the EU has signed or ratified similar agreements with a number of countries and regions, including the Andean countries (Colombia, Peru and Ecuador), Central America, Ukraine, Vietnam, Moldova, Georgia, and Mercosur. The EU has also modernised its pre-existing free trade agreement with Mexico, adding a modern TSD chapter. The EU also started negotiations with five countries currently implementing the East and Southern Africa (ESA) EPA, to add rules on trade in services, investment, public procurement, intellectual property rights, and, importantly, trade and sustainable development (TSD), to the existing EPA.

1.2 THE GENERALISED SCHEME OF PREFERENCES

The EU also gives developing countries preferential access to its market under the Generalised Scheme of Preferences (GSP), which is widely recognised as the world's most generous regime of unilateral trade preferences for developing countries. All countries classified by the World Bank as low- or lower-middle income are eligible for GSP trade preferences, under three arrangements described in Box 1 below. In addition, countries classified by the United Nations as Least Developed Countries (LDCs) automatically benefit from the Everything but Arms arrangement, which grants them duty- free, quota-free access to the EU market.

Box 1 – The EU three GSP arrangements: Standard GSP, GSP+ and EBA

In total, the EU's GSP includes the following three arrangements under its umbrella:

- Standard GSP for low and lower-middle income countries. All GSP beneficiary countries must respect the principles of fifteen core conventions on human rights and labour rights listed in the GSP Regulation. This gives a partial or full removal of customs duties on two thirds of tariff lines. Currently 15 countries benefit from Standard GSP status.

- GSP+: the special incentive arrangement for sustainable development and good governance. It offers further preferences (mostly full removal of duties) on essentially the same tariff lines for vulnerable low and lower-middle income countries which implement 27 international conventions. Currently eight countries benefit from GSP+ status.

- EBA (Everything But Arms): the special arrangement for least developed countries, providing them with duty-free, quota-free access for all products except arms and ammunition. Currently, 48 countries benefit from EBA status.

The current GSP scheme runs till the end of 2023. In September 2021, the Commission adopted the legislative proposal for the new EU's Generalised Scheme of Preferences (GSP) for the period 2024-2034, expanding the number of conventions GSP+ countries must ratify to 32[3] from the current twenty-seven and introducing the possibility to withdraw GSP benefits for serious and systematic violations.

1.3 SUPPORTING THE AFRICA-EUROPE ALLIANCE AND THE AFCFTA

The EU adopted the Africa-Europe Alliance for Sustainable Investment and Jobs[4] in September 2018 to support the generation of 10 million jobs in Africa in five years. This is in line with the EU Global Strategy and the European Consensus on Development[5]. It also forms part of the wider set of EU-Africa relations and strategic

3 Adding the Paris Agreement, two additional human rights instruments on the rights of people with disabilities and the rights of the child, two labour rights conventions on labour inspections and tripartite dialogue, and one governance convention on transnational organised crime.

4 Communication from the Commission: 'Communication on a new Africa-Europe Alliance for Sustainable Investment and Jobs: taking out partnership on investment and jobs to the next level', COM(2018) 643 final of 12.9.2018, https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX%3A52018DC0643

5 The European Consensus on Development, OJ C 210 of 30.6.2017, https://eur-lex.europa.eu/legal-content/EN/TXT/PD- F/?uri=OJ:C:2017:210: FULL&from=EN

frameworks joining Europe and Africa, such as the 2030 Agenda and its 17 Sustainable Development Goals and the African Union (Agenda 2063). The February 2021 Trade Policy Review Communication has confirmed that Africa is of particular importance to the EU's trade policy.

The EU adopted a new strategy for Africa in March 20206. Boosting trade and investment is one of its five pillars. Cooperation on the strategic corridors that facilitate intra-African and Africa-Europe trade and investment, and improve sustainable, efficient, and safe connectivity between both continents, will be enhanced by the long-term prospect of creating a comprehensive continent-to-continent free-trade area. Cooperation and dialogue, business partnerships along critical value chains, as well as the deepening of economic partnership agreements, and other EU trade agreements with African partner countries, are the tools through which this can be achieved.

The Alliance represents a new economic strategy focused on Africa's economic potential to unlock the private sector investments with a specific focus on jobs for youth. It also responds to Africa's demographic patterns and takes the ambition of the EU External Investment Plan[7] to the next level. The Northern African countries benefiting from this programme are covered by the Alliance that takes into account the diversity across the African continent and the relations of the Northern African countries through their Association Agreements and their experience of cooperation with the European Union through the European Neighbourhood Policy.

Simultaneously, trade agreements (EPAs in Sub-Saharan Africa and Association Agreements in North Africa) offer a unique platform for continuous mutual dialogue and development. They offer a toolbox for trade integration on the continent and constitute building blocks for the African Continental Free Trade Area (AFCTA) as well as the EU-Africa trade relationship overall.

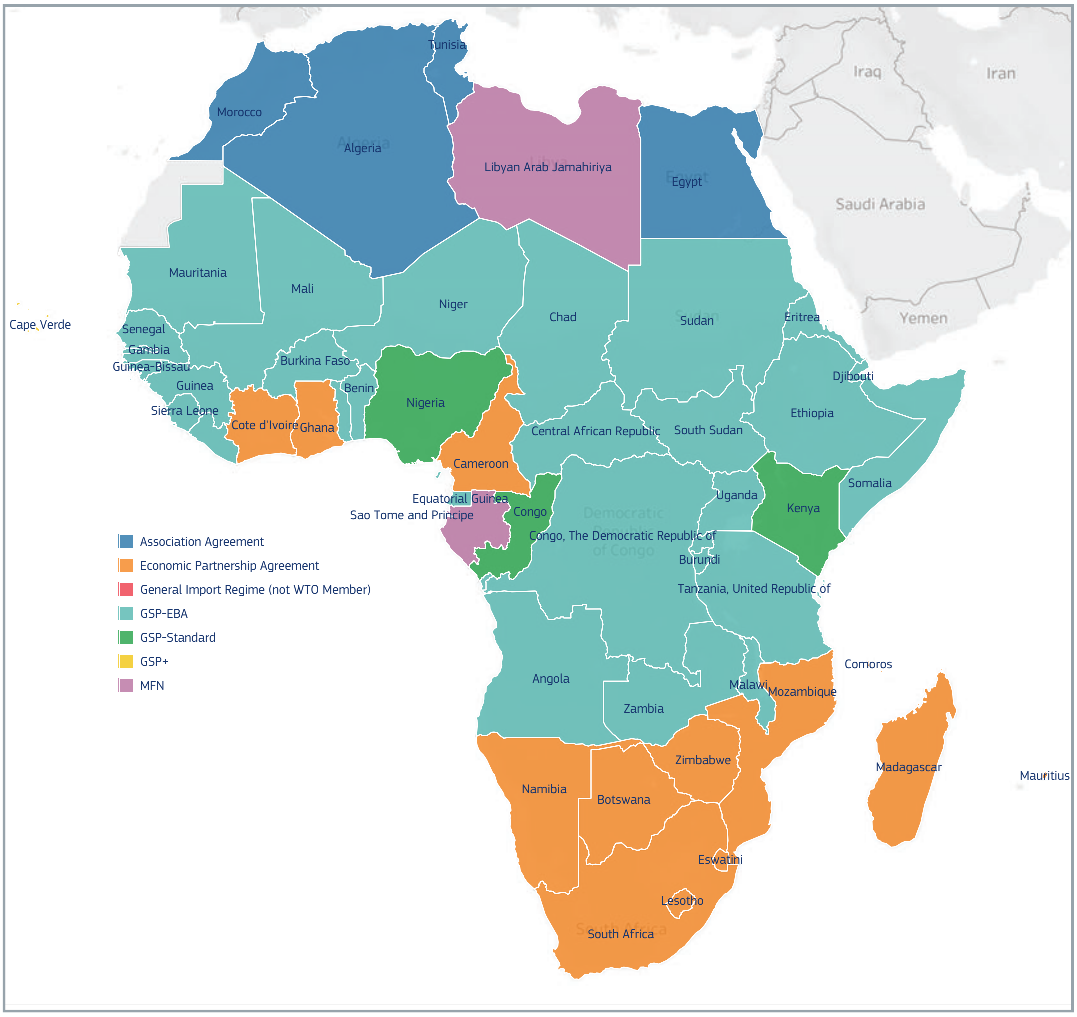


Figure 2 - Preferential trade regimes for African developing countries in the EU market

6 Joint Communication to the European Parliament and the Council, Towards a comprehensive Strategy with Africa, JOIN(2020) 4 final https://ec.europa.eu/international-partnerships/system/files/communication-eu-africa-strategy-join-2020-4-final_en.pdf

7 Communication from the Commission: 'Strengthening European Investments for jobs and growth: Towards a second phase of the European Fund for Strategic Investments and a new European External Investment Plan', COM(2016) 581 final of 14.9.2016, https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52016DC0581&from=EN

As shown in Figure 2, 34 African developing countries enjoy **unilateral** preferences granted under the Generalized Scheme of Preferences (GSP) – i.e. Congo and Nigeria under the general arrangement of the GSP, Cape Verde under the GSP+, and the remaining 31 from the EBA - while 18 negotiated **reciprocal** preferences through Free Trade Area Agreements with the EU, 14 countries from Sub-Saharan Africa through EPAs, and 4 from North Africa through FTAs. Only 2 African countries (Gabon and Libya) do not enjoy any unilateral or reciprocal preference and are therefore subjected to the common regime for WTO members, called most-favoured-nation (MFN).

Africa's Agenda 2063 is the strategic framework for the socio-economic transformation of the continent over the next 50 years. Its vision starts with an aspiration of a prosperous Africa based on inclusive growth and sustainable development.

One of the flagship projects of Africa's Agenda 2063 and a major step towards African continental economic integration is the African Continental Free Trade Area (AfCFTA), launched in Kigali on 21st March 2018 by AfCFTA. The Abidjan Declaration adopted at the fifth AU-EU Summit (November 2017) identifies investment (which also interlinks to Aid for Trade) as one of the Joint Africa-EU strategic priorities with an explicit reference to the EIP. Africa and the EU commit to foster European and Africa business relations and further strengthen mutually beneficial EU-Africa trade relations. In particular, they will ensure that African Union-EU Trade arrangements are complementary and supportive to the African Union trade and structural transformation agenda, especially as it gears towards implementing the AfCFTA. The declaration also underscores the joint commitment to promoting democratic governance and human rights. Both parties agreed to continue to promote intra-African trade and advance greater economic integration.

The AfCFTA agreement should progressively reduce and eventually eliminate customs duties and non-tariff barriers on goods and allow for free provision of services in priority sectors. The Economic Commission for Africa (UNECA)8 estimates that AfCFTA has the potential both to boost intra-African trade by 40% by 2040 by eliminating import duties and to double this trade if non-tariff barriers are also reduced. This increase could raise the share of exports to the rest of the continent from 17% to about 25% of total exports.

Since the conclusion of the agreement in March 2018, all but one[9] of the 55 African countries have signed the AfCFTA Agreement and have formally committed to the gradual establishment of the AfCFTA. So, by the end of August 2021, 38 African Union Member States ratified the AfCFTA and another two have complied with their domestic requirements for ratification of the AfCFTA Agreement but not deposited their instruments of ratification with the AU yet. The AfCFTA framework agreement entered into force on 30th May 2019 and the extraordinary AU Summit held in Niger on 7th July 2019 launched the "operational phase" of the AfCFTA. Trading under the AfCFTA between the ratifying countries was supposed to start on 1st July 2020 but was delayed until 1st January 2021 due to the COVID-19 pandemic.

The AfCFTA is a key pillar of the Africa-Europe Alliance for Sustainable Investment and Jobs. The European Union has been by far the main partner supporting the AfCFTA process from the beginning. Through its Pan-African Programme (PANAF) the EU has set aside EUR 74 million to directly support the AfCFTA negotiations and implementation. The programme ran from 2014 to 2020 to support the negotiations and architecture of the AfCFTA agreement and the ratification processes. The African Trade Observatory (ATO) with the ITC was set up under the programme. Wider support to the AfCFTA goals comes from the EU's Aid for Trade and its blending operations under the External Investment Plan. Support to AfCFTA in the EU's AfT also comes with support to the African Regional Economic Communities (RECs) trading capacities. Regional trading and economic blocks and deepening of regional value chains can play a significant role in building resilience and facing the economic impacts of crises such as COVID-19.

The EU's trade relationship with ACP countries is governed by the Cotonou Partnership Agreement signed in 2000 between the EU, its Member States and ACP countries. As this comprehensive political, economic and development partnership was due to expire in 2020, the Parties have negotiated a successor agreement (the so-called 'Post-Cotonou Agreement'), which was initialled by the chief negotiators on 15 April 2021. The agreement will include a common foundation setting out the values and principles that bring EU and ACP countries together and indicating the strategic priority areas that both sides intend to work on. This common foundation at ACP level will be combined with three regional protocols for Africa, the Caribbean and the Pacific with a focus on the regions' specific needs. This will allow for an unprecedented regional focus. The regional

8 Source : UNECA (2018) An empirical assessment of AfCFTA modalities on goods. Available at: https://archive.uneca.org/sites/default/files/PublicationFiles/afcfta-towards_the_finalization_of_modalities_on_goods_rev1.pdf

9 Eritrea

protocols will have their own specific governance to manage and steer the relations with the EU and different regions involved, including through joint parliamentary committees.

Implementation of EPAs that are currently in force has slowly been advancing. Currently, 14 countries in Sub-Saharan Africa implement one of the five African EPAs under application. Below are main developments of the last year for each of the African EPAs.[10]

EU-SADC (South-Africa Development Community) EPA. There have been two meetings of the Trade and Development Committee in 2020 with progress on many implementation topics (e.g. joint monitoring, setting up of a joint civil society platform, levels for triggering agricultural safeguards), discussion on the pending Joint Council Decisions (scheduled for November 2021) on Angola's accession and on the revision of the agricultural safeguard thresholds. Both sides continued to discuss the participation of non- state actors and on the monitoring mechanism they agreed to include indicators related to ratification of international labour conventions and multilateral environmental agreements. They also agreed to launch the EPA review in October 2021.

EU-EAC (East African Community) EPA. The EAC Summit of 28 February 2021 concluded that while not all EAC members are ready to sign and ratify the EPA, those members who wish to implement the EPA should be able to commence engagements with the EU on EPA implementation. The EU is currently reflecting internally on the modalities regarding the bilateral implementation of the EPA with Kenya.

EU-ESA (East and Southern Africa) EPA. Negotiations with Comoros, Mauritius, Seychelles, Zimbabwe and Madagascar (the so-called 'ESA 5') for the 'deepening' of the existing agreement were officially launched in Mauritius in October 2019. Four rounds of negotiations took place in 2020 and a fifth in 2021 on the deepening of the EPA that will include all trade-related issues, services, investment, trade and sustainable development, as well as consultative bodies for civil society and parliaments. The upgraded EPA will be a comprehensive and high-end modern agreement.

West Africa. Under their respective **EU EPAs, Ghana** and **Cote d'Ivoire** started tariff liberalisation in 2019-2020 and meetings of the EPA committees are scheduled for 2021. The regional **EU-ECOWAS EPA**, concluded in June 2014, has been signed by all 16 ECOWAS members except Nigeria and will be submitted for ratification only after signature by all parties.

Central Africa. During 2020, the EU and Cameroon agreed a way forward to conclude discussions on the rules of origin protocol, finalised the first monitoring report on the implementation of the EPA, and discussed supporting measures and new areas of negotiations.

Looking beyond implementation, in 2019 the EU and ACP partners started to work towards modernising EPAs by broadening their scope to cover more substantive areas, as well as widening the Agreements to more countries. EU Member States have also included investment facilitation as part of the European Commission's mandate towards countries of Africa, Caribbean and the Pacific. The objective is to establish a framework which will facilitate, enhance and stimulate mutually beneficial sustainable investment, taking into account multilateral initiatives on investment facilitation. This framework should be based on principles of non-discrimination, openness, transparency and stability.

1.4 BOOSTING ASIA-EU TRADE

The EU is actively engaged with the Asian region, which represents 55% of global trade. Across Asia, the EU is using trade to help developing countries integrate into world markets and promote the protection of labour and human rights, alongside safeguarding the environment. Since the Treaty of Lisbon, the agreements negotiated by the EU have systematically included chapters on sustainable development.

As shown in Figure 3 below, twenty-one Asian developing countries enjoy **unilateral** preferences granted under the Generalized Scheme of Preferences (GSP) – i.e. six under the general arrangement of the GSP, six under the GSP+, and the remaining nine from the EBA - while nine negotiated **reciprocal** preferences through Free Trade Area Agreements with the EU. Four Asian developing countries, mostly upper-middle income that are also WTO members (China, Malaysia, Maldives and Thailand) do not enjoy any unilateral or reciprocal preference and are therefore subjected to the WTO most-favoured-nation (MFN) principle. Finally, the Democratic Republic of

10 For EPAs overview and information on signatories, consult Annex 2.

Korea (the only low-income Asian developing country without preferential access to the EU market) and Iran export to the EU under the General Import Regime, as they are not WTO members.

The level of EU-Asia trade integration is increasing, with trade agreements in place, adapted to the economic and political climate, whether at bilateral or bi-regional level. At bilateral levels, EU programmes support areas that are relevant in the context of FTA negotiations or implementation, or better use of the EBA preferential market access to the EU (Myanmar, Cambodia, Lao PDR). The programmes will also provide tailor-made support to respond to each individual country's needs, building sustainable export value chains and supporting an enabling business environment and investment climate. Both the national authorities and the local private sector are the beneficiaries of EU's Trade-related assistance in Southeast Asia. In the specific cases of Cambodia, Myanmar, and Bangladesh it is however worth noting that the human rights issues have been impeding also to trade relations. In August 2020, the EU effectively implemented a partial withdrawal of Cambodia's Everything But Arms (EBA) trade preferences, affecting about 20% of Cambodia's exported products to the EU by value.

Ensuring better access for EU exporters and investors to the dynamic ASEAN market of 640 million consumers is a priority for the EU as its third largest trading partner and largest investor. While negotiations for a region-to-region trade and investment agreement with ASEAN have been paused by mutual agreement since 2009, the EU is pursuing bilateral FTAs with the countries of the region. In 2019-2020, the EU made new breakthroughs in securing further trade engagement with ASEAN countries. Negotiations were concluded and FTAs entered into force with Singapore and Vietnam in November 2019 and August 2020, respectively.

The European Union and Vietnam signed a Trade Agreement and an Investment Protection Agreement in June 2019. The European Parliament subsequently gave its consent to both Agreements in February 2020 and the Free Trade Agreement was concluded by Council in March 2020. The Trade Agreement entered into force on 1 August 2020. The Investment Protection Agreement will enter into force when it is ratified by all EU Member States. As of September 2021, 8 EU Member States have ratified it.

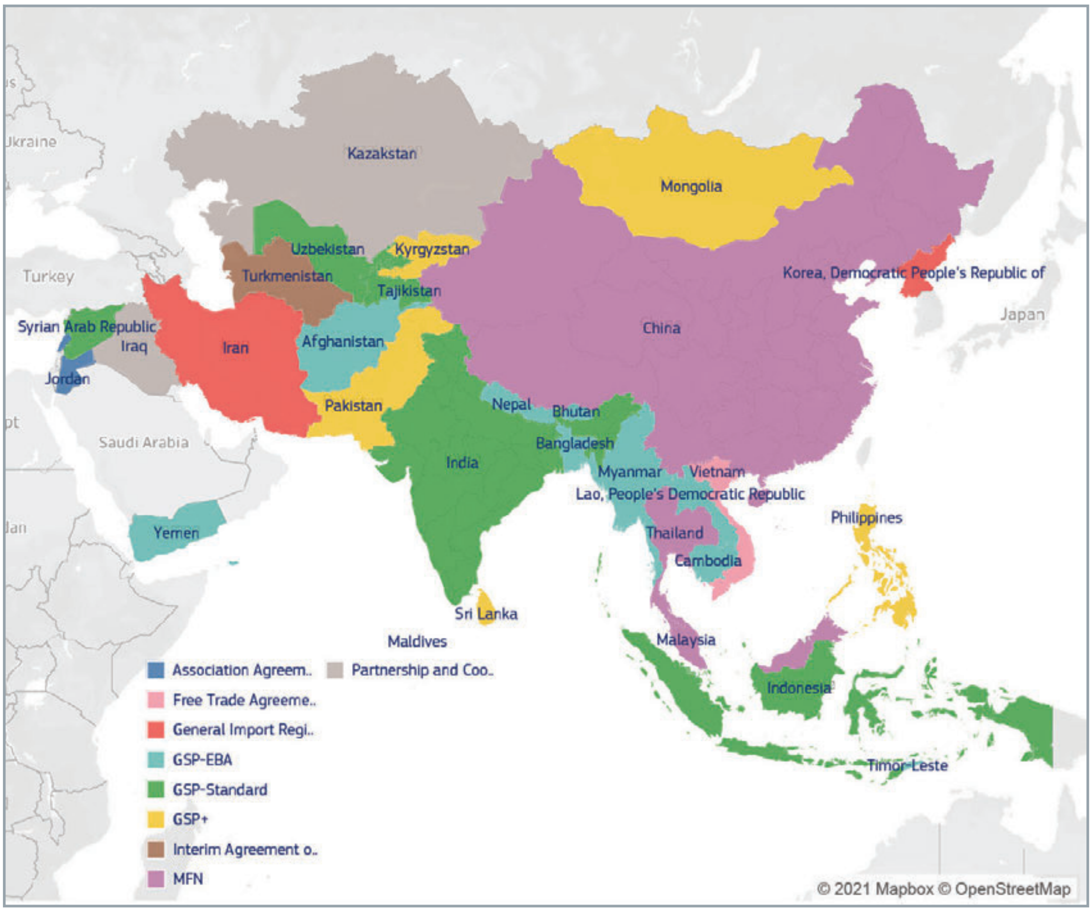


Figure 3 - Preferential trade regimes for Asian developing countries in the EU market

FTA negotiations with Indonesia are still ongoing to further deepen EU-Indonesia trade and investment relations. Negotiations had also started with Malaysia (in 2010), Thailand (in 2013) and Philippines (in 2015).

Bilateral Free Trade Agreements (FTAs) between the EU and ASEAN countries are considered building blocks towards a future region-to-region agreement, which remains the EU's ultimate objective. At regional level, the European Commission and the ASEAN Member States are undertaking a stocktaking exercise to explore the prospects for resuming region-to-region negotiations. A joint EU ASEAN Working Group for the development of a Framework setting out the parameters of a future ASEAN-EU FTA meets on a regular basis.

In December 2020, the EU and China concluded in principle the negotiations on the Comprehensive Agreement on Investment (CAI). The agreement grants EU investors a greater level of access to China's market. In the agreement, China has committed to ensure fairer treatment for EU companies, allowing them to compete on a more level playing field in China. These commitments cover state-owned enterprises, transparency of subsidies, and rules against forced technology transfer. China also agreed to provisions on sustainable development, including commitments on climate and forced labour. Both sides agreed to continue the negotiations on investment protection and investment dispute settlement, to be completed within two years of the signature of the agreement.

Three of the five Central Asian countries (Kyrgyzstan, Tajikistan and Uzbekistan) benefit from favourable access to the EU market, through the Generalised Scheme of Preferences (GSP) or GSP+. While Tajikistan meets the standard GSP criteria, Kyrgyzstan and Uzbekistan have also joined the EU's GSP+ arrangement, which grants additional preferences. Kazakhstan and Turkmenistan, as upper middle income-level economies, can no longer benefit from this scheme. Bilateral trade relations with Kazakhstan are covered by an Enhanced Partnership

A Cooperation Agreement (EPCA) entered into force in March 2020, while a PCA concluded with Turkmenistan in 1998 is yet to be ratified by all Member States and an Interim Agreement has been applied since 2010. Two Central Asian countries are also members of the Eurasian Economic Union (EAEU): Kazakhstan since 2010 and Kyrgyzstan since 2015. Uzbekistan became an EAEU observer in 2020.

1.5 LATIN AMERICA AND THE CARIBBEAN

The relation of the EU with the 33 countries of Latin America and the Caribbean (LAC) is based on a history of close political, economic, and cultural ties, reinforced by close cooperation and bi-regional exchanges. The region maintains its position as the EU's fifth largest trading partner, making trade with the EU a strong driver for growth and jobs.

As laid down in the Joint EU-LAC Communication 'Joining forces for a common future' (2019), the updated framework for EU-LAC cooperation, the bi-regional prosperity agenda focuses on support to stronger and inclusive growth, more diversified production structures, increased productivity and competitiveness, deeper regional integration, consolidated trade relations with the EU and overcoming the digital gap and upgrading technology.

At the same time, relations between the EU and LAC have deepened even further, reaching an unprecedented level of bi-regional integration. The EU is looking to progressively modernise its trade agreements with LAC, to include specific provisions on sustainable development and revising, (or introducing provisions), on intellectual property rights (IPR), services, investment, public procurement and regulatory cooperation.

As shown in Figure 4 below, two out of 27 Latin American and Caribbean developing countries enjoy **unilateral** preferences granted under the Generalized Scheme of Preferences (GSP) – i.e., Bolivia under the GSP+, and Haiti under the EBA - while 22 negotiated **reciprocal** preferences through Free Trade Area Agreements with the EU. Three countries in the region, all upper-middle income (Brazil, Cuba and Venezuela), do not enjoy any unilateral or reciprocal preference and are therefore subjected to the WTO most-favoured-nation (MFN) principle.

An 'agreement in principle' on a modernised trade pillar of the **EU-Mexico Global Agreement** was reached in 2018. In July 2019, after 20 years of negotiations, an 'agreement in principle' on the trade pillar of a broader **EU-Mercosur Association Agreement (AA)** was reached with the four Mercosur members – Argentina, Brazil, Paraguay and Uruguay. A sustainability impact assessment (SIA) on the EU-Mercosur AA, completed in December 2020, concluded that the agreement would have positive economic impacts, positive or neutral welfare effects, and negligible effects on global greenhouse gas emissions.

At the regional level, the **EU-Central America Association Agreement** was signed in 2012 and has been provisionally applied since 2013. The EU's central trade policy objectives for Central America are to increase bilateral trade and use it to strengthen the process of regional integration between the region's countries. In practical terms this means the creation of a customs union and economic integration in Central America. The EU has supported this process through its trade agreement and its trade-related technical cooperation programs. The Association Committee met virtually both in 2020 and 2021, and the EU has launched an ex-post evaluation on the impact of the implementation of the Trade Pillar of the Association Agreement in early 2021.

Figure 4 - Preferential trade regimes for LAC developing countries in the EU market

The **EU-CARIFORUM Economic Partnership Agreement (EPA)** was signed with the 15 Caribbean states in October 2008 and approved by the European Parliament in March 2009. The EPA provides for asymmetric liberalisation of goods, services and investment, taking into account the different levels of development of Caribbean countries. The ex-post evaluation study concerning the first 10 years of implementation of the EPA was finalised at the end of 2020. The results of the study will serve as an input to the 2020 EPA Review (delayed due to Covid). All Caribbean countries enjoy duty-free, quota-free access to the EU market and Aid for Trade is an integral part of the agreement. In particular, trade-related assistance is provided both at the regional level (e.g., grants to the Caribbean Export Development Agency to assist Caribbean companies in accessing export markets) and national level (e.g., to technical assistance to facilitate the modernisation of customs practices in the region).

1.6 THE EU NEIGHBOURHOOD AND ENLARGEMENT COUNTRIES

Trade relations between the EU and neighbourhood and enlargement countries are strong and varied. Many of these trade agreements cover competition policy, intellectual property rights protection, public procurement and dispute settlement that are also of key relevance for investors.

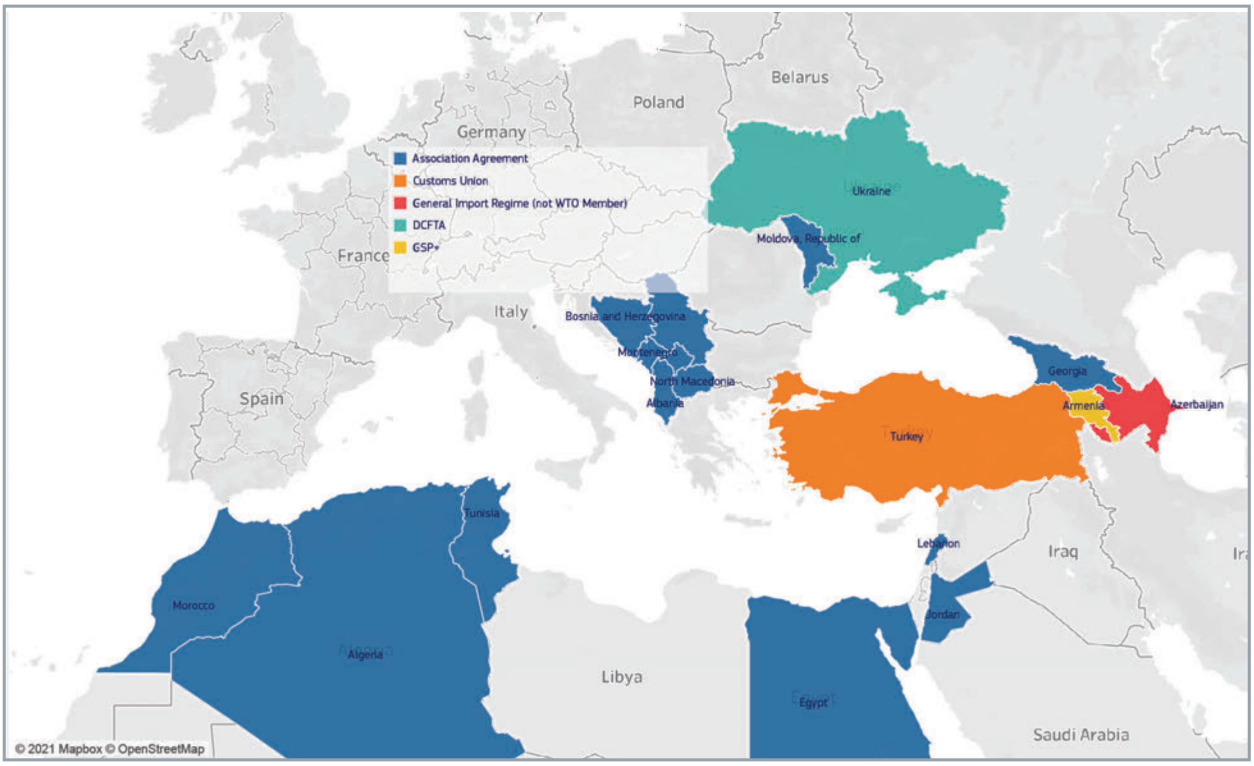


Figure 5 - Preferential trade regimes for Neighbourhood and Enlargement Developing Countries in the EU market

The EU works with its neighbouring countries to achieve the closest possible political association and economic integration. As shown in Figure 5 above, all 17 EU Neighbourhood and Enlargement developing countries enjoy negotiated **reciprocal** preferences through Free Trade Area Agreements with the EU. They include the Association Agreements including Deep and Comprehensive Free Trade Areas (DCFTAs) with Ukraine, Moldova and Georgia; the Association Agreements and establishing Free Trade Areas with most of the Neighbourhood South partners; the Stabilisation and Association Agreements including FTAs with all six Western Balkan countries; and the Association Agreement and Customs Union with Turkey.

The EU helps partner countries to make the most of these agreements. EU Aid for Trade broadens the scope of assistance directed towards traditional trade-related assistance (e.g. trade policy and regulations and trade development) to support supply-side capacity and trade-related infrastructure. This is all part of the overall approach to strengthen productivity, competitiveness and trade capacities of the Neighbourhood and Enlargement countries.

The Association Agreements and Deep and Comprehensive Free Trade Areas (DCFTAs) with Ukraine, Moldova and Georgia came into force in 2016-2017. All key committees under these agreements met at least once during 2020, in most cases virtually. The preferential trade system of these DCFTAs has allowed all three countries to benefit from reduced or eliminated tariffs for their goods, an increased services market and better investment conditions. Support to DCFTA implementation is provided also at regional level through the DCFTA facility, a EUR 200 million grant programme from the EU budget to unlock at least EUR 2 billion of new investments by SMEs in the three countries, to be financed largely by new loans supported by the Facility. Thanks to EU support, a new programme was launched in 2019 to support access to information for economic operators through the Eastern Partnership Trade Helpdesk that facilitates trade and investment in the region.

The free on-line one-stop shop can be used to analyse business opportunities and market access requirements, or to post an enquiry to connect with a network of institutions for help in finding more market information on the six **Eastern Neighbours** (i.e., Ukraine, Moldova, Georgia, Belarus, Armenia, and Azerbaijan).

A network of Euro-Mediterranean Association Agreements established free trade areas between the EU and most of its **Southern Neighbours** (with the exception of Syria and Libya), and essentially cover trade in goods. In addition to the four Northern Africa partner countries (Egypt, Morocco, Tunisia and Algeria) discussed earlier, the EU concluded Association Agreements with Jordan, Lebanon, and Palestine. An ex-post evaluation of the impact of trade chapters of the Euro-Mediterranean Association Agreements with six partner countries, completed in early 2021, concluded their focus on reductions of import tariffs and limited coverage of non-tariff measures (NTMs), made these agreements less relevant for addressing current issues faced by the EU and its Southern Neighbours in today's global economy where the ability to remain competitive relies not just on low import tariffs but also other costs incurred along the whole value chain, including those implied by various NTMs.

The EU supports the Agadir Agreement that was signed by the Governments of Egypt, Jordan, Morocco, and Tunisia on 25th February 2004 to establish a free trade area. In March 2020, the Foreign Ministers of the four Agadir Member States signed accession documents for Lebanon and Palestine. On trade facilitation, Member countries signed a Memorandum of Understanding, which grants advantages to Authorised Economic Operators. In addition, the electronic linkage and exchange of information among the customs departments has led to increased monitoring, verification, and early release of goods. The Agadir Technical Unit has also stepped up its engagement with the private sector through the activities of the Agadir Business Council.

In terms of the Enlargement countries, the EU has Stabilisation and Association Agreements (SAA) with each of its **Western Balkan partners** (Albania from 2009, North Macedonia from 2004, Montenegro from 2010, Serbia from 2013, Bosnia and Herzegovina from 2015 and Kosovo from 2016). The agreements progressively establish a free-trade area between the EU and those countries, focusing on liberalising trade in goods, and aligning rules on EU practice. This is to make them ready for accession by contributing to creating functioning market economies. There was a formal decision to start EU accession talks with the Republic of North Macedonia and the Republic of Albania in March 2020, but no agreement has been reached on the negotiation frameworks yet.

In addition, the SAAs include the obligation to implement the **Central European Free Trade Agreement (CEFTA)** that includes the six Western Balkan countries and Moldova. The EU has a longstanding relationship with CEFTA which is the entity in charge of the Trade Pillar of the Multi-Annual Action Plan for the Regional Economic Area. This engagement in developing a regional economic area is conducive to creating economies where goods, services, investments, and professionals can circulate without barriers, and where the digital economy can flourish. Furthermore, the EU supports the six Western Balkan partners in their endeavour to establish a Common Regional Market (see Box 3).

The EU has also a Customs Union with **Turkey**, in force since 1995, which ensures the free movement of all industrial goods and certain processed agricultural products between the EU and Turkey. It also requires Turkey's alignment to the EU's external customs tariffs and rules for imports from third countries, as well as commercial policy, competition policy, intellectual property rights and EU technical legislation related to the scope of the Customs Union.

1.7 THE PACIFIC AND THE EU

The EU and the Pacific region enjoy a longstanding relationship, shared values and strong economic and trade links. Overall, EU has developed partnerships in the region with the 15 Pacific Independent Island Countries (PICs), with three Overseas Countries and Territories (OCTs), of which one (Wallis and Futuna, a territory of France) is on the OECD DAC list of ODA recipients for 2018-2020, and the Pacific Islands Forum (PIF).

As shown in Figure 6 below, 10 out of 15 Pacific developing countries enjoy **unilateral** preferences granted under the general arrangement of the Generalized Scheme of Preferences (GSP) – i.e. six under the standard GSP, and four under the EBA - while four negotiated **reciprocal** preferences through Free Trade Area Agreements with the EU, including Solomon Islands and Samoa that have both access to the GSP and an FTA in place. The only OCT, Wallis and Futuna, enjoys rules of origin that go beyond the rules of the General Scheme of Preference by simplifying origin certification and granting the possibility of extended cumulation with other EU trade partners. Three Pacific developing countries (Tokelau, Marshall Islands and Palau), all middle-income, export to the EU under the General Import Regime, as they are not WTO members.

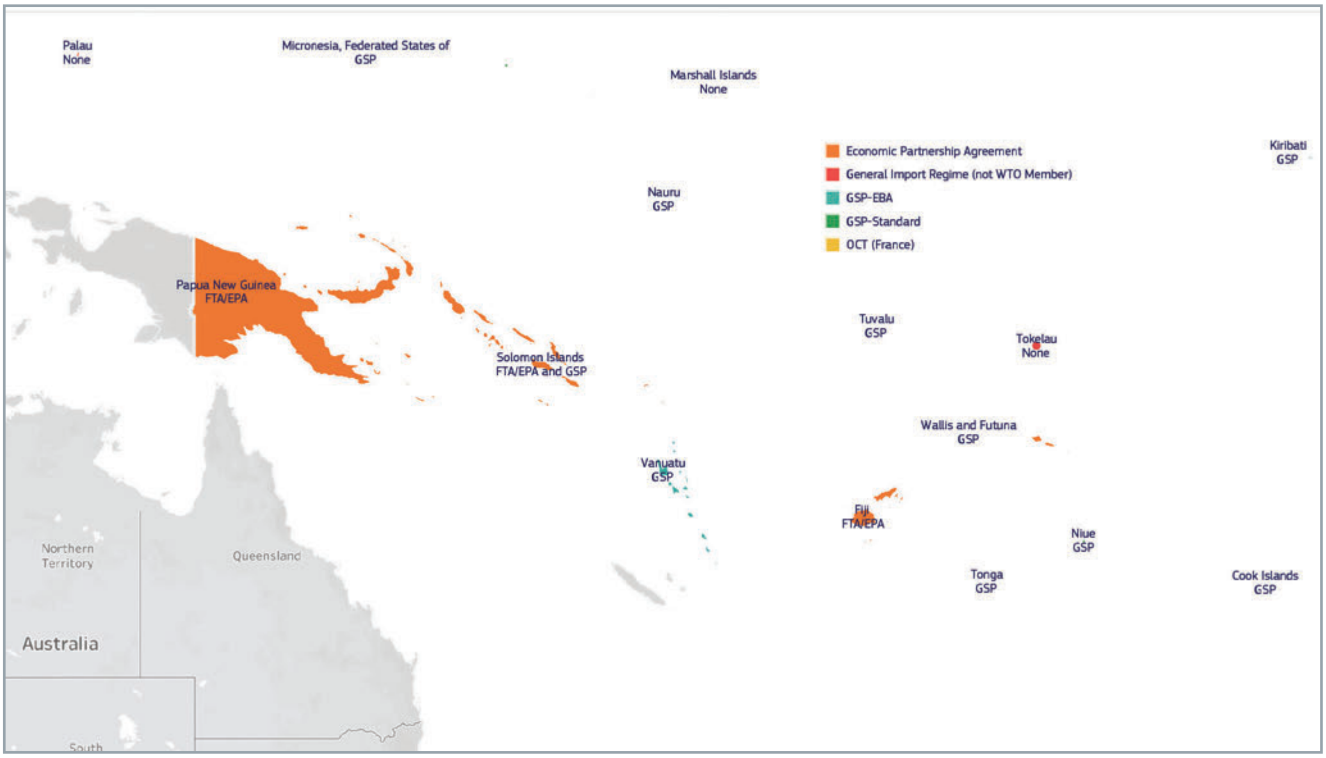


Figure 6 - Preferential trade regimes for Pacific Developing Countries in the EU market

The EU's relationship with the Pacific Islands has traditionally been based on development cooperation in the framework of the partnership between the EU and the African, Caribbean and Pacific (ACP) countries. In recent years, this relationship has extended to other sectors such as the environment, good governance, energy, climate change, fisheries and human rights.

The EU concluded an Economic Partnership Agreement (EPA) with Papua New Guinea (PNG) and Fiji in 2009, to which Samoa and the Solomon Islands acceded in 2018 and 2020, respectively. PNG has applied the EPA on a provisional basis since 2009, Fiji since 2014 and Samoa since the end of 2018. Tonga in 2018 and East Timor in 2020 informed the EU of their intention to accede the EPA that provides the Pacific countries with duty-free, quota-free access to the EU market for their exports after they graduate from LDC status.

The economic growth of Pacific-ACP states will always be limited by their size, their limited economies of scale (apart from fisheries) and their geographic remoteness. Through its trade agreements, the EU is helping countries of the region mitigate these limitations by supporting regional economic integration and building skills and capacities in economic governance, trade facilitation and sustainable development.

The EU also supports the region in developing and diversifying its private sector. Particular emphasis is on investments in sustainable, climate-change resilient, CO2-neutral, circular and inclusive green/blue economic development. In the mid- and long-term, private sector development and investment should be aligned with Pacific leaders' "Blue Pacific" vision, the Pacific countries' Climate Strategies 2050[11] and the EU's ambitions towards "A Clean Planet for All"[12].

11 https://www.forumsec.org/2050strategy/

12 European Commission Communication (COM(2018)773) 'A Clean Planet for all: A European strategic long- term vision for a prosperous, modern, competitive and climate neutral economy' https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52018DC0773&from=EN

2 EU TRADE AGREEMENTS & REGIMES AND AID FOR TRADE

The relevant actions from the updated EU AfT strategy are:	
3	Use the institutional monitoring mechanisms established by EU free trade agreements, including EPAs, as an additional means to identify relevant Aid for Trade activities.
4	Include in EU free trade agreement implementation plans, including for EPAs, targeted measures to help developing partner countries make better use of the opportunities offered by EU trade agreements.
5	Regularly assess the rate of preferences utilisation by partners of trade agreements and beneficiary countries of the Generalised Scheme of Preferences; and analyse the limiting factors, from both domestic supply-side and EU trade regime perspectives. Direct EU Aid for Trade towards better addressing such constraints and, where relevant, assess the need to take them into account in the evolution of trade measures.

The European Union, together with its Member States, forms a trade block offering an extensive and ever-growing network of free trade agreements. These include other preferential agreements (also called schemes, or regimes) such as the EU's Generalised Scheme of Preferences (GSP) with the Everything But Arms (EBA) scheme for the LDCs. The regular GSP as well as the GSP+ scheme is applicable to a beneficiary country once they ratify specific international conventions on human rights and labour rights. Altogether, the EU provides preferential treatment to 126 countries eligible for EU official development assistance (ODA)[13], of which 54 through FTAs in force and 72 through one of the three types of GSP[14]. Eight countries[15] benefitting from a GSP scheme have also an FTA in force.

Only 17 developing countries have therefore no preferential or reciprocal trade preferences with the EU. Nine (i.e. Brazil, China, Cuba, Gabon, Libya, Maldives, Malaysia, Thailand, and Venezuela) export to the EU using the WTO's Most Favoured Nation (MFN) principle, while the remaining eight (i.e. Azerbaijan, Belarus, Democratic Republic of Korea, Iran, Marshall Islands, Palau, Saint Helena, and Tokelau) are not WTO members and their imports go therefore through the EU General Import Regime. All of the above-mentioned countries are upper-middle income, except the Democratic Republic of Korea (other low-income) and Tokelau (lower-middle income).

The benefits of entering free trade and preferential trade agreements are plentiful because such instruments ease terms of trade for parties to an agreement, resulting in increased volumes of trade. These agreements and regimes do not just reduce and eliminate tariffs, they also help address behind-the-border barriers that would otherwise impede the flow of goods and services. They also encourage investment and improve the rules affecting issues such as intellectual property, e-commerce and government procurement.

These EU agreements and schemes give businesses and consumers improved access to a wider range of competitively priced goods and services, new technologies, and innovative practices. They help signatories to such agreements obtain more benefits from foreign investment, promote regional economic integration and build shared approaches to trade and investment between the EU and our trading partners.

The trade schemes deliver enhanced trade and investment opportunities that contribute to the economic growth of less-developed economies. They support stronger people-to-people and business-to-business links that enhance the EU's overall bilateral relationships with FTA partners. They also deliver additional benefits to the EU and trading partners over time, including via in-built agendas that encourage ongoing domestic reform and trade liberalisation.

Table 1 next presents EU imports from developing countries for the period 2018-2020 by tariff regime. Due to the overlap between the GSP and FTA lists, the sub-totals cannot be aggregated.

13 See Annex 4 for full list as of December 2020.

14 See Annex 3 for full list as of December 2020.

15 Armenia, Comoros, Lesotho, Madagascar, Mozambique, Samoa, Solomon Islands, and Vietnam.

Table 1 – EU Imports from Developing Countries by Tariff Regime (2018-2020)

(EUR millions, current prices)

Partners	No of partners (2019-2020)	2018 (EU28)		2019 (EU27)		2020 (EU27)	
		Value	%	Value	%	Value	%
Total Extra EU Imports		1,980.0	100.0%	1,935.3	100.0%	1,714.3	100.0%
Total Extra EU Imports from developing countries excluding China		614.5	32.1%	621.6	32.0%	522.9	30.5%
FTA implemented	59	269.2	13.6%	247.3	12.8%	216.7	12.6%
New generation of FTAs	9	20.5	1.0%	18.3	0.9%	17.6	1.0%
Central America	6	6.2	0.3%	5.9	0.3%	5.8	0.3%
Andean Community	3	14.3	0.7%	12.4	0.6%	11.8	0.7%
First generation of FTAs	15	182.4	9.2%	168.7	8.7%	146.5	8.5%
EuroMed (excl. Israel)	7	57.7	2.9%	51.6	2.7%	42.4	2.5%
Mexico	1	26.0	1.3%	24.3	1.3%	20.4	1.2%
Turkey	1	76.1	3.8%	69.8	3.6%	62.4	3.6%
Western Balkans	6	22.6	1.1%	23.0	1.2%	21.3	1.2%
Eastern Countries - DCFTAs	3	20.5	1.0%	21.5	1.1%	18.8	1.1%
African, Caribbean and Pacific EPAs	32	45.8	2.3%	38.8	2.0%	33.8	2.0%
FTA concluded	25	108.6	5.5%	97.1	5.0%	86.0	5.0%
EPAs (concluded)	20	27.8	1.4%	26.8	1.4%	18.5	1.1%
Mercosur	4	42.6	2.2%	35.9	1.9%	33.1	1.9%
Vietnam	1	38.2	1.9%	34.4	1.8%	34.4	2.0%
Preferential Imports under GSP	71	68.4	3.5%	73.5	3.8%		
Standard GSP	15	32.1	1.6%	33.8	1.7%		
GSP+	8	9.3	0.5%	10.3	0.5%		
EBA	48	27.0	1.4%	29.4	1.5%		

Source: DG Trade Statistical Guides 2019-2021, Reports on the Generalised Scheme of Preferences covering the period s 2014-2015, 2017-2017, and 2018-2019, plus the statistical update of December 2020. EU27 for 2020 and EU28 for 2019-2020.

Developing countries, excluding China, accounted for 31-32% of total EU27 imports of goods over the decade 2011-2020, remaining remarkably stable in relative terms, with a peak of 32.1% in 2012 and a low of 30.5% in 2020, when the value of EU imports declined by almost EUR 100 billion (-16%) from EUR 621.6 billion to EUR 522.9 billion, due to the global pandemic. Developing countries excluding China accounted for 31% of total EU imports in 2020 and for 44% of their reduction compared to 2019, while China had a share of EU imports of 23% in 2020 with a 6% increase compared to 2019, in contrast to the 16% decline of other developing countries.

FTAs have been growing in importance over time. The 2018 Mid-Term Evaluation of the EU's Generalised Scheme of Preferences (GSP)[16] found that EU imports under non-GSP preferential schemes, which include FTAs, PTAs, DCFTAs and EPAs, have steadily increased during the years, signalling their growing importance. The average share of imports under FTAs/PTAs has increased by three percentage points over the period 2014-2019 and could grow by an additional five percentage points once the completed FTA's (mostly with West Africa and the East African Community) are ratified. This increase is consistent with the EU's trade policy objectives to encourage countries that were previously GSP beneficiaries to continue their trade with the EU under more comprehensive preferential trading schemes, which are often reciprocal. The share of preferential imports under GSP has remained relatively steady around 4% of EU imports from developing countries since 2016, after peaking at around 6% in 2013.

16 European Commission, Mid-Term Evaluation of the EU's Generalised Scheme of Preferences (GSP), Final Report, 2018. https://trade.ec.europa.eu/doclib/docs/2018/october/tradoc_157434.pdf

The current GSP Regulation will expire on 31 December 2023. In order to allow economic operators and beneficiaries to adapt to a new regulation, the Commission has launched the preparations for the new regulation. It is intended that the new regulation will continue to pursue the same policy of fostering sustainable economic, social and environmental development of beneficiary countries, including the respect for good governance and human rights, with the primary goal of eradicating poverty.

Table 2 – EU28 GSP Eligible Imports by type of GSP scheme (EUR billion or %, current prices, 2013-2019)

Indicator	2013	2014	2015	2016	2017	2018	2019	Change 2019-2013	
								EUR	%
EU28 Imports of goods from GSP-eligible countries	153.6	158.3	164.3	154.1	171.8	187.5	196.4	42.9	28%
EU28 GSP Preferential Imports/ Total Imports from GSP-eligible countries	45%	41%	47%	53%	48%	44%	41%		
GSP Eligible Imports									
All GSP	69.5	64.4	77.5	81.3	81.9	81.8	81.4	11.8	17%
Standard GSP	43.5	37.6	45.3	47.1	43.3	41.7	37.8	(5.7)	-13%
GSP+	8.6	7.1	8.4	8.7	11.3	11.2	12.2	3.6	42%
EBA	17.4	19.6	23.7	25.6	27.3	28.9	31.4	13.9	80%
GSP Preferential Imports									
All GSP	51.5	50.9	60.3	62.7	66.5	68.4	73.5	21.9	43%
Standard GSP	31.1	27.7	30.9	31.7	31.7	32.1	33.8	2.7	9%
GSP+	6.0	6.2	7.2	7.5	9.3	9.3	10.3	4.3	72%
EBA	14.5	17.1	22.3	23.5	25.5	27.0	29.4	15.0	103%
Utilisation rate (%)									
All GSP	74.1%	79.2%	77.8%	77.1%	81.2%	83.6%	90.3%		
Standard GSP	71.5%	73.7%	68.1%	67.2%	73.2%	77.1%	89.4%		
GSP+	69.7%	86.7%	85.0%	86.2%	82.6%	82.9%	84.1%		
EBA	83.1%	87.0%	93.8%	92.0%	93.4%	93.3%	93.8%		
Share of top exporting countries									
Standard GSP	84.8%	89.3%	91.9%	91.4%	99.1%	99.2%	99.2%		
India	18.6	15.0	16.7	16.6	16.1	16.3	16.9	(1.7)	-9%
Indonesia	4.8	4.5	5.0	5.2	6.4	6.6	6.7	1.8	38%
Vietnam	2.9	5.2	6.7	7.1	9.0	9.0	10.0	7.0	239%
GSP+	62.0%	93.6%	95.4%	96.2%	96.9%	97.8%	96.5%		
Pakistan	2.6	4.6	5.2	5.5	5.9	5.8	6.3	3.7	141%
Philippines	1.1	1.2	1.6	1.7	1.9	1.9	2.0	0.9	82%
Sri Lanka					1.2	1.4	1.6		
EBA	88.1%	88.8%	90.2%	91.7%	94.6%	91.9%	92.5%		
Bangladesh	10.3	11.8	14.6	15.6	16.1	16.7	18.2	7.9	77%
Cambodia	2.3	2.8	3.8	4.2	4.7	5.0	5.1	2.8	122%
Mozambique	0.1	0.3	1.1	1.0	1.3	1.2	1.1	1.1	2099%
Myanmar	0.1	0.3	0.5	0.8	1.9	1.9	2.7	2.7	3211%

Source: Reports on the Generalised Scheme of Preferences covering the period s 2014-2015, 2017-2017, and 2018-2019, plus the statistical update of December 2020. EU27 for 2020 and EU28 for 2019-2020.

The EU has been regularly assessing the rate of preferences utilisation by partners of trade agreements and beneficiary countries of the Generalised Scheme of Preferences since the 2012 GSP reform; and analyse the limiting factors, from both domestic supply-side and EU trade regime perspectives. Three biennial reports on

GSP have been produced so far, accompanied by ten Joint (European Commission and High Representative of the Union for Foreign Affairs and Security) Staff Working Documents providing the assessment of the performance of beneficiaries of the GSP+ arrangement and of the Everything But Arms (EBA) arrangement under enhanced engagement. The three reports - published in 2016, 2018 and 2020 - covered the periods 2014-2015, 2016-2017 and 2018-2019, with detailed GSP utilisation statistics for the years from 2013 to 2018. A statistical update providing data for 2019 was issued in December 2020. Finally, the EU has conducted a mid-term evaluation of the GSP that was completed in 2018.

Table 2 summarises the results of the three biennial exercises conducted so far and shows that:

- preferential imports from developing countries under the GSP regime grew by EUR 22 billion (+43%) in nominal terms between 2013 and 2019, even if the number of GSP beneficiaries declined from 93 in 2014 to 82 in 2018 and 71 in 2019

- the largest increase in preferential imports (EUR 15 billion or +103%) was under the Everything-But-Arms scheme whose imports more than doubled, followed by the GSP+ that grew by EUR4.3 billion (+72%), while standard GSP remained almost stationary

- the overall utilisation rate rose by over 15 percentage points over the period, particularly for standard GSP where it rose by almost 18 percentage points and less under EBA where the growth was of 10 percentage points

- in other words, the modest growth under the standard GSP was entirely due to improved utilisation that accounted only for one fifth of the growth of preferential imports under EBA, and 40% under GSP+. For the latter, most of the growth was due to increased export volumes towards the EU

- the growth in preferential imports benefited mostly a group of 10 developing countries. Bangladesh, Cambodia, Mozambique, and Myanmar under EBA; Pakistan, Philippines and Sri Lanka under GSP+; and India, Indonesia and Vietnam under standard GSP reaped well over 90% of the benefits under each scheme, indicating excessive concentration among beneficiaries

- the remaining 61 countries in each group (i.e. 44 under EBA, 5 under GSP+, and 12 under standard GSP) still suffer from a combination of low export volumes and limited GSP utilisation. As shown by Mozambique and Myanmar, that grew their GSP utilisation from less than 50% to almost 100% in just one year (in 2015 and 2014 respectively), improving GSP utilisation quickly is possible

- export diversification outside standard GSP remains a challenge with almost two thirds of GSP+ and four fifths of EBA preferential imports being textiles and textile articles. However, during the period 2014-2019, the share of imports under EBA in total imports from LDCs increased from less than half to over two thirds (compared to a smaller increase from 32% to 39% for GSP beneficiaries as a whole), suggesting LDCs are diversifying away from fuels and other items not receiving EBA preferences[17].

The level of utilisation of the GSP scheme with the EU (between 41% and 53% of total exports from GSP-eligible countries over the period 2013-2019) is due to the composition of these developing countries' exports, with raw materials being imported into the EU with zero tariff under the MFN arrangement and several other products ineligibles under the GSP scheme.

The monitoring reports identified several supply-side constraints that limit the participation of many GSP beneficiaries. For example, the share of African GSP imports to the EU remains relatively low, accounting for less than 5%, despite the fact that 38 out of 71 beneficiaries are from Africa. The most prominent sectors benefitting from GSP are garments, where other countries tend to be more competitive. As GSP offers opportunities in many other sectors (such as processed food), more advantage could be taken. The lack of awareness of the scheme and factors restricting export capacities of African companies play a role too.

The 2018 mid-term evaluation of the GSP identified a lack of awareness of the GSP in beneficiary countries. Even in cases where there is considerable knowledge, this tends to be linked to the main sector that utilise GSP preferences to export to the EU market. It also found that rules of origin may represent a constraint for preferential access to the EU market, as they may indirectly discourage some forms of outward processing

17 COMTEX/Eurostat.

and outsourcing as these would be categorized as originating in non-preferential partners. The absence of the relevant local production capacity for such inputs would effectively render certain locally-produced finished goods (despite being covered by the trade agreement) ineligible for preferential market access, as in the case of African garment industries that rely heavily on the import of raw materials from China. Within the context of its preferential treatment and regional trade agreements, between 2005 and 2020, the EU took several measures to simplify rules of origin for goods imported from developing countries, in particular LDCs.

Box 2 presents several of the constraints mentioned by respondents to this year's survey that are applicable to many developing countries.

Box 2 – Common barriers to the use of the EU preferential trade arrangements by developing countries

Respondents mentioned the following common constraints limiting the use of the EU preferential trade arrangements that can be addressed through Aid for Trade:

a. high transport costs/overall transaction costs,

b. lack of competitiveness of products and limited capacity of domestic pre-processing

c. rules of origin that cannot be met due to the structure of their global value chains (for example, African garment manufacturers using textile products from China)

d. difficulties in satisfying EU sanitary and phytosanitary requirements coupled with weak National Quality Infrastructure (NQI) often characterised by absence of a national quality policy; limited human resources on quality assurance, including in testing, certification and surveillance; and a regulatory framework that is not harmonized with international standards or with the WTO SPS Agreement

e. lack of adequate information technology infrastructure, poor management of information systems, and a civil service policy of transferring personnel without regard to training of replacements or to institutional knowledge retention.

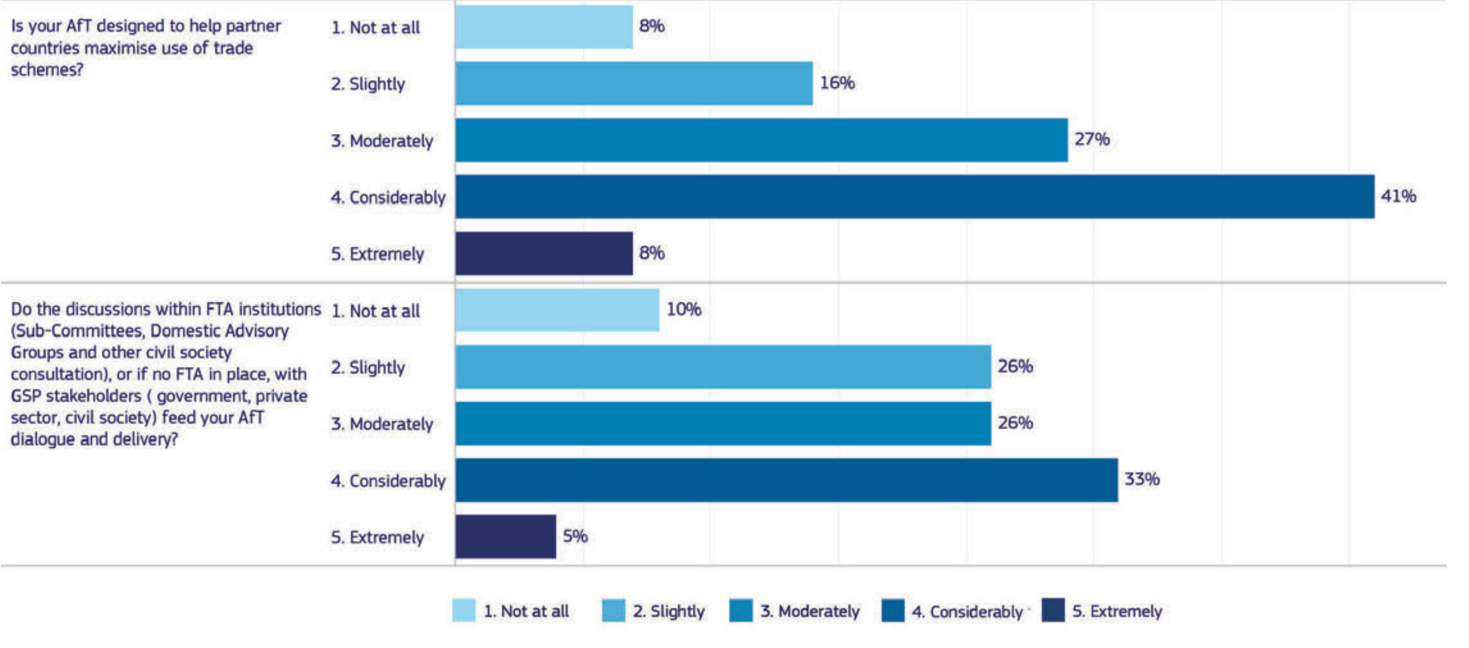


Figure 7 – Respondents' Views on EU Preferential Trade Schemes, FTAs and Aid for Trade

EU Aid for Trade provides targeted support for partner countries in accessing the EU market under a preferential or reciprocal trade preference scheme. As shown in Figure 7, almost half of the EU Delegations around the world consider that the EU AfT is either ''extremely'' (8%) or "considerably" (41%) geared towards helping the partner country take advantage of the opportunities (including quick-wins) offered by EU FTAs and other trade agreements such as GSP. The related AfT actions were selected with either ''extreme'' (5%) or "considerable" (33%) involvement of the local private sector and civil society.

Table 3 below presents the breakdown of cumulative EU Aid for Trade over the period 2010-2019 based on the current EU trade regime of the recipient. Unsurprisingly, 96% of EU AfT went to countries that current have preferential access to the EU market. Countries that currently have an FTA or EPA in place with the EU received 61% of Aid for Trade that can be allocated by current trade regime, mostly for economic infrastructure and building productive capacity, not necessarily on trade development, and almost all trade-related adjustment support. Countries with access to the GSP received over one third of EU aid for trade, relatively more focused on trade policy and regulations and building trade development related capacity, the latter particularly per LDCs with access to the EBA scheme. Countries with access to the standard GSP scheme received more aid for infrastructure, particularly renewable energy production.

Table 3 –EU Aid for Trade by current EU trade regime of recipient and AfT category Cumulative commitments, 2010-2019, EUR million, 2019 prices

Current Trade Regime	Economic Infrastructure		Building Productive Capacity		Building Productive Capacity with 'Trade Development' marker		Trade Policy & Regulations		Trade-related Adjustment		Total	
	EUR	%	EUR	%	EUR	%	EUR	%	EUR	%	EUR	%
FTA/EPA	36,317	58%	23,464	71%	6,491	50%	557	40%	41	95%	66,870	61%
GSP-EBA	8,943	14%	4,918	15%	4,737	37%	285	20%	2	5%	18,885	17%
GSP-Standard	13,138	21%	3,389	10%	1,081	8%	496	35%	0	0%	18,104	16%
GSP+	1,150	2%	586	2%	395	3%	64	5%	0	0%	2,195	2%
None	3,274	5%	682	2%	253	2%	6	1%	0	0%	4,215	4%
Total	**62,822**	**100%**	**33,039**	**100%**	**12,957**	**100%**	**1,408**	**100%**	**43**	**100%**	**,269**	**100%**
Breakdown among TD categories												
FTA/EPA		54%		35%		10%		1%		0%		100%
GSP-EBA		47%		26%		25%		2%		0%		100%
GSP-Standard		73%		19%		6%		3%		0%		100%
GSP+		52%		27%		18%		3%		0%		100%
None		78%		16%		6%		0%		0%		100%
Total		57%		30%		12%		1%		0%		100%

The survey provided examples of such targeted support in three main areas:

- negotiation and implementation of FTAs
- support for 'quick wins' to improve access using a wide variety of instruments
- institutional monitoring mechanisms

2.1 NEGOTIATION AND IMPLEMENTATION OF FTAS

Team Europe is providing support for the negotiation and implementation of Free Trade Agreements in several partner countries.

In **Angola**. The ACOM project part of the Trade Support Programme (2016-2021; 12M EUR) will contribute to the integration of the Angolan economy in the regional and world markets by supporting its competitiveness through training and building capacity to the Ministry of Industry and Trade in Angola. Increasing national capacities in several trade-related areas helps the country to gain understanding about advantages of EBA and transition towards a new potential EPA. The Train for Trade component has included new activities to support Angola for the forthcoming EPA negotiation.

In **Cameroon**. the Programme d'Appui à l'Intégration Régionale et à l'Investissement en Afrique Centrale, (PAIRIAC) has a EUR 7 million component oriented to make the existing bilateral EPA operational and to sensitize the other countries of the region on the benefits of a regional EPA as well as on the implementation of African Continental Free Trade Agreement.

The ARISE+ **Indonesia** (2019-2023, EUR 15 million) is currently implementing a series of activities aimed at improving quality infrastructure and assurance systems, which focus on agri-food, fisheries and wood-based product sectors. ARISE+ Indonesia also provides some technical assistance (studies, capacity building for enhancing trade negotiation skills, etc.) particularly through a rapid response facility for EU-RI CEPA negotiation process and in the trade facilitation component. The project has carried out advanced courses and train-the-trainers workshops on trade negotiation skills for Ministry of Trade's officers to help reducing the knowledge gap between young/new and middle level officials and the Ministry's internal trainers. It has also funded three background studies on related topics to be discussed in the EU-RI CEPA negotiations, which has helped better understanding/improved knowledge of the Ministry's negotiation team on topics selected, and an impact study by an Indonesian think tank to be published in 2021.

Arise Bintang Salindo team in Indonesia while using the Pulsed Eddy Current technique with extension pole for corrosion inspection

In **Mauritius**, a considerable achievement is the launching of the ESA EPA deepening negotiations, which may serve as a blueprint for other regions. The ambitious deepening process is enabled by a strong assistance the EU offers to the ESA 5 countries (Comoros, Madagascar, Mauritius, Seychelles and Zimbabwe) through a dedicated Hub created in Mauritius assisting partners logistically and technically (ESA EPA Facility II). The EPA Coordination mechanism has been in operation since December 2018 and has been instrumental in assisting the ESA 5 countries in preparing their negotiation positions vis-a-vis the EU for the EPA deepening. With the assistance of the project, a scoping paper was finalised which provides the roadmap for EPA deepening negotiations, and the priority sectors in which the discussions will be held. The EPA Coordination mechanism consists of a long-term coordinator and three short term experts. Moreover, in 2020 a pool of 15 short term experts was put in place to build the ESA 5 countries' capacity in the priority negotiation sectors and assist them in preparing their thematic negotiation positions.

Box 3 – Supporting the Action Plan for a Common Regional Market in the Western Balkans

In November 2020, six Western Balkan countries (i.e. Serbia, Kosovo, Bosnia-Herzegovina, Montenegro, Albania and North Macedonia) agreed on an Action Plan for a Common Regional Market (CRM) to be implemented by the end of 2024. This ambitious agenda is made up of targeted actions in four key areas: (a) a regional trade area with free movement of goods, services, capital and people, including crosscutting measures, such as the Green Lanes, to align with EU-compliant rules and standards and provide opportunities for companies and citizens; (b) a regional investment area, to align investment policies with the EU standards and best international practices and promote the region to foreign investors; (c) a regional digital area, to integrate the Western Balkans into the pan-European digital market; and (d) a regional industrial and innovation area, to transform the industrial sectors, shape value chains they belong to, and prepare them for the realities of today and challenges of tomorrow.

Implementation started at the beginning of 2021 and the EU is supporting the process through three regional projects.

The Systematic Exchange of Electronic Data - SEED+ (2018-2022, EUR 5.3 million) is aimed at securing the needed maintenance to the current SEED whilst developing new elements related to enhance progressive harmonisation and transparency of procedures among involved countries. The new features and developments have been agreed among CEFTA parties.

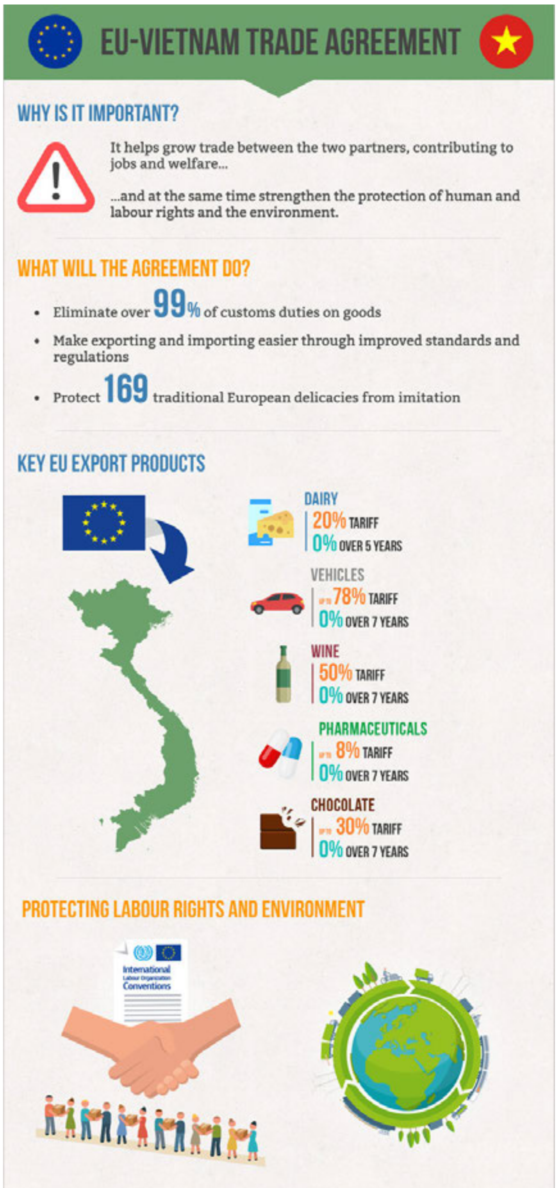
The Support to CEFTA Secretariat (2020-2021, EUR 2.8 million) grant aims to strengthen the capacity of the Secretariat of the Central European Free Trade Agreement (CEFTA) to provide support to the Parties of the agreement, in particular in areas where special technical expertise is needed in view of the increasingly technical complexity of further trade facilitation and liberalisation of trade in services. It will also allow the CEFTA Secretariat to develop the CEFTA Management Information System to better monitor the implementation of the Agreement.

Finally, the GiZ Trade Facilitation Action (2020-2023, EUR 4.25 million) has the objective to strengthen regional cooperation and further develop a competitive regional economic area, including the preparation of the "Multi-Annual Action Plan for a Regional Economic Area in the Western Balkans" (MAP REA).

In **Ukraine**, the project "Legislative pre-assessment of the EU - Ukraine Association Agreement provisions on Technical Barriers to Trade" allowed independent experts to assess the level of convergence of Ukrainian legislation with relevant EU provisions. Over 80 legal acts regulating National Quality Infrastructure, and industrial products under the selected product groups were analysed. This first phase of the pre-assessment consisted of a comprehensive and detailed gap analysis showing convergence and existing shortcomings of the relevant Ukrainian legislation and regulatory framework. The concluding report provided recommendations on what is needed to ensure full legal transposition and sufficient legislative and regulatory capacity for effective implementation and enforcement of chapter 3 of the EU – Ukraine Association Agreement.

In addition, the project "Advising Ukraine on Agricultural Trade Issues - within the Framework of the EU-Ukraine DCFTA" financed by German Federal Ministry of Food and Agriculture, has undertaken gap analyses on the capacity and institutional needs for agri-food export support and Quality Infrastructure services and has begun the process of addressing those needs together with key sectoral stakeholders including training trainers for advising on meeting EU agri-food import requirements and raising awareness and capacity on the use of standards and certificates for agri-food export. The necessary institutional and capacity changes in the agri-food trade service sector are systemic (Quality Infrastructure, Export Promotion and Official Control) and require a sustained commitment and a comprehensive approach concurrently with provision of support for the service consumers (agri-food producers, processors and traders) to be able to appreciate the need for the services to meet the high-value market requirements.

In **Namibia**, three EU projects support the implementation of the EPA. The SADC Trade related facility – TRF (2020-2021, EUR 2.6 million) is promoting higher level of compliance and implementation of the SADC Trade Protocol's commitments. After providing technical assistance in 2019 to Namibia's Ministry of Industry and Trade for the formulation of the EPA implementation Plan (formally adopted in 2020 by Cabinet), the EU will provide support for its implementation through a 3-year contract launched in December 2020. Finally, a third project, Financial Assistance in support to EPA implementation (2020-2024, EUR 6 million), will help Namibia establish an enabling institutional framework for managing the EPA in SPS, TBT and Rules of Origin; improve EPA related quality infrastructure and services; enhance the use of EPA opportunities by private sector; and improve the competitiveness of selected value chains. Support to the Namibian Standards Institution (NSI) is in preparation under a twinning modality (EUR 1.6 million) and will contribute to aligning national standards to European and international ones.



The free trade agreement signed between the EU and ***Vietnam****, entered into force on August 1, 2020*

The process of defining aid for trade priorities is strongly influenced by the free trade agreement signed between the EU and **Vietnam**, which entered into force on August 1, 2020. The ARISE+ Programme (2020 -2023, EUR 6.4 million) has the objective to maximise Vietnam's benefits from preferential trade regimes, with a focus on regional agreements and the EU-Vietnam FTA. Components of the programme cover enhanced compliance with Sanitary and Phytosanitary Standards to improve the safety of Vietnam agri-food products and facilitate exports to the EU; a national quality infrastructure that boosts competitiveness and addresses technical barriers to trade; high quality products and services from Vietnam exported to the EU; and a rapid response facility to support the comprehensive implementation of the EU-Vietnam Free Trade Agreement (EVFTA) and Investment Protection Agreement (IPA). Under the ARISE+ Programme, the Ministry of Industry and Trade was able to revise its Trade Policy Review in 2020 for submission to the WTO and upgrade the EVFTA dedicated website for greater transparency and access to information by Vietnamese private sector operators.

Bolivia. The EU provides indirect support to the Bolivian State to benefit from GSP+ scheme by supporting the Government in complying GSP-relevant human and labour rights conventions, through three global EIDHR projects implemented until 2019, 2020 and 2021 respectively, in all GSP+ countries (including Bolivia). Bolivia benefits from GSP+ scheme with positive effects on the economy. The EU is also supporting effective implementation of international human rights standards through three ongoing EIDHR projects. Two (EUR 1.5M) focused on CSO monitoring and advocacy on HR ratified conventions before national and international instances (IACHR, UN), and one started in 2021 on business and human rights in the mining sector, with a regional scope in Bolivia, Peru and Ecuador (EUR 1.5 million).

A new regional programme for **Mercosur (AL-INVEST Verde**) was approved in 2020 with a financial envelope of EUR 33 million. The second component (EUR 6 million), aiming at promoting policy reforms, will concentrate on supporting initiatives contributing to the implementation of TSD Chapter within EU-Mercosur Association Agreement, including activities promoting women economic empowerment and decent work.

2.2 SUPPORTING 'QUICK WINS'

During the decade 2010-2019, EU Aid for trade was more or less evenly split between economic infrastructure (49%) and building productive capacity (48%), either through direct support to specific sectors – four fifths of which to agriculture, forestry and fishing and one fifth to manufacturing – or building up access to finance (two thirds) or know-how (one third).

To what extend is Eu AfT mobilised along strategic value chains with high decent job creation potential?

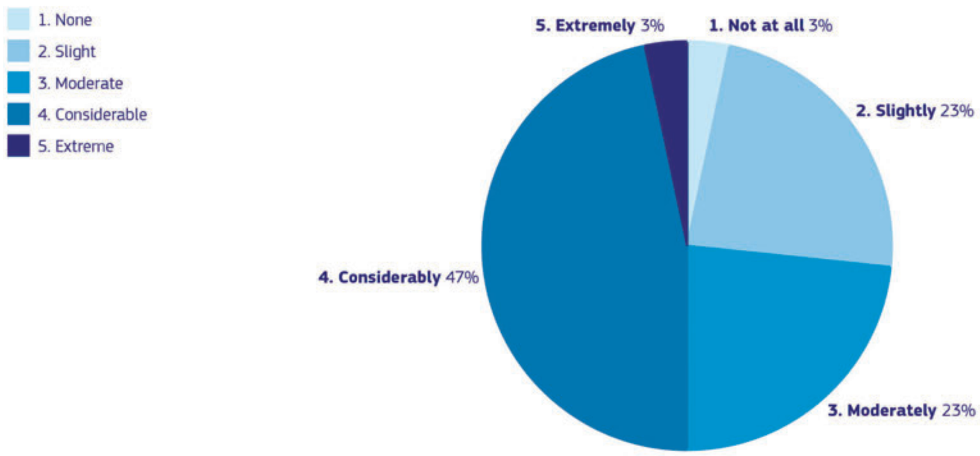


Figure 8 – Respondents' Views on EU Aid and Strategic Value Chains

As shown in Figure 8 above, half of the respondents believe that EU Aid for Trade targets the right strategic sectors in the countries they work in. A few examples of how EU Aid for Trade support such value chains are provided below, and many more in other sections of this report depending on the issues or themes they focus on. Box 4 below describes how support to a strategic value chain (garment production in Cambodia) can be linked to sustainable production.

Supporting quality compliance is crucial and can sometimes lead to quick wins towards increasing GSP utilisation or diversifying exports to the EU. In the case Colombia's Cocoa and Avocado Value Chains. The ColombiaMide Project (2019-2021, EUR 2 million) aims to improve the technical and metrological competences of public and private entities and increase the level of compliance with standards and technical regulations associated with sustainable trade. Under this framework, the project has established five lines of action that seek to improve the technical and metrological capacities of the actors of two value chains (i.e. cocoa and its derivatives, and Hass avocado) towards market demands. The project seeks to develop four standards or norms that will make it possible to improve the response of value chain actors to national and international market demands. It is expected that this process of strengthening capacities towards MSMEs and Laboratories will contribute to reduce the Technical Barriers to Trade.

In **Fiji**, a project named Safe Agriculture Trade Facilitation (SAFE - EUR 10,5 million was signed with the Pacific Community in March 2021 for a duration of four years. This project aims to improve Pacific countries' sanitary and phyto-sanitary services (regulatory, testing and compliance capabilities) and strengthen the competitiveness of the **coffee, coconut and kava value chains** plus a fourth be yet identified, particularly targeting the EU market.

In **Georgia**, a twinning project supported strengthening of administrative, human and technical capacities of the Georgian National Agency for Standards and Metrology (GEOSTM) to further implement the requirements of the DCFTA. EU and international standards were adopted and translated into Georgian, capacity of metrology labs was increased so that in some areas (humidity, small volumes) it became a regional hub for measurements. Also, membership of GEOSTM in international organisations was expanded. A project funded by the EU and Germany, Clusters4Development: Better Business Sophistication in Georgia, focuses on development of business clusters in the **apparel, construction and tourism secto**rs through application of innovative and sustainable approaches. In its initial phase the project has already supported expansion of the production capacity (purchase of machinery) of a local medical apparel producer to produce highly required medical gear in response to the COVID-19 pandemic.

Box 4 – Cambodia: towards sustainable garment production

Cambodia is one of the few least developed countries (LDCs) that has been able to dramatically increase its exports thanks to the combined action of the Government and private sector to exploit the trading opportunities arising from trade preferences, especially those provided by the European Union under the Everything but Arms (EBA) scheme.

Several EU AfT projects are supporting a more sustainable garment production. The project “Promotion of sustainable energy practices in the garment sector in Cambodia” (2020-2024, EUR 3.4 million) under SWITCH ASIA II aims to increase investment in sustainable energy practices (such as efficient technologies, switch to renewable energy and good operations management) by garment factories in Cambodia. The project holistic approach promotes the adoption of sustainable energy practices in garment manufacturing in Cambodia by acting on multiple fronts: support to regulatory and enforcement measures, stimulating demand for sustainable energy technologies/services and increasing the supply of technologies/services and financial solutions for this purpose.

GiZ’s “promoting sustainability in the textile and garment industry in Asia” (2015-2021) seeks to improve production conditions in the textile and garment industry in Asia towards fair production for people and the environment. It identifies the common interests of key actors – in the factories, ministries, civil society and international brand manufacturers – and brings them together with the aim of developing a shared vision of sustainability and promoting greater cooperation. Such an approach can pave the way for qualitative growth alongside price competition. In cooperation with global initiatives such as the Alliance for Sustainable Textiles, it works with industry stakeholders towards adopting a joint position on sustainable production criteria. The project operates in Bangladesh, Cambodia, Myanmar, Pakistan and Vietnam and also works with China.

The Flagship European Action, also known as Team Europe Initiative (TEI), is made in the area of green energy and industrial value chains as an area where European Partners can have a significant and transformative impact by joining forces. Garment, Textile and Footwear (GTF) has been identified as the focal sector for programming support under TEI.

The EU – **Sri Lanka** Trade Related Assistance Project (EUR 8 million) has helped Sri Lanka to maximise utilisation of GSP+ providing sector specific assistance – mostly for the **garment making and food processing value chains** - on SPS compliance, packaging & labelling, export management and marketing (e-courses as well as bespoke capacity building), and market linkages in the spices and processed foods sectors are on-going activities. The Project is also responsible for facilitating the formulation of the National Export Strategy (NES) which aimed at diversifying the economy, thereby enabling Sri Lanka increase its GSP+ utilisation ratio, which is currently quite low (around 60% in 2019). The project has contributed to the approval by Cabinet of a National Quality Infrastructure Strategy and action plan and published a GSP+ Business Guide which has been translated into the local languages and is available on the website of the Department of Commerce. Awareness raising workshops have been conducted on requirement to register as exporters. The Project has also helped enhance the user friendliness of the National Trade Information Portal consolidating and mapping out the step-by-step procedures for the import and export of 29 products (mainly food items), thus reducing the complexity of trading especially for SMEs. Through the project, 70 Sri Lankan SMEs have been trained on export management and marketing and 276 on packaging and labelling requirements for spices and processed food exports, 101 have benefitted from technical guidance on SPS & quality compliance, marketing and branding, and 32 have been certified on international standards.

EU TRAM – Trade Related Assistance for **Mongolia** (2017-2021, EUR 4.5 million) has the objective to enhance Mongolia's international trade and economic diversification and to contribute to sustainable economic growth and development of the country, with the goal of reducing poverty and external vulnerabilities. With the support of TRAM Mongolia was able to implement its Registered Exporters System (REX) system that allows a registered exporter to certify preferential origin. Also, TRAM provided training to all stakeholders and raised awareness about REX system and about GSP+ advantages. For **cosmetic and yak and baby camel clusters** TRAM has started the certification of their products for entering the EU market.

2.3 USING INSTITUTIONAL MONITORING MECHANISMS

In the case of **CARIFORUM,** the project "Supporting Sustainability Aspects in the Implementation of the EPA through critical monitoring" EPA NEWII. The second phase of the project spans from the May 2020 to April 2023. The budget for the project is EURO 4.5 million for allocation across three regions which have states as signatories to the EPA i.e. the Caribbean Forum of States; The Southern African Development Community and the Eastern and Southern African States. The project has three pillars. Pillar I seeks to support the development of an effective monitoring system for the EPA. In this Pillar the project works with the CARIFORUM Directorate through the provision of technical assistance in the design of the indicators and template for the monitoring tool. The project will assist the CARIFORUM Directorate in the identification of the most suitable IT tool for the operationalisation of the Joint Monitoring and Evaluation Framework.

3 INTEGRATING EU DEVELOPMENT TOOLS FOR GREATER IMPACT

The relevant action from the updated EU AfT strategy is:	
1	Reinforce operational linkages across all EU development cooperation instruments and tools, including country and regional programmes and European Development Finance Institutions operations, at both EU and Member States' levels.

3.1 BLENDING AND INVESTMENT FOR TRADE

The strategic direction of **EU policy** and support for private sector development and private sector engagement in partner countries was set out in the 2014 Communication 'A Stronger Role of the Private Sector in Achieving Inclusive and Sustainable Growth in Developing Countries'. It identified twelve concrete actions that address better investment conditions and regulatory environments in partner countries, as well as business development support and access to finance especially for job-creating micro, small and medium-sized businesses (MSMEs) in the formal and informal sectors. The Communication also identified actions in other areas such as sustainable energy, sustainable agriculture, infrastructure and the green sectors, where private sector engagement can effectively complement and add value to EU development assistance, including through the use of innovative financial instruments. These remained valid in the reference period 2018-20.

The Communication on the role of the private sector in developing countries is in line with the 2030 Agenda on the Sustainable Development Goals (SDGs) and the Addis Ababa Action Agenda, which recognise the importance of mobilising private sector engagement and resources for achieving the SDGs. The European Consensus on Development (2017) confirmed the role of the private sector in EU development policy. Consequently, the External Investment Plan (EIP) was adopted in 2017 as an integrated approach, based on three pillars: private investment mobilisation, through the **European Fund for Sustainable Development (EFSD)** (Pillar 1), technical assistance (Pillar 2) and investment climate improvements (Pillar 3). The EIP operated in Sub Saharan Africa and the EU Neighbourhood.

The mid-term review of the external financing instruments for the financial framework 2014-20 has led to a stronger orientation of existing programmes towards the 2030 Agenda and the Addis Agenda. This reorientation has been taken further during the framework period after 2020. In June 2018, the EC proposed The Neighbourhood, Development and International Cooperation Instrument (NDICI), now known as Global Europe. It is a new mechanism which combines all EU external action programmes into one broad financing tool. This instrument will support the EU's external action with an overall budget of EUR 79.5 billion in current prices. This new instrument is made up of three main components: geographical (EUR 60.38 billion), thematic (EUR 6.36 billion) and rapid response (EUR 3.18 billion) and a more flexible element to counter emerging crises. Funds can be more easily shifted within the broader scope of the instrument. It also provides a more policy-driven and inclusive approach. The new instrument aim to help closing gaps and avoiding overlaps in the multitude of EU external programmes. This entails that EU policies focusing on poverty reduction, protection of human rights and crisis response would now all be financed from this single instrument.

Blending. The EU continues to provide support through its **blending operations** ('blending' means a combination of EU grants with loans or equity from public and private financiers). Through blending, EU funding increases the amount of funding available for a particular investment by attracting extra financing, both public and private. In 2020 the European Commission had seven blending facilities: the Africa Investment Platform (AIP – formerly AfIF) and the Neighbourhood Investment Platform (NIP – formerly NIF) that are part of the European Fund for Sustainable Development (EFSD); the Latin America Investment Facility (LAIF); the Caribbean Investment Facility (CIF); the Investment Facility for Central Asia (IFCA), the Asia Investment Facility (AIF), and the Investment Facility for the Pacific (IFP). The eighth facility – EU-Africa Infrastructure Trust Fund (EU-AITF) – terminated its activities in 2019.

Guarantees. The European Commission has established the European Fund for Sustainable Development (EFSD) Guarantee to support investments and increase access to financing, primarily in Africa and the Neighbourhood. The EU's External Investment Plan (EIP) and the EFSD[18], 'one of the latest and largest

18 Regulation (EU) 2017/1601 of the European Parliament and of the Council of 26 September 2017 establishing the European Fund for Sustainable Development (EFSD), the EFSD Guarantee and the EFSD Guarantee Fund; OJ L 249, 27.9.2017, p. 1–16.

guarantee programmes'[19], have contributed to attracting more public and private investments into the EU's Neighbourhood countries and Africa (countries of EFSD' operation in the MFF running till end of 2020). The investments help to bridge the gap between financing already available and financing still needed to meet the UN Sustainable Development Goals. The EFSD Guarantee has been an instrument serving as a risk mitigation mechanism to leverage public and private sector financing while avoiding market distortions and with a view to crowd-in private sector funds. This is a new way of financing development projects. The EFSD Guarantees have shared the risks involved in lending and investing so that development banks and private investors come in and lend to local entrepreneurs or finance development projects. By doing so, the EFSD Guarantee has contributed to job creation and boosts economies.

As of 31 December 2020, the Commission exhausted the present capacity of the EFSD Guarantee by signing with ten partner institutions eighteen guarantee agreements worth EUR 1.5 billion, expected to mobilise about EUR 17 billion focused on creating jobs, supporting small businesses, including in agriculture, and investing in sustainable energy, smart cities, and connectivity in partner countries. In 2020, EFSD flexibly re-oriented its part of focus to addressing the socio-economic and health impact of the COVID crisis.

During 2020, the EU provided **guarantees and blending** for a total of EUR 1.8 billion, leveraging resources for over EUR 10 billion:

- In Africa and Neighbourhood countries, the EU approved 43 blending projects with a contribution of around EUR 721 million and a leveraged amount of EUR 7 billion, and issued eight new guarantees for EUR 1.1 billion – leveraging EUR 6.6 billion in additional resources – through the EFSD.

- In Asia and the Pacific, the EU approved 13 blending projects with a contribution of around EUR 112 million and a leveraged amount of over EUR 2.2 billion investment through three facilities, the Investment Facility for Central Asia (IFCA), the Asia Investment Facility (AIF), and the Investment Facility for the Pacific (IFP).

- In Latin America and the Caribbean, the EU approved eight blending projects with a contribution of around EUR 54 million and a leveraged amount of over EUR 1.5 billion investment through two facilities, the Latin America Investment Facility (LAIF) and the Caribbean Investment Facility (CIF).

Are there synergies between your AfT programmes and EU investments supported by blending facilities?

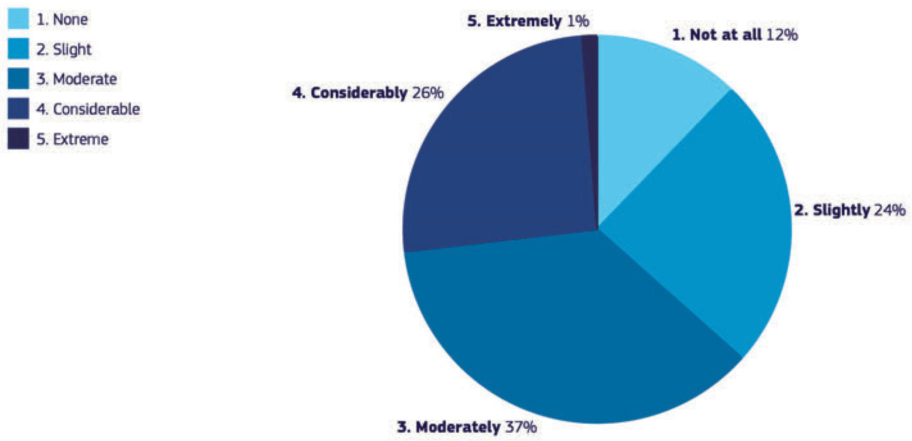


Figure 9 – Respondents' Views on EU Blending Instruments

As shown in Figure 9 above, there are ongoing or planned EU blending projects that are part of or complementary with EU Aid for Trade interventions in a little over half of the countries covered by this year's survey, while considerable or strong synergies between EU AfT programmes and EU investments supported through blending facilities are present in a little over a quarter of them. Examples of ongoing EU blending or guarantee programmes that have synergies with Aid for Trade interventions are presented below.

19 Garbacz, W., Vilalta, D., & Moller, L. (2021). The role of guarantees in blended finance OECD Development Co-operation Working Papers, No 97. Paris: OECD Publishing.

3.1.1 BLENDING

Box 5 - EBRD's Trade Facilitation Programme

The European Bank for Reconstruction and Development's (EBRD) Trade Facilitation Programme (TFP), launched in 1999, strengthens the ability of local banks to provide trade financing, and through these banks gives entrepreneurs throughout EBRD's regions the support they need to increase their access to the import and export trade.

The programme aims to promote foreign trade to, from and within the EBRD regions and offers a range of products to facilitate this trade, including guarantees and trade-related cash advances.

The programme has played a major role in the EBRD's efforts to help its partners, clients and regions respond to and recover from the impact of the coronavirus pandemic. As importers and exporters grapple with increasingly complex supply routes, there has been a rapid rise in demand for trade finance that is vital to keeping the channels of trade open. In 2020, the TFP supported the financing of foreign trade totalling more than EUR 3.3 billion – a record annual volume.

As a result of more complex supply routes, financing periods have become longer, importers have to keep higher stocks, foreign exporters are requesting payment by documentary credits and demand for trade finance has increased. The delivery of goods under foreign trade contracts has been delayed.

Many importers and exporters have requested extensions of the tenors of payment guarantees, performance bonds and cash advances. At the same time, many foreign commercial banks have reduced their trade finance facilities due to a rapid deterioration of the business climate and the risk outlook.

As part of its own response to the pandemic, the EBRD is also stepping up its activities in supporting trade in critical goods, including medical products and energy/food commodities through the programme. In 2020, the programme facilitated more than 80 transactions involving trade in medicines, medical supplies, medical equipment and personal protection products for the total volume of almost EUR 60 million.

Thanks to the programme's success at sustaining local economies through supporting international trade, the TFP is one of the EBRD's prime instruments for responding to the crisis.

EBRD is supporting trade in critical goods, including medical products

Providing emergency trade finance to Lebanese exporters (budget: EUR 1.1 billion, EU contribution: EUR 26 million). The EFSD reinforced the EBRD's existing Trade Facilitation Programme, described in Box 5 so that Lebanese exporters could get financial support for their activities while banks were reducing credit lines due to the financial crisis generated by the pandemic. The EU contributes by sharing part of the risk through a guarantee.

Improving access to sustainable finance for the Ugandan agribusiness sector (budget: EUR 63 million, EU contribution: EUR 10 million)**.** aBi Finance aims to increase access to financial services for smallholder farmers and agribusinesses and ensure a competitive, profitable and sustainable agriculture and agribusiness sector. aBi channels funding to agribusinesses, including smallholders through lines of credit and agricultural loan guarantees to financial institutions. The project is expected to: (a) improve access to financial services for smallholder farmers and agribusinesses across the value chain; (b) increase the appetite and financial capacity of financial intermediaries to increase credits to the agricultural sector; and (c) introduce cleaner and climate-smart technologies in the agriculture sector.

Workers in the headquarters of Serve to Save Company (SESACO). This Ugandan company benefited by the support of the EU external investement plan

Improving access to sustainable capital for Somali MSMEs (budget: EUR 23 million, EU contribution: EUR 5.5 million). The Nordic Horn of Africa opportunities Fund (NHAOF), established by the Danish DFI IFU, aims to make investments that can create jobs, and to stimulate sustainable and inclusive economic growth and diversified economies in the Horn of Africa region. The project is expected to: (a) make Somalia's agribusiness, construction, renewable energy, fishing, healthcare, hospitality, light manufacturing, poultry, sanitation, education, and utilities sector more resilient and sustainable; (b) improve access to sustainable investment capital; and seek co-investment opportunities with Somali financial institutions. The Fund has so far made 51 investments for USD 12.4 million since its launch in 2018. Investments to date have been made primarily in manufacturing, renewable energy and agriculture sectors. 49% of investments have been made to first time borrowers, 31% in renewable energy assets, 10% to women-owned businesses and 12% to youth owned businesses. Investment structures are Sharia compliant, using collateralised loan instruments like Murabahah.

Promoting access to climate-smart finance in LAC (budget: EUR 59 million, EU contribution: EUR 6 million). The Triple Inclusive Finance (TIF) Programme aims at bringing together the tools, actors and financing necessary to improve access to finance for low-income populations whilst reducing climate risk and vulnerability, especially in the case of smallholder farmers. More specifically, this initiative seeks to reduce climate risk in lending portfolios of Financial Service Providers and scaling up climate-smart lending, especially to urban and rural micro, medium and small-sized enterprises with no or limited access to the formal financial sector, including also small to medium and smallholder farmers. TIF will provide support to Financial Service Providers serving MSMEs through the provision of long-term loans (Debt Facility) and customised technical assistance (Technical Assistance Fund). Spain is the lead financing partner for this programme.

Improving rural roads in Cambodia (budget: EUR 52 million, EU contribution: EUR 15.25 million). There is significant underinvestment in infrastructure and flooding regularly damages critical infrastructures such as roads. Only 5 % of Cambodia's roads are hard-paved, the lowest percentage in the Association of Southeast Asian Nations (ASEAN) region. The project aims to rehabilitate over 650 km of rural roads to hard-paved roads and construct 150 km of gravel rural roads in order to increase rural connectivity with better, safer, faster and more reliable transport connections. 50 rural market areas will be modernized. This will, in turn, stimulate the rural economy, reduce production costs, increase private sector investments and contribute to reducing poverty. EIB is the lead financing partner and IFAD is a financial partner to the programme contributing with EUR 38 million.

Building crisis resilient SMEs in Mongolia (budget: EUR 55 million, EU contribution: EUR 11 million). Micro, small and medium-sized companies (MSMEs) account for the majority of companies in Mongolia and are highly represented in the sectors that are most affected by the crisis, such as tourism, transportation, retail and agriculture. The project supports MSMEs in a variety of industries, by providing risk sharing, co-financing with local financial institutions and direct lending to SMEs. It also provides business advice and policy dialogues to improve the business environment and domestic financial system. EBRD is the lead financing partner.

Improving access to finance by Sri Lankan smallholders (budget: EUR 20 million, EU contribution: EUR 8 million)**.** More than 90 % of farmers in Sri Lanka are smallholders. Smallholder farmers have limited resources and struggle to access financing but are a critical part of the food system in developing countries. There is broad recognition of the need to invest in agriculture and agri-businesses dealing with smallholders so as to ensure sustainable food security. The project promotes investment in the agricultural sector in low and lower-middle income countries through a specialized fund management company. It aims to increase the value-added production and incomes of smallholder farmers by bridging the financial gap and investing in private sector enterprises involving smallholders. FMO is the lead financing partner.

Bangladesh aims to make the garments sector safer and environmentally friendly

Making the Bangladeshi Ready-Made Garment (RMG) Sector safer and greener (budget: EUR 81 million, EU contribution: EUR 7 million). The project "Programme to Finance Safety Retrofits and Environmental Upgrades in the Bangladeshi Ready-Made Garment (RMG) Sector – SREUP" (2016-2023) is led by France, with EU (through an AIF performance-based investment grant and technical assistance) and Germany as co-financiers. The Central Bank of Bangladesh is the implementing agency. The objective of the project is to make the Bangladeshi RMG sector safer (fire, electricity and building structure safety), greener (reduction of pollution, improved resource and energy efficiency) and a decent place to work (social compliance) through providing financial and technical support. In particular, it aims at facilitating the access of funds for RMG factories to make investments related to safety retrofits and environmental upgrades, providing incentive to undertake such investments, and assisting RMG factories in implementing them. This is expected to have a positive impact on trade in the sector.

3.1.2 GUARANTEES

Improving access to local currency lending especially for small businesses in Sub-Saharan Africa and the EU Neighbourhood. The EU Market Creation Facility (budget: EUR 4,000 million, EFSD guarantee: up to EUR 150 million) will improve access to hedging solutions protecting against foreign exchange rate risk and thereby allow for the development of lending products that lift the exchange rate risk from the shoulders of the borrower. The EU Market Creation Facility enables the Currency Exchange Fund (TCX) to take on more risk and grow its risk coverage even in challenging circumstances like the pandemic. The guarantee is provided by Germany's KfW that in turn covers its risks through the EFSD guarantee. The increased capacity of TCX will allow TCX's clients to provide more funding to financial institutions. These in turn will be in the position to lend more to people and businesses in Sub-Saharan Africa and the EU Neighbourhood, whilst not exposing borrowers to unprecedented currency risk. In addition, investment in the renewable energy sector will be fostered.

Supporting industrial and municipal sustainable infrastructure investments to boost prosperity and benefit the environment in the EU Southern and Eastern Neighbourhood. The EU Municipal, Infrastructure and Industrial Resilience Programme, supported by an EFSD guarantee (budget: EUR 500 million, EFSD guarantee: up to EUR 100 million) will bolster industrial, building, municipal and sustainable infrastructure investments to address the negative impact of the COVID-19 pandemic on businesses, assets and employment.

Improving access to finance by African small businesses led by women, young people and migrants. The Financial Inclusion Programme - InclusiFi (budget: EUR 235 million, EFSD guarantee: up to EUR 60 million), implemented by CDP (Italy) and AECID (Spain), will increase the financing available for local entrepreneurs in Sub-Saharan and Northern Africa, who currently struggle to access the loans or capital they need to start or expand their businesses. It will particularly support small businesses led by women, young people and migrants. As a result, the Programme will help to reduce inequality and create jobs.

AFD will finance, thanks to Agreenfi, a new village planters for the development of plantations in the West, Central and Ashanti regions of Ghana

Improving access to finance by African small agribusinesses. Agricultural and Rural Finance Guarantee Programme (AgreenFi) (budget: EUR 526 million, EFSD guarantee: up to EUR 160 million), implemented by AfD (France), addresses the high risks, both perceived and real, in lending to micro-, small and medium-sized enterprises (MSMEs) in Sub-Saharan Africa and the EU Neighbourhood, who currently have no or limited access to finance. It will facilitate access to finance and/or make borrowing money more affordable.

Removing barriers to private investment in renewable energy in Sub-Saharan Africa and the EU Neighbourhood (budget: EUR 806 million, EFSD guarantee: EUR 62. million). The European Guarantee for Renewable Energy – EGRE (non-sovereign) will reduce the offtake risk of energy projects, which is the risk of not getting paid for the energy produced. It will give investors more certainty and thus a bigger incentive to invest in or to finance a renewable energy project. The support for renewable energy projects will help partner countries' economies become low-carbon and climate resilient. One of EGRE first operations has been in Mozambique, where a regulatory framework and an auction mechanism for the development of large-scale renewable energy projects had just been finalised with EU support. The solar power plant in Dondo was the first transparent and competitive auction launched in Mozambique in October 2020 breaking as such with the tradition of direct awarding. PROLER+, the follow-up project to accompany the investment phase, (2020-2023, EUR 27 million) will be one of the first projects to benefit from an off-take guarantee worth EUR6 million under the EGRE scheme, strongly reducing the risk for the private investor of not getting paid for the energy sold to the national power utility. PROLER+ aims at de-risking private investments in renewable energy (3 solar and 1 wind power plant) by financing, among others, the mandatory equity participation of public power utility in the Special Purpose Vehicle, the interconnection costs to the grid, the environmental and socioeconomic mitigation measures, studies and technical assistance.

As shown in Box 6 below, blending programmes can also provide a platform for dialogue towards achieving a greener global economy with strong developing country exporters like China.

Box 6 - Cooperating with China towards a greener global economy through blending

While China is no longer eligible for bilateral EU development assistance for its own domestic development, the trajectory of Chinese development, as well as Chinese external action and development financing, will have a significant impact on global public goods and on the development pathway of other regions and developing countries. For this reason, EU cooperation is still ongoing in China in areas that contribute positively to these issues, particularly through blending.

A number of the investment projects and activities supported under these facilities are relevant to selected productive sectors which have the highest potential for low carbon solutions and climate change mitigation and adaptation and biodiversity including: green logistics, recycling of construction waste, agriculture with less pollution, energy transition, energy conservation in buildings, eco-tourism; sustainable forest management, sustainable management of seas; reducing pollution; urban biodiversity and biodiversity monitoring; mainstream biodiversity in financing policies; green urban development in biodiversity-fragile areas; ecosystem restoration and management including ocean and coastal areas and wetlands; etc.

The China Green Cities Development Fund – CGCDF (2018-2023, EUR 6 million), implemented by KfW, in particular, with a focus on cities, contributes to green growth by providing support to Chinese cities in developing environmentally friendly, socially responsible and bankable urban green infrastructure investment projects ("Investment Projects"). The CGCDF provide finance through a need-based and flexible mechanism for crucial complementary technical assistance services and relevant studies ("TA") during the preparation, pre-investment and implementation phases of Investment Projects. The CGCDF is expected to leverage a substantial amount of concessional loans provided by KfW to fund the Investment Projects. Without this AIF-funded TA, many Investment Projects would not be eligible for KfW financing according to KfW's Sustainability Guidelines. The CGCDF paves the way to designing urban development projects in a green and sustainable way in line with the goal of creating low-carbon cities in China. Cities in all of Mainland China are eligible for CGCDF support.

Smart City Nansha

The CGCDF contributes to green growth and has some concrete results to demonstrate. The project is designed as technical assistance to assist Chinese cities and authorities in developing bankable, environmentally friendly, socially responsible urban infrastructure investment projects. Under the CGCDF 24 technical assistance activities have been implemented up to now, including preparation of the environmental and social safeguards documents for district heating systems, studies on the utilization of urban construction waste, modelling and pollution monitoring of major water ways passing through urban centres and design of environmentally sustainable logistics infrastructure. These activities are supporting investment projects estimated at a total of EUR 740 million through EUR 1,837 million reserved so far under the CGCDF project.

4 AID FOR TRADE IN SUPPORT OF REGIONAL INTEGRATION

Moving economic integration forward at regional and continental levels is an essential component of a coherent, sustainable economic and trade development strategy. Building reliable and sustainable regional and continental integrated areas such as customs unions, free trade areas and common markets have proven to boost economic development thanks to increased trading opportunities for integrated economies. In addition, these regional and continental integration processes tend to perform much better if they are accompanied by investments in energy, transport and digital systems for people, businesses and industries. Such infrastructural investments support development of regional value chains that boost both the speed and depth of integration, as well as incomes of participating countries.

EU Aid for Trade supports regional integration through multi-country programmes focusing on the negotiation and implementation of regional trade agreements and on support to key regional value chains. Examples are provided below organised by area and region.

4.1 ACP COUNTRIES

The TradeCom II Programme (2015-2021, EUR 14.4 million) aims to "contribute to sustainable economic development and poverty reduction in ACP countries through closer regional integration and increased participation in the global economy".

Consistent with its three specific objectives, the Programme has a three-fold added value for the ACP countries to effectively integrate into the global economy through, inter alia:

- Formulating and implementing suitable trade policies;
- Participating effectively in international trade negotiations and implementing resulting agreements to their benefit; and
- Strengthening ACP private sector competitiveness by supporting trade facilitation and trade promotion.

The Programme's implementation strategy aims to facilitate the integration of ACP countries in the global economy and value chains by improving their capacity to formulate and implement suitable trade policies, and to strengthen their competitiveness. The aim is also to help ACP private sector to diversify their export base, and markets through greater integration into the regional and global value chains. The overall strategy entail building and strengthening ACP trade capacity at national and regional levels through a combination of technical assistance and capacity building actions.

4.2 AFRICA

Over the period 2014-2020, the EU had stepped up its support to Africa's regional and continental economic integration, notably by using several financial instruments and working in close partnership with Regional Economic Communities, the African Union and the AfCFTA Secretariat on three levels:

- **Continental level**, with the AfCFTA Pan African programme, through which the EU set aside EUR 74 million to directly support the AfCFTA negotiations and implementation in 2014-2020;
- **Regional level**, with the Regional Economic Communities regional programmes, supporting trade facilitation, cross border trade, competitiveness, and trade enhancement through support to key value chains with a total amount of EUR 400 million; and
- **Multi-country level**, with EPAs Global/ Regional /National programs, support from national and regional funds, supporting negotiation and implementation of EPA (and i-EPA) provisions. These specific EPA support programs were complemented by national and thematic programmes that

aimed at improving private sector competitiveness to be able to benefit from the opportunities that such agreements provide. Support to the different EPAs amounted to almost EUR 86 million.

- Those actions were conducted keeping in mind a programmatic coherence to ensure mutually supporting initiatives under EPA activities and AfCFTA activities. By focusing on thematic areas (e.g., trade facilitation, non-tariff barriers, rules of origin, trade in services, digital trade, accompanying trade-related policies (intellectual property rights, investment, statistics, etc), two approaches were combined:
    - **Trade rules-based approach** strengthening trade-related capacities to implement agreements at national, regional and continental levels and to effectively negotiate, design, manage, and monitor trade agreements, ensuring involvement and engagement of non-institutional actors (private sectors, CSO, think tanks, etc); and
    - **Value chain approach** facilitating access to the most relevant markets for mature trade-oriented products.

This approach ensures coherence of support at the three levels (i.e. continental, regional and multi-country), recognising specificities of different contexts but aiming at convergence and sharing of best practices.

4.2.1 NEGOTIATION AND IMPLEMENTATION OF REGIONAL FTAS

The EU supports the African Continental Free Trade Area (AfCFTA), whose trade regime entered into force on January 1, 2021 for the 38 countries that have deposited their instruments of ratification, through several regional programmes on AfCFTA negotiations.

Between 2014 and 2020 the EU has been supporting the AfCFTA through its Pan-African Programme with more than EUR 74 million. Through this funding, the EU is supporting capacity building for the negotiation, ratification and implementation of the AfCFTA Agreement, to ensure that African countries and intra-African trade can benefit from the opportunities that the Agreement provides.

EU support has so far focused:

- On the AfCFTA negotiation process and architecture with EUR 26 million used for:
    - facilitating the negotiations (EUR 12.6 million);
    - advocacy and ratification (EUR 4 million); and
    - creating the AU Trade Observatory (EUR 9.5 million).
- On facilitating the future AfCFTA implementation with EUR 40 million used for:
    - harmonising goods classifications (EUR 5 million);
    - improving the system for intellectual property rights (IPR) (EUR 12 million);
    - the development of AfCFTA national implementation strategies (EUR 4 million);
    - enhancing the effective application of rules of origin by customs administrations (EUR 6 million); and
    - enhancing the administration of Africa's plant and animal health (SPS) systems (EUR 13 million).

Several of the above programmes are still continuing with additional resources available. At a multi-country level, through EPAs Global/ Regional /National programs, the EU has been supporting negotiation and implementation of EPA (and i-EPA) provisions, with a total amount of EUR 86 million between 2014 and 2020.

For example, the **Programme d'Appui à l'Intégration Régionale et à l'Investissement en Afrique Centrale - PAIRIAC** (2020-24, EUR 30 million) supports the formulation of a national implementation strategy for Central African countries and accompanies a communication/awareness process. In Egypt, as part of the upcoming trade flagship programme 2021-2024 "TIGARA", further support to Egyptian Ministry of Trade's capacities to negotiate international trade agreements (including with the EU and with the rest of Africa) will be envisaged. Denmark is similarly supporting Ghana in the implementation of AfCFTA (2020-2022, EUR 7 million). In Guinea, the EU is providing support for the preparation of a national implementation strategy.

Mozambique's benefitted from a national component of targeting industrial development of cotton and forestry value chains

The **Southern African Development Community Trade Related Facility (SADC TRF)** (2014-2020, EUR 32 million) had the specific objective of enhancing the implementation of the SADC Trade Protocol (STP) and the SADC Economic Partnership Agreement (EPA) so as to increase intra-regional and inter-regional trade flows of the participating SADC Member States. Mozambique's benefitted from a national component of targeting a wide range of areas, among which, rules of origin, trade-related adjustments, Technical Barriers to Trade, SPS measures, trade defence instruments and industrial development of cotton and forestry value chains. Namibia was able to develop a rules of origins electronic certificate system and an import-export permit system (IMEX) that became operational in March 2021, allowing traders to obtain their permit electronically.

4.2.2 SUPPORT TO KEY REGIONAL VALUE CHAINS

These specific EPA support programs were complemented by national and thematic programmes that aimed at improving private sector competitiveness to be able to benefit from the opportunities that such agreements provide.

Within the framework of the **West African Quality System Program – WAQSP** (2018-2023, EUR 12 million), Benin has developed a National Quality Policy document (PNQ), that includes a budgeted Action Plan Matrix and which could, in the short term, take advantage of the various regional and national programs to ensure the financing of the PNQ. Ultimately, the government should consider setting up a sustainable financing mechanism for the PNQ and the National Quality Infrastructure (INQ). The initiative covers all aspects of the quality infrastructure (accreditation, metrology, standardisation and conformity assessment).

The **West Africa Competitiveness Programme – WACOMP** (EUR 2018-2023, EUR 116 million), aims to support several selected value chains at national and regional level to promote structural transformation and better access to regional and international markets, while taking into account social and environmental considerations. The overall objective of the Programme is to strengthen the competitiveness of West African countries and enhance the countries' integration into the regional and international trading system.

The **EU-East Africa Community MARKUP Programme** (2018-2022, EUR 35 million) aim to improve EAC exports of agro-industrial crops and horticulture, supporting participation in regional and global value chains with particular focus on EU. With this objective, the program addresses (1) supply side constraints, (2) market access constraints (i. e. quality assurance – conformity to public and private standards, trade facilitation and business promotion), and (3) access to capital. The priority products are tea and coffee for Burundi; tea, coffee, horticultural products and avocado for Kenya; tea, coffee, horticultural products for Rwanda; tea, coffee, avocado and spices for Tanzania; and coffee and cocoa for Uganda. Analyses produced by MARKUP provide an in-depth assessment of gaps on SPS standards that limit access to regional and EU markets. MARKUP aims at ensuring that environmental concerns (use of pesticides, water management, waste treatment), often very specific (like the impact on other crops of the introduction of exotic spice farming), are taken into account in the formulation of national standards.

Tea is one of the priority products to improve exports to Europe from the EAC.

Trade Mark (Trade and Markets) East Africa (TMEA) is a multi-donor initiative and institution aimed to increase physical access to markets (reduced trade costs), enhance trade environment (more favourable trade agreements, improved EAC trade policy, reduced non-tariff barriers to trade and efficient trade facilitation), improve business competitiveness (enhancing business opportunities for trade, improving export capability, and developing efficient trade logistics services). TMEA employs a range of infrastructure and business environment interventions. It works across the five countries of EAC with public sector, private sector and civil society partners. TMEA is supported by various EU Member States (the Netherlands with around EUR 34.7 million, Belgium, Sweden, Denmark, Finland) among others.

The **EU Trade and Competitiveness Programme for Morocco and Tunisia** (2017-2023, EUR 25 million), implemented by the EBRD, aims to enhance competitiveness and trade through support to SMEs and value chains. It is conceived as a mix of grants and technical assistance. The purpose of the programme is to enhance sustainability and competitiveness of SMEs, in particular local SMEs that work with aggregators/sponsors in the sectors of agribusiness, manufacturing and services, property (logistics/distribution), as well as ICT. Improved value chains will support SMEs and contribute to increase access to the EU market. The objective is also to, practically and analytically, assess the key regulatory and legislative obstacles to enhanced competitiveness and greater value chain development. A similar EU Trade and Competitiveness Programme is also being implemented in **Egypt and Jordan** (2017-2026, EUR 19.7 million).

4.3 ASIA

4.3.1 NEGOTIATION AND IMPLEMENTATION OF REGIONAL FTAS

The **EU-ASEAN Development Cooperation – ARISE+** (2017-2022: EUR 41 million) – provides support for the implementation of the ASEAN Single Market, through a combination of regional (ASEAN) and bilateral assistance. In Malaysia, for example, the project supports trade policy formulation and implementation aligned with regional (ASEAN) and international commitments; the local quality infrastructure system (including standards, certification and metrology) aligned with ASEAN and EU standards; and sustainable practices in the agri-food sector (agriculture and fisheries) enhanced in line with ASEAN, international and EU standards. In Myanmar, the project strengthened capacities of the private sector, notably MSMEs, to exploit the business opportunities offered by the ASEAN single economic space (AEC), EU and global markets, in two selected gender inclusive value chains and improved Sanitary and Phytosanitary Measures (SPS) regulatory, control systems and quality compliance in line with ASEAN and international commitments, with a focus on selected value chains within the context of a developing harmonised National Food Safety Policy/Structure in Myanmar. In Vietnam, ARISE+ provides technical support to Vietnamese exporters and authorities to improve access to the EU market by building stronger SPS systems and quality infrastructure. A quick response facility also provides assistance in the context of the EU-Vietnam Free Trade Agreement implementation.

The **Regional Economic Integration of Lao PDR into ASEAN, Trade and Entrepreneurship Development**, funded by Germany (2017 – 2021, EUR 7 million), aims to improve the ASEAN Economic Community (AEC)-related policy framework conditions, and to enhancing the capacity of the domestic business sector for sustainably using economic potentials arising from the Lao PDR's integration into the AEC.

4.3.2 SUPPORT TO KEY REGIONAL VALUE CHAINS

The regional programme "**Accelerate Prosperity in Central and South Asia – AP Asia"**, implemented by Aga Khan Foundation and supported by the EU and Germany, operates in Pakistan, Afghanistan, Kyrgyzstan and Tajikistan to enhance equitable economic well-being of women and men in rural Pakistan, Afghanistan, Tajikistan and the Kyrgyz Republic. The Action includes facilitation of B2B linkages and trade across the targeted countries and capacity building in business planning and operations develop business networks, access mentors and become investment-ready.

Accelerate Prosperity implemented by Aga Khan Foundation and supported by the EU and Germany, operates in Pakistan, Afghanistan, Kyrgyzstan and Tajikistan to enhance equitable economic well-being.

BMZ is currently funding four AfT projects in ASEAN. They are implemented in CLMV countries, including Vietnam. The projects support ASEAN Working Groups as well as the governments of CLMV countries on competition policy (COMPETE EUR 4 million), consumer protection (PROTECT EUR 3,84 million), SME internationalisation (ASEAN SME EUR 3,84 million) and sustainable agricultural trade and standards (ASEAN AGRITRADE, 2018-2022, EUR 3 million).

4.4 LATIN AMERICA AND THE CARIBBEAN

4.4.1 NEGOTIATION AND IMPLEMENTATION OF REGIONAL FTAS

Four programmes support EPA implementation in the CARIFORUM: the first (2016-2021, EUR 7 million) focuses on increasing cooperation and coordination; the second programme (2016-2023, EUR 24 million), seeks to support private sector development and EPA implementation; the third (2017-2022, EUR 21 million) provides funding to enhance CARIFORUM states' capacities in areas such as technical barriers to trade, sanitary and phyto-sanitary measures, competition, public procurement, customs and trade facilitation; and the fourth (2020-2024, EUR 14 million) focuses on strengthening the CARICOM Integration Framework by towards supporting legislative harmonisation, and improving community governance; supporting evidenced based policy formation and planning through strengthening of statistical capacity in the region.

4.4.2 SUPPORT TO KEY REGIONAL VALUE CHAINS

The 'Fostering low cadmium and climate-relevant innovations to enhance the resilience and inclusiveness of the growing cocoa sectors in Colombia, Ecuador and Peru - Clima LoCa (2019-2024, EUR 6 million) fosters the development, implementation and scaling of low cadmium and climate-relevant production practices and technologies that fit the diverse contexts of smallholder cocoa production, thereby contributing to resilient, competitive and inclusive cocoa value chains and reducing vulnerability of smallholder cocoa producers in Colombia, Ecuador and Peru to the impacts of new food safety regulation and climate change.

The project "**TRANSCULTURA - Integrating Cuba, the Caribbean and the EU through Culture and Creativity"** (2019-2024, EUR 15 million) tries to promote regional integration in the Caribbean though culture. Since creative and cultural industries in the Caribbean are an important chapter under the EU-Caribbean EPA, the project will coordinate with important regional institutions, like the Caribbean Development Bank, which is promoting creative industries in the Region. The Programme is already establishing digital platforms for e-learning on cultural disciplines and for artists exchanges.

TRANSCULTURA - Integrating Cuba, the Caribbean and the EU through Culture and Creativity

4.5 THE EU NEIGHBOURHOOD

The **Eastern Partnership (EaP) Trade Helpdesk** (2019-2024, EUR 3.7 million) is a EU4Business project that is being implemented by the International Trade Centre (ITC), a joint agency of the United Nations and the World Trade Organization. The project aims to increase economic ties between the EU and the EaP countries and among these countries (Armenia, Azerbaijan, Belarus, Georgia, Moldova, Ukraine).

The **Eastern Partnership: Ready to Trade - EU4Business initiative** (2017-2021, EUR 6 million) assists small and medium-sized enterprises (SMEs) from Eastern Partnership countries to access new markets with a focus on the European Union.

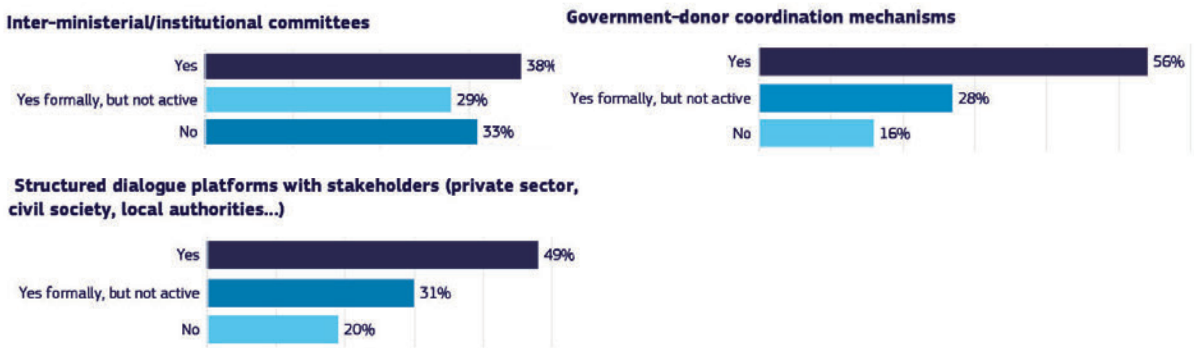
5 INCREASING THE RELEVANCE OF EU AID FOR TRADE

The relevant actions from the updated EU AfT strategy are:	
6	Identify and support value chains with potential for added value through more systematic use of trade and investment diagnostics and market intelligence tools by EU Delegations and Member States' agencies in the field, to guide EU policy dialogue and EU Aid for Trade delivery.
7	Conduct a genuine dialogue and engagement with the private sector to identify and prioritise constraints to the investment climate.

To focus AfT support on value chains that have a high potential to create value addition for companies and lead to job creation is a priority for development cooperation, based on informed dialogues with country authorities, private sector, civil society, and social partners. To ensure dialogue is evidence-based, development actors in the EU and Member States need to increase their capacity to generate and use better diagnostics (such as the "Growth and Jobs Compacts'' developed by EU Delegations in Sub-Saharan African countries) and market intelligence.

In Trade development effectively integrated ina astrategic document of the Partner County/Region?

Does the Partner Country/Region have effective coordination mechanisms in place to advance its trade development agenda an to informe the EU's Aid for Trade programming and delivery?



Coordination mechanism

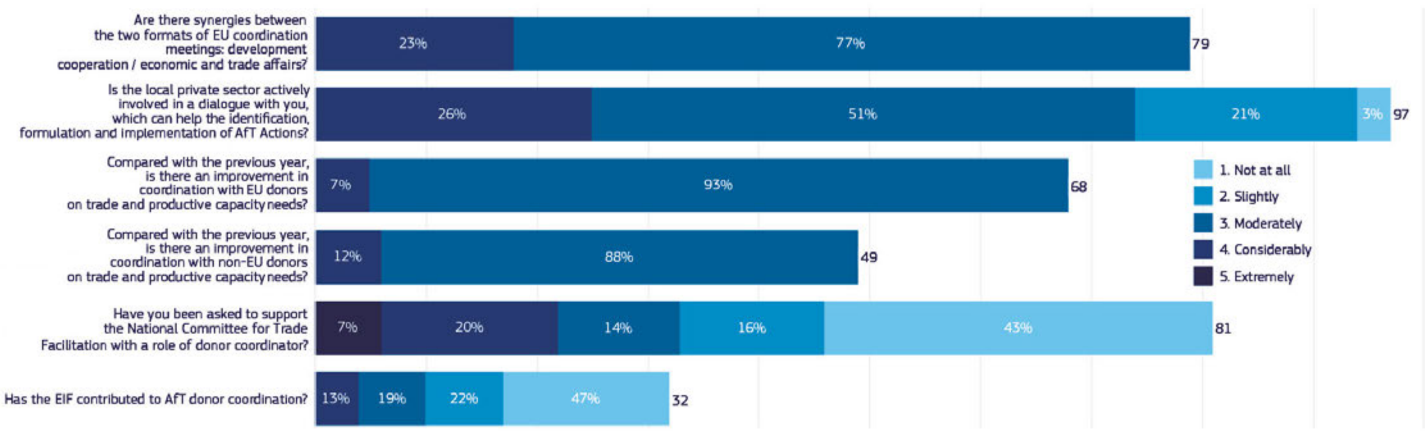


Figure 10 – Respondents' Views on the Relevance of EU Aid for Trade

As shown in Figure 10, this year's survey reveals that four out of five EU partner countries have a trade development strategy (TDS), although only one out of five as a single fully-fledged document, while others have their strategy spread across multiple documents. 56% of partner countries have mechanisms for government-donor coordination in place, and the proportion is higher (63%) for countries with a TDS in place and 75% for those using a single TDS document (with the remaining 25% having such coordination but still inactive). 49% of partner countries have a platform for dialogue with all stakeholders in place, and the proportion is higher (53%) for countries with a TDS in place and 55% for those using a single document, indicating that a more organised government is not necessarily more willing to broaden the domestic base for trade consultations. This is consistent with the perception of almost three quarters of respondents that consultation with the private sector on trade is moderate at best in their countries.

5.1 PUBLIC PRIVATE SECTOR DIALOGUE

In **Cambodia**, the EU aid for trade portfolio has been instrumental in shaping the policy regarding trade given its long-term involvement in the sector. The EU-funded Trade Development Support Programme contributed to the drafting of the Cambodia Trade Integration Strategy CTIS, and its successor, the ASEAN Regional Integration Support – Cambodia Trade Related Assistance (ARISE+ Cambodia, 2019-2023, EUR 9.4 million), is contributing to its implementation, including fostering private sector dialogue on trade matters. On trade advocacy, the ARISE+ concluded that the annually held Government – Private Sector Forum (G-PSF), together with its sectoral working groups, is an effective forum for PPD on the national level whereas it is more challenging at provincial levels. The project works directly with Business Associations to strengthen their capacity to raise issues on trade and exports with the government in e.g. the G-PSF. On trade negotiation capacity building, the importance of consultation with the private sector and civil society in preparing for and conducting trade negotiations is a major theme of the trade negotiation workshop series. The project aims to provide practical advice to government officials on how they can improve this consultation process, and so far, the response from leading officials has been positive. The project works directly with both government officials and the private sector and is well-positioned to deliver events that bring both groups together in a neutral, moderated environment for joint learning. These activities promote trust between the two sides. Coordination with EU member states takes place regularly and will continue to be improved namely thanks to the recent reform agenda by the government and implementation of ARISE+ Cambodia.

Eswatini is currently implementing the Job Creation and Investment Climate Project (2020-2025, EUR 5 million) and the SADC-EU Economic Partnership Agreement, (2020-2025, EUR 6 million) to enhance competitiveness of Eswatini Businesses. These programmes further seek to establish a State Business Relations Platform to support Private Public Dialogue through bottom-up systems which enables for better and quicker policy and private sector coordinated responses in relation to economic recovery post COVID-19 and including trade facilitation gaps.

#EuinEswatini and the Kingdom of Eswatini supports climate change adaptation efforts.

In **Ethiopia**, private-public sector dialogue takes place also within the EU Business Forum in Ethiopia (EUBFE), i.e. the association of European investors in the country, and joint events have been organised between the EU Delegation, the European private sector, EU Member States Economic and Trade Counsellors (i.e. presentation of the EFSD guarantees applicable to Ethiopia, presentation of the cooperation portfolio with a focus on logistics and investment climate to EUBFE members, discussion between EUBFE and the Ethiopian Investment Commission). EUBFE participates to the EU Economic and Trade Counsellors bi-monthly meetings and engages in bilateral discussions with EU Embassies, facilitated by the EU Delegation when needed.

In **Jordan**, there are multiple platforms for exchange for public-private-dialogue (PPD) on business environment and on trade issues though most are on an ad-hoc basis and sustained by personal contact between private and public sector figures. There is no centralised, formal nor structured platform and dialogue relies on privileged access to Government authorities by private sector organisations. PPD is still not institutionalised though initial signals are given towards formalisation of regulatory impact assessments. The EBRD has initiated work with the Jordan Investment Commission to revamp its Investment Council and the OECD (under an EU funded programme) is aiming at setting up a dialogue platform on ICT/innovation. At present, a significant part of public consultations is organized through the web site of the Legislation and Opinion Bureau.

In **Morocco**, the public-private National Business Climate Committee (CNEA), that resulted in major improvements in the country's Ease of Doing Business rank – from 128th in 2009 to 53rd in 2019 - has just launched a new 2021-2025 strategy built around three pillars: improving the structural conditions of business environment (administrative procedures simplification, reforming the legal framework and access to judicial information); improving enterprises' access to human, infrastructural and financial resources; and enhancing inclusiveness, transparency and public-private collaboration. The EU Competitiveness Program (ENI/37750) supports the CNEA for developing two of its main public-private dialogue platforms, notably for a business climate barometer. A website[20] gathers information on trade-linked procedures. Under the Global Alliance for Trade Facilitation, Germany and four other donors (USA, Canada, Denmark, and Australia) are supporting Morocco to implement the WTO TFA, with two projects implemented by GIZ, on simplifying and digitising trade processes in agri-food sector - ePhyto initiative, described in Box 7 in the next chapter (2018-22, EUR 1.2 million) - and automation of operations at the port of Casablanca, in partnership with international business and the local private sector.

The **EU-Nepal** Trade and Investment Programme (TIP) (2020-2023, EUR 8 million) has been supporting for enhancing competitiveness, and participation in regional and global value chains through improved trade and investment facilitation, and policy advocacy support to Nepal's private sector including MSMEs and SMEs, particularly in coffee and pashmina value chains. The EU-Nepal TIP is being implemented by the International Trade Centre and GIZ, in close coordination with government and private sector associations. The project provides support to the Government of Nepal in strengthening public-private dialogue for data driven policy making, that reflects the changing national and international contexts for doing business and trade. The EU chairs the Aid for Trade Donor Coordination to whose meetings private sector representatives are regularly invited.

Chyangra pashmina farmer benefitting from the EU-Nepal Trade Investement programme

20 https://tradesense.ma/home

In **Mozambique**, in the context of European Economic Diplomacy, EuroCam was created with the support of the EU Delegation and officially launched in May 2019 as an association of European Chambers of Commerce and associations in Mozambique. EuroCam's vision is to become the voice of European investors in Mozambique, promote a better business environment, and assist European investors in the solution of matters that may arise. The preparation of a grant contract to build their technical and financial capacities has also started and will be signed by mid-2021.

5.2 DONOR COORDINATION

As shown in Figure 11 (next page), improvements in donor coordination, where present, have been modest with both EU and non-EU donors, even in LDCs where EIF is present. There is clearly the need for enhanced efforts at donor coordination and private sector engagement to ensure EU AfT actions are relevant and well-coordinated with all parties. As remarked by several respondents to this year's survey, few EU Member States are present locally in several developing countries and follow Aid for Trade either from a regional hub or from headquarters, limiting their capacity to have a continuous dialogue on AfT and trade issues with local government and civil society, as well as with donors with a field presence.

Donor coordination works best where there is **a Private Sector Development sub-group on Aid for Trade**, although information sharing on AfT projects is not always optimal even where such a sub-group exists. In **Nepal**, for example, the EU Delegation is currently the Aid for Trade Donor Facilitator. Trade sector has not gotten enough priority by Development Partners (DPs) in their country strategies as compared to other sectors such as health and education. Mainstreaming of trade in their respective country strategies by Development Partners is one of the priorities of the Government of Nepal as well as the EU in Nepal as the Aid for Trade Donor facilitator. Due to the COVID 19 pandemic, there has been more intense consultations between DPs and Government of Nepal considering the adverse impacts of pandemic on Nepal's overall economy and export competitiveness.

The **Team Europe Initiative (TEI)** concept has proven useful in several countries, especially when linked to joint programming. In **Cameroon**, for example, there have been successful coordinated approaches on sustainable natural resources management and in the cotton sector that will be replicated and enhanced in the near future. In this sense, the Team Europe Initiative for a green deal in the northern regions of Cameroon shall serve as a pilot case of reinforced EU, German and French coordinated and complementary development cooperation actions, in coordination with other EU Member States present in the country. In **Ethiopia**, the EU Delegation prepared two Team Europe Initiatives, one on Digitalisation and one on Job Creation in close cooperation with Member States, and in **Togo** three TEI initiatives on agriculture, energy and decentralisation were launched. In **Burkina Faso**, **Gabon**, **Haiti**, and **Zimbabwe,** the Team Europe approach has considerably helped in building a more coordinated and cohesive work with European Members States on joint programming, including on Aid for Trade. In **Bangladesh**, the Team Europe Initiative on Decent Work offers great opportunities for synergies, on the labour rights agenda: a working group, co-chaired with Denmark and the Netherlands, has been established and a mapping exercise of ongoing and upcoming interventions has been completed. In **Lao PDR**, the 2019 Country Assessment ensured a strong link between development cooperation priorities and political/economic priorities in the 2021-2027 Joint programming Strategy. EU proposed support for 2021-2027 focuses mostly on strengthening the trade and investment partnership with Lao PDR, especially in green areas, and on consolidating good governance.

In the case of **regional programmes**, donor coordination had been limited during the programming phase, while it can be strong at the programme implementation level among donors involved in supporting each initiative (e.g., coordination between EU, Germany, and the Netherlands in the context of the West Africa Trade Facilitation Programme). At the programming level, the Team Europe Initiative has been welcomed by Member States as a step forward in terms of a common message, donor co-ordination and joint efforts, including in EU support for the AfCFTA.

6 A THEMATIC PERSPECTIVE

This section illustrates the EU and EU Member States AfT in a selection of thematic areas as embedded in the updated 2017 Joint EU Strategy on AfT.

The relevant actions from the updated EU AfT strategy are:	
2	Closely link EU budget support to investment climate reforms when mobilising private capital in developing countries through innovative risk-sharing mechanisms.
8	Use information from EU control systems evaluating third countries exports compliance with EU standards, as a valuable source in addressing supply-side constraints, identifying areas of improvement and corrective actions where EU aid for trade can be mobilised.

6.1 BUSINESS ENVIRONMENT AND INVESTMENT CLIMATE

The EU and its Member States are building a more conducive investment climate, with a strategic and comprehensive approach under the 2014 Communication "A Stronger Role of the Private Sector in Achieving Inclusive and Sustainable Growth in Developing Countries".

A conducive investment climate is essential within a country's path towards inclusive and sustainable growth. It plays a key role in attracting and retaining domestic and foreign investments. This, in turn, ushers in an economic transformation by boosting the development and competitiveness of the private sector, creating jobs and deepening trade integration.

The effort by Team Europe in supporting improvements in the regulatory environment for the private sector has been consistent. The EU provided about EUR 1 billion per year for private-sector-development (PSD) sector budget support. Team Europe works closely with governments and private sectors in partner countries to help them develop and implement policies in support of private sector development (PSD) and private sector engagement (PSE). These policies are aimed at a conducive business environment that enables the creation of decent jobs, inclusive growth, sustainable investment, increased productivity, enhanced competitiveness, and improved economic opportunities for the poor.

As shown in Figure 11 below, over half of this year's respondents believe that EU Aid for Trade is considerably or extremely able to address concrete obstacles in the business environment or investment climate of the country they operate in.

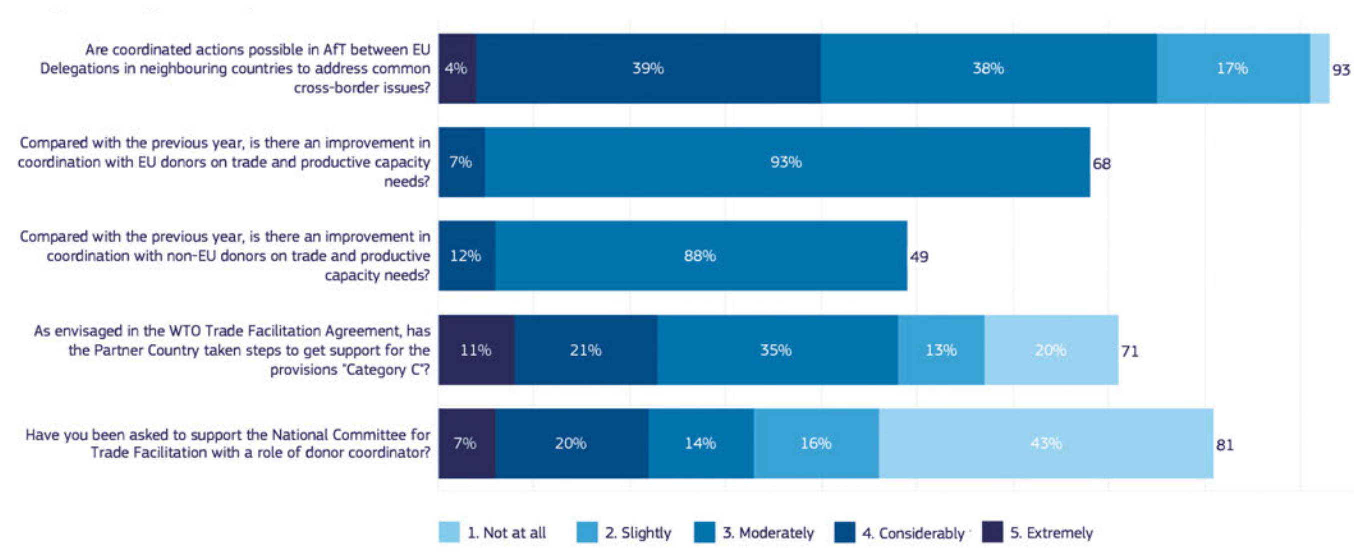


Figure 11 – Respondents' Views on EU Aid for Trade, Business Environment and Investment Climate

In **Angola**, the Trade Support Programme (2016-2021; EUR 12 million) has one subcomponent focused on "Investment Policy Review". This study was completed in 2019 and some of its recommendations are under-implementation. A review of the international investment agreements concluded by Angola was carried out in 2020 and a first discussion on its contents organised with the Government. Work towards formulating a strategy on investment promotion started in the second half of 2020, focusing on agriculture sector and more specifically coffee and tropical fruits.

The **Ethiopia** window of the programme "Support to job creation and the investment climate" (2019-2022 – EUR 10 million) aims at improving the business environment with a focus on e-governance. The entities supported are the National Bank of Ethiopia, the Ministry of Trade and Industry, the Ministry of Revenues and the Ministry of Innovation and Technology. Support to the EU Business Forum in Ethiopia (EUBFE) and to the Public-Private Dialogue is also foreseen. Part of the IFC Multi Donor Initiative, supported by the EU, focuses on improving the business climate. One project is Ethiopia Doing Business. It seeks to improve the business climate and make it work for all classes and types of business by implementing technical assistance initiatives (planning and coordination of business climate reforms, public and private sector collaboration, institutional capacity building, and effective communication).

In **Jordan**, the EU Budget Support on Private Sector Development programme (2016-2020, EUR 51 million) addresses the necessary reforms for an enabling business environment and increasing the flow and impact of investments. The purpose is to improve productivity and competitiveness of the private sector. In addition to transfer of funds to the state budget the programme facilitates a platform for policy dialogue on the business environment. The programme, in coordination with the World Bank's Programme for Results, linked to Jordan's priorities of strengthening the business environment and expanding digitalisation. The COVID-19 pandemic has, nonetheless, exacerbated existing structural challenges faced by the private sector, in particular SMEs, in Jordan. The difficult political environment in the country and lack of coordination among public institutions are impediments to coherent and strategic decision making and implementation of reforms.

In 2019, Germany started a Reform Partnership with **Morocco** as part of the G20 Compact with Africa Initiative (EUR 465 million, of which EUR 15 million grants for TA, 2020-2023). Its centrepiece is a policy-based lending (PBL), the "Reform Financing", a 3-year program started in 2020, based on a reform matrix with 17 reforms in the areas of financial inclusion, capital market development and financial system stability. The Reform Financing aims to improve the investment climate in Morocco, especially for MSME, and thus contributes indirectly to promoting trade. Despite the unfavourable circumstances caused by the COVID-19, Morocco has implemented the first reform steps in 2020 as planned and thus the first tranche of the PBL of EUR 250 M was disbursed beginning of 2021.

In **Tanzania**, the project Business Environment, Growth and Innovation (2021 – 2024; EUR 23 million) supports the implementation of the Government's Blueprint for Regulatory Reforms, MSMEs compliance with international quality standards through support to the Tanzania Bureau of Standards, and innovation and entrepreneurship.

In **Serbia**, the EU for better business environment project (2021-2025, EUR 8 million) supports the continuation of the improvement of business environment and tackling the challenges the businesses face in their daily operations. It is designed as a flexible platform facility that could systematically tackle the identified problems on a continuous basis and assure coordination of different activities in this field performed by the Government and donor community. It consists of targeted assistance to support the business environment reform coordination platform, optimization of administrative requirements for doing business (continuation of previous e-paper initiatives), and flexible facility to address emerging needs related to any improvement with the immediate or long term effect to the business environment.

In **Sri Lanka**, the EU Trade Development project (2016-2021, EUR 7.9 million) supports the Government's Trade Information Portal which streamlines documentation necessary for import/export as well as provides regulatory information to traders. The project also supports the Board of Investment (BoI) through an institutional assessment looking at the structure, the legislation, the capacity and the strategy of BoI in an effort to help the institution become a more effective investment promotion agency. It has carried out an investment law gap analysis and extended training to staff to develop their skills for investment promotion, with some additional technical workshops on identification of leads for investor targeting in the electrical and electronic components sector, which is one of the National Export Strategy's priority sectors.

6.2 TRADE FACILITATION

Bureaucratic delays and "red tape" pose a burden for moving goods across borders for traders. Trade facilitation — the simplification, modernisation and harmonisation of export and import processes — could save from 2% to 15% of the value of the goods traded according to the OECD and help to significantly improve trade flows.

Trade facilitation has become an important and prominent topic for EU Aid for Trade, since the entry into force of the WTO Trade Facilitation Agreement (TFA) on 22nd February 2017 (originally concluded at the Bali WTO Ministerial Conference in 2013) following its ratification by two thirds of the WTO membership[21]. The TFA includes commitments (so called "type C" in particular), which are to be implemented by the developing countries within an extended period of time and upon receiving technical assistance.

As shown in Figure 12, 32% of the EU Delegations surveyed this year said that they have been either 'extremely', or 'considerably' solicited to support the implementation of WTO TFA category C provisions. 35% of respondents said it was 'moderate' and 33% had only slight or non-existent demand for them.

To what extend is your Aft Aimed at improving the business environment/investment climate able to address concrete obstacles?

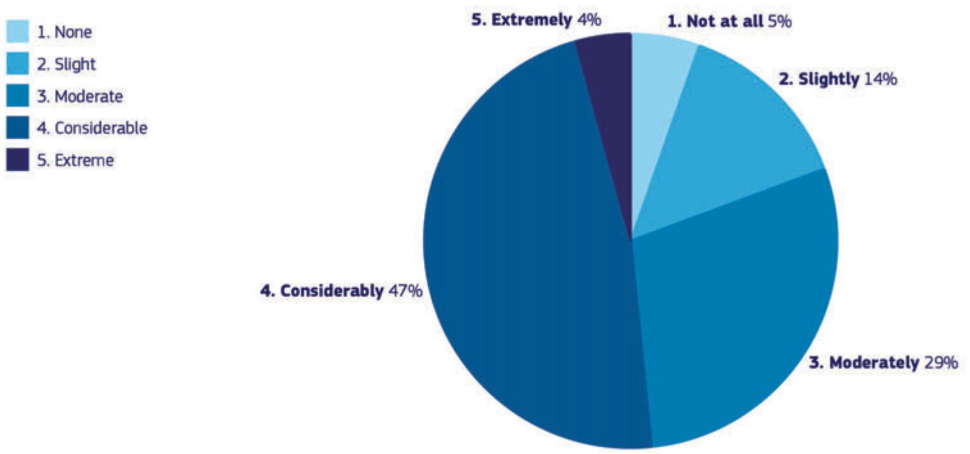


Figure 12 – Respondents' Views on EU Trade Facilitation

The European Commission has given itself a specific threshold for the Multiannual Financial Framework (MFF) 2014-20 to dedicate EUR 240 million for trade facilitation over the time of the MFF. The cumulative value from 2014-2019 was EUR 423,7 million, by far exceeding the commitment to WTO at a time of signature of the Trade Facilitation Agreement (TFA).

6.2.1 REGIONAL PROGRAMMES

West Africa Trade Facilitation Program (TFWA) (2018-2023, budget EUR 55 million, EU: EUR 20 million, Netherlands: EUR 16 million) aims to improve the free and efficient movement of goods in the region and internationally by reducing the time and cost of trade borne by the private sector in West Africa, and by strengthening regional trading networks' ability to take advantage of these improvements.

The **COMESA Trade Facilitation Programme** (2019-2022, EUR 53 million) has the objective to contribute to deepening regional integration, improving inclusive regional economic growth and enhancing competitiveness of the COMESA region. There are five expected results: Improved monitoring and resolution of Non-Tariff Barriers (NTBs); Enhanced implementation of the WTO Trade Facilitation Agreement; Strengthen Coordinated Border Management (CBM) and Trade and Transport facilitation; Improved levels of implementation of harmonized, science based SPS Measures and Technical Standards; Enhanced Trade in Services, free movement of persons, trade negotiations, intellectual property and trade promotions are supported.

21 WTO Trade Facilitation website: https://www.wto.org/english/tratop_e/tradfa_e/tradfa_e.htm

The **COMESA Small Scale Cross-Border Trade Initiative** – SSCBTI (2018-2022, EUR 15 million) aims at facilitating measures specifically for small scale cross-border traders at selected border posts and in the COMESA/Tripartite region. The project focuses on reducing bribery, corruption and harassment experienced by small scale cross-border traders at selected border posts and upgrading border infrastructure at targeted border posts. The project also has a specific focus on improving standards and facilities for female traders who make up the majority of small-scale cross border traders.

Germany is funding a **Trade Facilitation at the Zambia- Democratic Republic of Congo Border** of Kasumbalesa (2017-2021, EUR 1.5 million). Thanks to the project, electronic exchange of data (i.e. data interface) between Zambia Revenue Authority (ZRA) and the General Directorate of Customs and Excise (DGDA) of the Congo DR has been established. For the first time, the two customs authorities can electronically exchange data resulting in faster clearance of goods.

Support to regional integration and increased intra-regional trade are key objectives of the **Ready4Trade project in Central Asia** (2020-2023, EUR 15 million). The achievement of these objectives is ensured through regional seminars on eliminating non-tariff barriers to trade and improving trade facilitation in the region. The project is also looking into the possibility to establish a Regional Accreditation Centre which could facilitate trade within Central Asia.

In Asia, the **ASEAN Regional Integration Support from the EU - ARISE+** (2017-2022, EUR 41 million) addresses many aspects of Trade Facilitation included in the WTO Trade Facilitation Agreement. In **Lao PDR**, for example, through its support to the ASEAN customs systems (ASEAN Customs Transit System or ACTS) inspired by the EU New Computerised Transit System, ARISE+ addresses many aspects of Trade Facilitation included in the WTO Trade Facilitation Agreement. ARISE+ has carried out border visits to see how ACTS can be implemented and three procedural ACTS training of Customs, Government transport agencies and the private sector, and upgraded the ACTS system remotely. ARISE+ **Cambodia** has provided technical assistance to the authorities on the implementation of a number of trade facilitation measures, such as the Cambodian National Single Window, Authorised Economic Operators and the Pre-Arrival Processing. It has also contributed to the establishment of the National Committee of Trade Facilitation (NCTF), and in cooperation with other donors, on a roadmap on the implementation of TFA commitments. In **Indonesia**, ARISE+ has a component that aims at supporting the effective implementation and monitoring of WTO-TFA provisions on SPS issues and private sector outreach in advice and advocacy activities particularly on trade facilitation in agricultural commodities, food (mostly spices) and fisheries sector.

6.2.2 NATIONAL PROGRAMMES

Montenegro already implements a number of simplified procedures in order to digitalise, speed up procedures and reduce clearance/processing times, at the same time applying selectivity and processing pre-arrival information. In order to implement future projects aimed at trade facilitation Montenegro needs to develop a clear roadmap, especially with regard to ensuring interconnection and interoperability with the EU systems which are envisaged under accession requirements and contained under chapter 29, in the absence of Multi-Annual Strategic Plan for the candidate countries. Presently, the national authorities rely heavily on external funding and the EU has been continuously supporting Montenegrin Customs authorities both through national and regional (multi-country) programmes and projects. In the IPA II, covering the period 2014-2020, close to EUR 7 million have been allocated for the customs area to address both trade facilitation and security aspects.

Ghana is already one of the largest economies in West Africa and an important hub for regional and international business. Yet without an effective risk-based pre-arrival process, customs have to physically inspect 100% of shipments while clearance times and requirements are unpredictable for traders. The project Alliances for Trade Facilitation - Expedite release of goods through risk-based pre-arrival processing (2019-2020, EUR 0.7 million) is working with the government and the private sector to introduce fully-automated, paperless processing.

In **Jordan**, the Netherlands' Develop to Build (Infrastructure programme) aims at developing the feasibility studies for the improvement of the air cargo terminal of the international airport in Amman. Specific attention will be paid to the handling of perishable cargo, which requires effective cooling. Moreover, the operations and logistics infrastructure also need to be improved. The main stakeholders of this project are the Jordanian Ministry of Transport (owner of the airport), Airport International Group (AIG, the private operator of the airport until 2031) and Royal Jordanian Cargo (the private operator of the air cargo terminal) in a Build-Operate-Transfer Private-Public Partnership context. The main beneficiaries are the producers of fresh fruits, vegetables and flowers who will be able to effectively export their products to other markets.

Box 7 - Germany's ePhyto Initiative: digitising plant health certificate for agri-food exports

Germany is a founding member and donor of the Global Alliance for Trade Facilitation.

In **Morocco**, the Global Alliance for Trade Facilitation projects, led by German technical cooperation GIZ, address Article 7.9 of the WTO Trade Facilitation Agreement on Perishable Goods (Category C) and Article 10.1 on Formalities and Documentation (Category A). The project putting in place the ePhyto solution – developed by the International Plant Protection Convention (IPPC) - in Morocco, digitising the plant health certificate for agri-food exports and imports, has been successfully concluded in December 2020. Morocco now is the second most important user of the ePhyto exchange system after the US, notably for agricultural exports towards the EU, providing significant trade facilitation benefits for its traders.

Morocco is already taking advantage of the ePhyto initiative.

Based on this experience, the Global Alliance is now conducting an ePhyto upscaling initiative with eight new countries in Africa, South America, Middle East and Asia (e.g. Senegal, Jordan, Ecuador, and Thailand). In **Thailand**, for example, the IPPC ePhyto solution project (2021-2022, EUR 0.2 million) supports the Department of Agriculture (DoA) in effectively deploying ePhyto as well as connecting to the IPPC Hub through the National Single Window (NSW) to facilitate the exchange of ePhyto certificates with National Plant Protection Organizations (NPPOs) worldwide and beyond the ASEAN region by 2022. The project will contribute to improving government services' efficiency and towards the implementation of the WTO Trade Facilitation Agreement (Article 7.9 and Article 10.1). To achieve this objective the project will support the adaption of the IT environment in Thailand to connect Thai systems (DoA, NSW) to the ePhyto Hub and will enhance capacities of public and private sector stakeholders to provide and use new ePhyto processes.

In **Libya**, the EU funds projects that support the integration of the country in the EuroMed Trade Helpdesk Facilitation mechanism and the reinforcement of national authorities' capacities to collect and analyse trade related information. The EU is also seeking to improve the business environment, the capacities of business support institutions (chambers of commerce), and access to finance for SMEs. In parallel EU funded projects are working with high growth potential SMEs helping them to overcome managerial and operational bottlenecks, thereby improving their export potential. Finally, technical assistance has been provided by EU funded projects to initiate the dialogue on the developing of special economic zones in Libya.

In **Mongolia**, the EU TRAM – Trade Related Assistance for Mongolia (2017-2021, EUR 4.5 million) is supporting the National Trade Facilitation Committee, and the Customs Administration Office who is responsible for most of

Category C obligations. One Component of TRAM is fully dedicated to support Mongolia in fulfilling its Category C obligations of the WTO TFA, through training for customs officers. Manuals, guidelines, relevant European legislation were translated and published. Support is also provided for drafting amendments to the Customs Law.

The EU-**Nepal** Trade and Investment Programme (2020-2024, EUR 8 million) is supporting the Government of Nepal in strengthening the National Trade Facilitation Committee and providing technical assistance in implementing Category C measures that Nepal has notified in February 2021.

In **Mauritius**, the EDF EPA project (2020-2023, EUR 1 million) has a trade facilitation component aiming to support, inter alia, WTO Trade Facilitation Agreement (TFA) implementation. It supports the introduction of electronic payments in international trade, trade facilitation measures such as the introduction of the EU Registered Export System, a Single Window developed in ASYCUDA WORLD to assist integrating all needed documents for import/export and creating a paperless environment, support to testing laboratories and standard operating procedures for Quality and Standards. The project provides long term assistance to the Trade Division of MFTIEP for capacity building of staff in trade negotiations, trade policy formulation, market analysis tools and statistical analysis and data exploitation

The **Zimbabwe** EPA Support Project (2018 - 2022, EUR 10 million) is supporting Trade Facilitation through the supply and installation of queue management software, for both human and vehicle traffic, at three border posts.

6.3 QUALITY INFRASTRUCTURE

Quality infrastructure covers the regulatory and operational aspects of standardisation, accreditation, conformity assessment and market surveillance. Capacity building of regulators and competent authorities, food safety systems and equipment of laboratories are all crucial enablers of trade and investment. Also important is technical assistance to producers and SMEs in complying with technical regulations, private standards, food safety and sanitary and phytosanitary measures.

The main components of quality infrastructure are sanitary and phytosanitary measures and agreements (SPS) and Technical Barriers to Trade (TBT).

The Agreement on the Application of Sanitary and Phytosanitary Measures is one of the final documents approved at the conclusion of the Uruguay Round of the Multilateral Trade Negotiations. It applies to all sanitary [relating to animals] and phytosanitary [relating to plants] (SPS) measures that may have a direct or indirect impact on international trade.

Technical Barriers to Trade are measures referring to technical regulations and procedures for assessment of conformity with technical regulations and standards, excluding measures covered by the SPS Agreement. These refer to measures such as labelling, standards on technical specifications and quality requirements and other measures protecting the environment.

Is your support to the Partner Country´s Quality Infrastructure driven by market considerations?

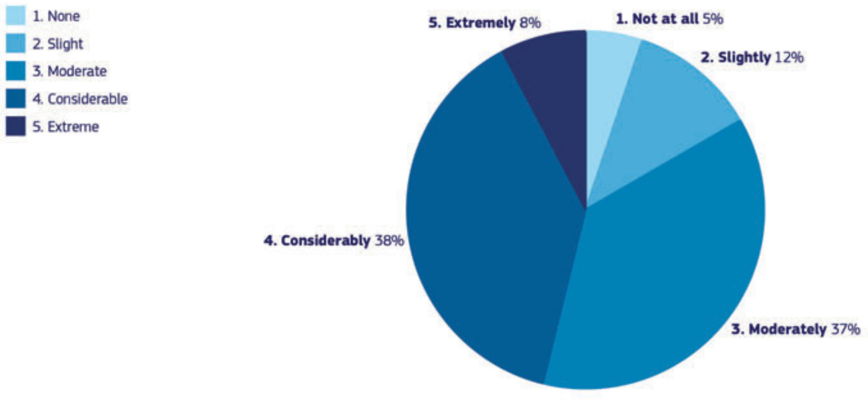


Figure 13 – Respondents' Views on EU Aid for Trade and Quality Infrastructure

For many products, prior conformity assessment of the quality infrastructure (such as laboratories) is a key condition for access to domestic and/or foreign markets. In addition, demonstrating compliance with voluntary international standards is becoming an important part of requirements for responsible business conduct, boosting companies' competitiveness in local and global value chains. The updated AfT Strategy calls for EU responses in this area to be driven mainly by market requirements, as a means to sustain improvement in quality infrastructure over time.

As shown in Figure 13 above, 46% of respondents this year said that their support for quality infrastructure has been either 'extremely', or 'considerably' driven by market considerations. Next a few examples of such support.

The Regional Programme **COLEACP's FIT FOR MARKET - Strengthening sanitary and phytosanitary systems of the ACP horticultural sector FFM-SPS** (2019-2022, EUR 15 million) covers all ACP countries and aims to enable smallholders, farmer groups and organisations, and MSMEs to access international and domestic horticultural markets by complying with SPS issues and market requirements, in a sustainable framework.

In Africa, the **WHO/FAO Codex Alimentarius Trust Fund – Phase II – CAFT 2** (2016-2027), with financial support from the EU, assists Codex members that are developing countries or those with economies in transition, to enhance their level of effective participation in the development of global food safety and quality standards by the Codex Alimentarius Commission. Activities of the CATF 2 consists of two types of support: multi-annual support to individual countries based on the national context, or to a group of countries if more efficient; and tailor-made development activities carried out by FAO / WHO at regional, sub-regional and global level.

Several **other regional programmes described in the previous sections** on Trade Facilitation or Regional Integration (i.e. West Africa Trade Facilitation Program - TFWA, COMESA Trade Facilitation Programme, ASEAN Regional Integration Support from the EU - ARISE+, Ready4Trade project in Central Asia, EU-East Africa Community MARKUP Programme, ACP Tradecom II) provide also support for quality infrastructure in their respective target countries. Box 8 includes examples of activities funded by ARISE+ in the Philippines and Indonesia.

In **Armenia**, the CEPA Reform Facility (2019-2024, EUR 23 million) provides multi-faceted support to Armenia in advancing in the CEPA implementation and envisions different capacity building activities for number of core institutions, complementing the ongoing EU support. These include technical assistance to the National Quality Infrastructure and its institutions in areas such as accreditation, metrology, standardisation or market surveillance. The activities will be delivered both through technical assistance, and procurement of relevant equipment. More specifically, the project will explore support to metrology laboratories such as a dimensional measurements laboratory, an electricity laboratory, a chemical laboratory and a pressure measurement laboratory, etc. in close collaboration with the Government of Armenia to ensure the sustainability of the action. In addition, the Project "Setting conditions for recognition of the Armenian Accreditation System by the European Co-operation for Accreditation" (2021-2022, EUR 0.5 million) has just launched a twinning arrangement with German and Italian partners, to assist the recognition of the Armenian Accreditation System by the European Co-operation for Accreditation.

In **Azerbaijan**, the twinning ''Support to Azerbaijan Standardization Institute for implementation of the National Plan for harmonizing national standardization system with international requirements'' (2020-2022, EUR 1 million) aims to enhance the legal and institutional framework of Azerbaijan Standardization Institute (AZSTAND), its financial mechanisms and digital transformation for an improvement of the standardization system in Azerbaijan. The project is dedicated to support Azerbaijan in ensuring its compliance with the requirements of the WTO Technical Barriers of Trade Agreement thus, to foster the integration of Azerbaijan economy into the world economy. Since 2019 AZSTAND became a governmental independent organization following international best practice. The Consortium consisting of Germany, Spain and Sweden will provide necessary consultations in order to assist AZSTAND in its transition and strengthen its position as a key economic governance institution in Azerbaijan.

Germany is active providing quality infrastructure support in **Benin**. The "Projet Renforcement de l'infrastructure de qualité pour la filière du soja – ProQUAL" (2019-2022, EUR 2 million) is financed and implemented by GIZ and the Physikalisch-Technische Bundesanstalt (PTB). The aim of this joint project is to improve the quality of soybeans throughout the production chain, through the provision of services from state institutions for quality improvement and capacity building of the private sector. The project has three main outputs: i) the conditions for access to certified soybean seeds are improved; ii) the knowledge of soybean producers and processors on the quality of their products is improved; and iii) proposals for quality management solutions are developed by stakeholders of the soybean sector.

In **Colombia**, the project "Quality for Competitiveness - Reducing Quality Gaps of Regional MSMEs" (2019-2021, EUR 2 million) aims to identify quality needs (focused on metrology) in the cocoa and Hass avocado chains, transfer good practices for the use of standards and measurement for MSMEs, develop and improve the technical capacities of public and private entities for calibration and testing, and strengthen the metrological capacity of the National Metrology Institute (Instituto Nacional de Metrología). Since 2016, the Danish International Development Agency has financed a cooperation between Denmark and Colombia in the area of veterinary and food safety with the objective to ensure safer and better food while preparing Colombia to access the export markets. This includes helping Colombian farmers to become more competitive with sustained and inclusive economic growth contributing to improved rural livelihoods.

In **Congo**, under the "Projet de Renforcement des Capacités Commerciales et Entrepreneuriales II PRCCE II" (2017-2021, EUR 13 million), the EU supports sanitary and phytosanitary quality infrastructures. Under component 3 of the PRCCE II, the project is supporting the National Agency for Normalisation & Quality with the following activities: strategy of the agency, three-year action plan, training modules, long-term technical assistance, and equipment and training. Such equipment should enable the certification and control of food products by two laboratories in Congo. One will be in charge of water analysis and liquid products including fruit juices and the second will be in charge of solid food products (fruit and vegetables, eggs, honey, etc.). The action plan for the agency will focus on the clusters and value chains to be supported by the PRCCE II, driven by market considerations.

Box 8 – Examples of how ARISE+ supports Quality Infrastructure in the Philippines and Indonesia

In the **Philippines**, ARISE+ supports the set-up and operationalisation of efficient mechanisms, increasing overall trust in Filipino products and food industry, particularly in export markets such as the EU. The project aims to provide technical training for export-oriented operators along the value chain on food safety best practices and international standards, and to support capacity-building of the Food and Drug Administration (FDA), the Department of Agriculture (DA) and attached agencies/ bureaus to act as Competent Authority for food exports to the EU. Specific TA under the Better Training for Safer Food (BTSF) Programme to improve SPS compliance has been helpful also in the ongoing dialogue on market access issues. The ongoing Food Safety for Asia Project has also identified specific training activities that would benefit relevant agencies in the country. However, the pandemic has made it difficult to pursue activities earlier identified and it remains uncertain how and when such may be implemented.

In **Indonesia,** ARISE+ provides support to the improvement of Export Quality Infrastructure (EQI) in various areas such as conformity assessment, testing and certification, capacity building on international standards and practices as well as EU regulations, and strengthening the role of SME producers and exporters into Global Value Chains. Key beneficiaries cover different eight ministries and agencies with Ministry of Trade as the leading beneficiary.

Phillipines Arise + is prividing technical training for export-oriented operators on food safety best practices

In **Lebanon**, the twinning project "Strengthening the Veterinary Services and Food Safety Capacities of the Lebanese Ministry of Agriculture" (2018-2022, EUR 2 million) aims at strengthening the capacities of the Ministry of Agriculture in the field of veterinary public health to protect the health and safety of Lebanese consumers by controlling the health and safety of Lebanese animal production and its food industry. The project has contributed to further alignment of Lebanese legislation with international SPS standards in the area of agriculture, live animals and food products. In this regard, a draft law about Veterinary Services and Animal Food Chain has been produced with support from the project and is now under discussion for eventual submission to the Parliament for further adoption.

In **Mozambique**, under the "PROMOVE Comercio" project (2019-2022, EUR 68 million), UNIDO started implementation and finalized the inception phase of the component entitled "Building competitiveness for exports" to increase quality infrastructure services and to enhance the capacities of Small and Medium-Sized Enterprises (SMEs) to comply with quality requirements of export markets such as the EU. Two webinars took place in 2020 to inform on standards to export agricultural and fisheries products to the EU, the priority value chains of the project were identified, and a Call for Proposals for SMEs was also launched to select SMEs that will be coached on how to increase their export-readiness. Social media pages were also launched. Germany, through its metrology institute PTB, has been providing institutional support to Mozambique's institute for quality norms, INNOQ and will focus on improving QI for one selected agricultural value-chain.

In **Georgia**, quality infrastructure is supported through a variety of AfT instruments as described in Box 9 below.

Box 9 - Using three different EU AfT Instruments to support Georgia's Quality Infrastructure

In **Georgia**, three different cooperation instruments are being used to support the national Quality Infrastructure Institutions: technical assistance, budget support and complementary measures, and twinning.

First, the EU programme Strengthening of institutional as well as human capacities of Georgian National Agency for Standards and Metrology according to the international/EU best practices, now closed, supported the Georgian National Agency for Standards and Metrology (GEOSTM), in the legal approximation process, development of National Quality Infrastructure Institutions, alignment of GEOSTM's practices and procedures to the EU ones as well as broadens its institutional network with special focus on European research programs. The Czech Republic has also a technical assistance programme (2017-2022, EUR 0.7 million) supporting GEOSTM

Farmers checking wheat production after using new method, under the EU-supported ENPARD

Second, the European Neighbourhood Programme for Agriculture and Rural Development (ENPARD) in Georgia, phase IV (2021-2027; EUR 55 million) provides budget support and complementary measures. This phase of the ENPARD programme provides assistance in the food safety and SPS sector to enhance consumer protection in Georgia and to facilitate exports of safe Georgian products to EU Member States. It provides support to the Government agencies in charge of SPS and food safety controls and enforcement in line with newly approximated legislation. This includes the development of an accredited Quality Management System for SPS/food safety in Georgia by end of the Programme.

Finally, the twinning programme "Ensuring further progress of SPS and food safety system in Georgia" (2020-2022; EUR 1.45 million) supports the National Food Authority of Georgia in its approximation of the SPS/food safety legislation and in piloting control and enforcement systems for this legislation. It provides also support to the Revenue Service of the Ministry of Finance in their SPS controls of food imports and exports.

In **Nepal**, German cooperation project "Support to Nepal in the field of quality infrastructure" (2018-2021, EUR 2 million) aims to extend NBSM's capabilities of accreditation and its scope as a National Metrology Institute. Within the framework of the project, basic trainings as well as more advanced seminars on the most accurate determination of different measurements are conducted. NBSM is also equipped with a limited number of measurement devices. Additionally, the project supports almost all components of quality infrastructure through its diversified components and multiple implementing partners, that include state institutions as well as business associations. The project is implemented by PTB, the National Metrology Institute of Germany.

In **Serbia**, the EU programme "Strengthening Capacities of National Quality Infrastructure and Market Surveillance Authorities" (2019-2021, EUR 1.5 million) is (a) assisting in further legal harmonisation on personal protective equipment, construction products, motor vehicles, pyrotechnic articles and explosives for civil use; (b) strengthening capacities of Quality Infrastructure Institutions (Accreditation Body of Serbia, Institute for Standardization of Serbia, Directorate of Measures and Precious Metals) and Conformity Assessment Bodies to implement relevant legislation; (c) strengthening capacities of relevant institutions in charge of Market Surveillance to enforce legislation; and (d) raising consumers and economic operators' awareness on obligations of the EU products safety concept.

In **Ukraine**, the EU programme "Strengthening the institutional capacity of the Ministry of Economy of Ukraine in the field of National Quality Infrastructure" (2021-2023, EUR 1.2 million) –seeks to improve Ukraine's business climate, competitiveness, innovation and integration into the European Union's internal market by improving its National Quality Infrastructure (NQI). More specifically, it contributes to establishing a system of well-functioning norms, institutions and practices on technical regulations and conformity assessments, as well as market surveillance and consumer protection.

The EU programme "Improvement of legislation, control and awareness in food safety, animal health and welfare in Ukraine" (2019-2023, EUR 4.3 million) is aimed at supporting the implementation of the EU – Ukraine Association Agreement provisions concerning food safety, animal health and welfare, notably in terms of legislation approximation and institutional improvements. This is the main instrument currently implemented in support of SPS approximation. Latest developments concern the adoption of the Law on Veterinary Medicines. The project started also to work on legal approximation in the phytosanitary field with the development of an ambitious proposal for a Law on Plant Health and Protection.

Ukraine is gradually alignignt with EU and other international standards

6.4 DIGITALISATION, E-COMMERCE AND INTELLECTUAL PROPERTY

Promoting e-commerce or digitalisation as part of Aid for Trade is a significant enabling factor for economic development. According to the World Economic Forum, over 60% of global GDP expected to be digitised by 2022[22], and an estimated 70% of new value created in the coming decade is forecast to be based on digitally-enabled platforms[23].

COVID-19 has accelerated digitalisation beyond the most ambitious predictions, and has, as estimated by McKinsey[24], compressed five years of progress within the space of three months. However, digitalisation also makes Intellectual Property (IP) more vulnerable to theft through greater ease of counterfeit and copying. This section looks at how EU AfT has supported both digitalisation and IP protection.

6.4.1 GLOBAL AND REGIONAL INITIATIVES

6.4.1.1 PROMOTING E-COMMERCE OR DIGITALISATION

The importance of digitalisation in EU development cooperation has been emphasised by the inclusion of digitalisation as one of the five key sectors targeted by the EFSD guarantee, and the establishment of the D4D Hub at the end of 2020.

The launch of the **Digital for Development (D4D) Hub** in December 2020 as a global multi-stakeholder platform marks a turning point in the EU's international partnerships to support a human-centric digital transformation. The D4D Hub bundles the multitude of digital initiatives by European actors for unparalleled coordinated impact. To this date, eleven EU Member States (Germany, Belgium, France, Estonia, Luxembourg, Spain, Portugal, Sweden, the Netherlands, Lithuania, and Finland) have signed a Letter of Intent to cooperate under the D4D Hub towards a **single European digital development strategy**. The D4D Hub will form regional branches in Africa, Asia, Latin America and the Caribbean, as well as in the EU's Eastern Neighbourhood and include all relevant stakeholders from their respective regions.

The D4D Hub is guided by five operating principles:

- **Local ownership & win-win partnerships**: facilitate partnerships that provide added value and base cooperation activities on local demand.
- **Multi-Stakeholder involvement & expertise**: promote a sustainable digital transformation requires a whole-of society approach (governments and administrations, private sector, civil society, academia).
- **Sustainable & green digital transformation**: promote the twin green and digital transition.
- **Human-centric approach**: put people at the heart of the digital transformation to ensure the full protection of human rights in the digital age.
- **Data security & protection**: promote a comprehensive and consistent response to safeguard the global threat of cyber breaches, misuse of data and breaches of data privacy.

As the first operational regional component, the AU-EU D4D Hub kicked-off activities in Africa in January 2021. It will serve to provide demand-driven technical support to national stakeholders, disseminate best practices, and host digital policy dialogues between inter-African and African-EU multi-stakeholder partnerships.

In **Africa**, there have been two other initiatives launched in 2020 to promote digitalisation in Team Europe's partner countries: the African European Digital Innovation Bridge, and the EU-AU Data Flagship.

22 World Economic Forum, Our Shared Digital Future: Responsible Digital Transformation - Board Briefing, 2019, https://www.weforum.org/whitepapers/our-shared-digital-future-responsible-digital-transformation-board-briefing-9ddf729993

23 https://www.weforum.org/platforms/shaping-the-future-of-digital-economy-and-new-value-creation

24 https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/global-surveys-of-consumer-sentiment-during-the-coronavirus-crisis

To strengthen digital innovation networks in Africa and promote intercontinental dialogue between African and European innovators and policymakers, the **African European Digital Innovation Bridge, AEDIB,** will create important opportunities for employment and pave the way for economic growth and recovery. Initiated by EU Member States (France, Belgium, and Germany) and the European Commission, the AEDIB will establish a Pan-African network of Digital Innovation Hubs (DIHs). This network will encourage joint ventures between Africa and Europe and provide technical innovation expertise and experimentation for small and mid-size enterprises and start-ups. AEDIB will connect information and communications technology professionals, investors, academia, incubators, and national, regional and local authorities. By facilitating access to financing for African DIHs and mutual learning and joint solution development, AEDIB will help solve technological and entrepreneurial challenges. A special focus on reaching and including youth and women will be incorporated through the Digital and Entrepreneurial Skills Academy. The partners in the AEDIB cover more than 80 countries, of which over 30 have already established DIHs (ca. 300 European DIH to date), with the vision to ultimately establish DIHs in every country, facilitating the creation of a single market for digital innovation in Africa and Europe.

Under the **EU-AU Data Flagship**, Europe and Africa seek to converge their visions of a fair and sovereign data economy based on shared values and policies that assure strong data protection and inclusive economic growth. The EU, in close partnership with AU Member States, the Smart Africa Alliance, tech companies, financing institutions, civil society organizations, and academia, will ensure that data generated within Africa benefits its citizens, businesses, and public sector. This partnership will facilitate investments in African data infrastructure and data technologies and services that can contribute to the acceleration of the digital transformation of the continent. The EU-AU Data Flagship will also create a more enabling data economy in Africa through increasing the number of highly qualified data professionals, with a focus on issues related to data protection, collection, storage, analysis, interpretation, and visualisation of data. In the fight against global health crises, such as COVID-19, this flagship will support African governments to better collect and use data, while fully respecting the rights to privacy and data protection.

The EU regional programme "Leveraging digital finance to increase resilience of **ACP countries**" (2020-2024, EUR 14 million) aims to contribute to the deployment of digital finance solutions at the scale and speed necessary to deepen financial inclusion and accelerate economic recovery from COVID-19, to make economies and societies more resilient to external shocks.

EU4Digital aims to extend the European Union's Digital Single Market to the **Eastern Partner states**, developing the potential of the digital economy and society to bring economic growth, generate more jobs, improve people's lives and help businesses. Through the initiative, the EU supports the reduction of roaming tariffs, the development of high-speed broadband to boost economies and expand e-services, coordinated cyber security and the harmonisation of digital frameworks across society, in areas ranging from logistics to health, enhanced skills and the creation of jobs in the digital industry. Four projects are funded under the EU4Digital Initiative – the EU4Digital Facility (2019-2022, EUR 11 million), EaPConnect (2020-2025, EUR 10 million), EU4Digital Cybersecurity East (2020-2025, EUR 3 million), and EU4Digital Broadband (2018-2020, EUR 1 million).

In **East Asia**, Germany's project "Support of Regional Economic Cooperation in Asia – SRECA (2019-2022, EUR 4 million) is implemented in Cambodia, Lao PDR, Mongolia and Vietnam (focus countries) together with China as a development and economic partner. As a cross-cutting topic within its three main components, SRECA is utilising new digital solutions for agricultural trade facilitation and SME promotion. In a small-scale approach, the project includes the topic of e-commerce into its interventions. Implementing partners are (among others) the General Directorate of Agriculture (GDA) in Cambodia, the Mongolian National Chamber of Commerce and Industry (MNCCI), the Vietnam Trade Promotion Agency (VIETRADE). To facilitate new options of market access to China, SRECA supported its partners and SMEs from Cambodia, Lao PDR, and Vietnam with market research on e-commerce in China and its opportunities for SMEs in neighbouring countries regarding export of fresh fruits[25]. The report was translated into the respective country languages and used for further capacity building of private and public actors within the field of agri-trade.

Under the Enhanced Regional EU-**ASEAN** Dialogue Instrument (E-READI) programme, as a continuation from a 2019 dialogue and following up the recommendation of a GAP analysis study, a series of capacity building workshops were conducted in 2021 for both ASEAN digital policy maker and national statistics personnel. The capacity building programme comprises 10 topics generated from the GAP analysis study selected by ASEAN Member States. It will contribute to the on-going efforts to support and reinforce monitoring on the progress of the relevant digital indicators. Ecommerce regulation is among the topics covered.

25 GIZ, Fresh Fruit E-Commerce in China. A market research report for local agri-businesses in Cambodia, Lao PDR, and Vietnam, 2020. Available at https://connecting-asia.org/wp-content/uploads/2020/12/20210119_GIZ_SRECA_Ecommerce_Report_Final_Desgin-1.pdf

In **Central America**, the EU Programme "Central American Regional Economic Integration - INTEC" (2017-202, EUR 21 million) includes capacity building and TA for private and public sector and regional institutions to take advantage of the EU – Central America Association Agreement. The direct support to private sector Component II of INTEC supports the design and development of the digital platform for trade in CA (PDCC). The software and hardware have been delivered and the platform is scheduled to be operational before the end of 2021. Once fully operational, the PDCC is expected to reduce trading costs for the region by 6.4% and contribute to an average GDP growth of 0.4%.

6.4.1.2 PROTECTION OF INTELLECTUAL PROPERTY RIGHTS (IPRS)

The "**Intellectual Property Rights (IPRs) Action for Africa"** (2019-2024, EUR 12 million) aims to ensure that IPRs are created, protected, used, administered and enforced across Africa, in line with international and European best practice and in support of the AfCFTA and the African Union's Agenda 2063.

The "**ASEAN Regional Integration Support from the EU (ARISE+) – Intellectual Property Rights"** (2018-2022, EUR 5 million) has the objective to support ASEAN regional integration and further upgrade and improve the systems for IP creation, protection, utilization, administration and enforcement in the Southeast Asia, in line with international IP best practice and standards and the recently approved ASEAN IPR Action Plan 2016-2025.

The project "**Intellectual Property Key in South East Asia - IP Key SEA**" (2017-2022, EUR 6 million), implemented by the European Union Intellectual Property Office (EUIPO), supports the introduction and implementation of an EU level of Intellectual Property Rights (IPR) protection and enforcement in the EU's South East Asia trading partners, in particular, Thailand, Malaysia, Indonesia, the Philippines and Vietnam.

6.4.2 NATIONAL PROGRAMMES

As shown in Figure 14 below, only 25% of respondents this year said that promoting e-commerce or digitalisation has been either 'extremely', or 'considerably' important as an enabling factor in their AfT programmes. This is likely to change thanks to the initiatives launched at the end of 2020, but the examples of ongoing activities at the national level, summarised below, are still few. Box 10 shows how digitalisation has helped AfT policy dialogue in several countries.

Is promoting e-commerce or digitalisation part of your AfT as an enablig factor for economic development?

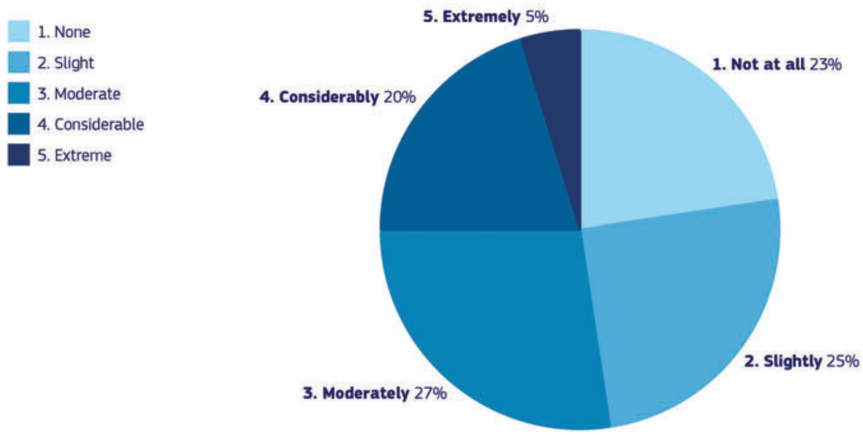


Figure 14 – Respondents' Views on EU Aid for Trade and Digitalisation

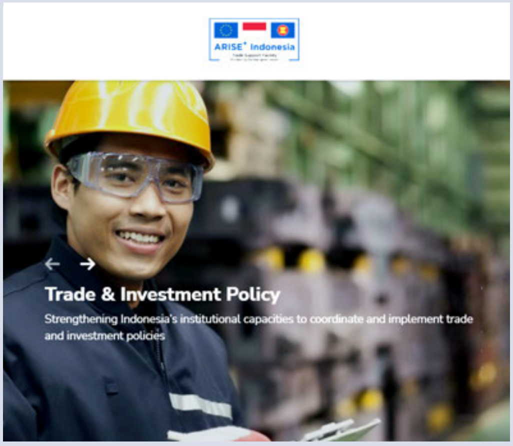
In **Cambodia**, CambodiaTrade, an e-commerce marketplace aiming to serve small and medium enterprises (SMEs) was launched in 2021 to sell their products online to potential clients in the domestic and overseas markets. The marketplace is developed with financial support from the Enhanced Integrated Framework under the "Cambodia's e-commerce acceleration project - Go4eCAM" (2019-2023, USD 5.3 million) with the main objective of realising the benefit of e-commerce for the SMEs, contributing to jobs and growth. To be eligible to use the marketplace at CambodiaTrade.com, the SME must be a company or enterprise formally registered with the Ministry of Commerce or its affiliates and have valid patent tax and VAT certificates.

In **Indonesia**, the "ARISE+ Indonesia Trade Support Facility" (2019-2022, EUR 15 million) has funded an internet-based facility - the system of ASEAN Solutions for Investments, Services and Trade (ASSIST)[26] - provides simple, cost-effective, expedited and efficient solutions to the practical problems experienced by ASEAN enterprises when trading across borders within ASEAN. ASSIST is loosely modelled on the EU SOLVIT facility and represents one of the key trade facilitations tools of ASEAN to enhance intra-ASEAN trade and fulfil the AEC Blueprint 2025.

In **Morocco**, Germany is supporting the Customs Authority in piloting a joint project with DHL Express, the "DeveloPPP project" (2020-22, EUR 1.5 million), to streamline and automate air freight customs clearance operations and data exchange via a blockchain platform.

In **Sri Lanka**, through the "EU – Sri Lanka Trade Related Assistance" (2016-2021, EUR 7.85 million) several public private sector dialogues on e-commerce have been facilitated and resulted in the development of a policy paper on the regulatory framework for consumer protection in e-commerce and roadmap for e-commerce reform. Technical inputs on the Consumer Affairs Authority Act, the Personal Data Protection Act and the Cyber Security Bill based on international best practices (including EU legislation) has been provided and legislation is now awaiting cabinet approval. In addition, a digital National Export Strategy (NES) implementation management tool is being developed. The Project also supported the operationalization of an online Trade Information Portal (TIP) for exporters. Support is being provided to Sri Lanka Accreditation Board in the digitalization of their management and accreditation system. This will be in accordance with the Action plan for implementation of the National Quality Policy developed by the Project. To support Sri Lanka's application for Geographic Indication, the project funded the development of blueprints of an IT Traceability system focusing on cinnamon. An International Pepper Community mobile application to facilitate market access for Sri Lankan black pepper producers was also launched by the project.

Box 10 – Using Digitalisation to Promote Private Sector Dialogue on Trade



Indonesia Arise+ website

In **Indonesia**, the "ARISE+ Indonesia Trade Support Facility" (2019-2022, EUR 15 million) is supporting the engagement with the private sector through the establishment of an electronic interface[1] for ASEAN business councils, trade associations and chambers of commerce to engage with the relevant ASEAN Sectoral Bodies and ASEAN Member States and discuss issues of trade facilitation, regional economic integration and intra-ASEAN trade. This has proven particularly timely to ensure continued engagement, in a secure and confidential environment, during the COVID-19 pandemic when physical meetings and consultative opportunities became more complex or impossible.

In 2020, the **Ugandan** government and private sector established the Sustainable Business for Uganda (SB4U) Platform, in line with the Africa-Europe Alliance for Sustainable Investment and Jobs. The Platform is an innovative mechanism to engage public and private actors in Uganda and the EU to strengthen the investment climate, particularly concerning the green economy. The Platform operates at policy dialogue level on key constraints hampering bilateral investments, targeted actions to reduce them and investment partnerships promotion. While it currently focuses on workforce skills training, improved access to finance and anti-corruption measures, it is expected to support bilateral trade relations and capacities in the near future. EU support to the platform is provided through the "Inclusive Green Economy Uptake Programme – GreenUP" (2019-2022; EUR 45 million) and "Promoting Inclusive Green Economy – PIGE" project (2019-2022; EUR 60 million).

1 Available to eligible organisations at https://e-platform.asean.org/login

26 Available at https://assist.asean.org/en/home

7 VARYING APPROACHES

Developing countries have different capacity and needs based on their geographic/regional features, level of income, and degree of fragility or nature of the relationship with the EU. This must be reflected in EU AfT's approach and be adapted to each country's conditions. This section analyses the differences in approach based on income group and fragility, showing that EU AfT follows different approaches in each group.

7.1 LEAST DEVELOPED COUNTRIES AND FRAGILE STATES[27]

The relevant actions from the updated EU AfT strategy are:	
14	Increase the proportion of EU and Member States' Aid for trade directed towards Least Developed Countries, with a vision to progressively achieve one fourth of total EU Aid for Trade by 2030.
15	In situations of fragility and conflict, carefully sequence and prioritise stabilising and quick-win interventions by applying a fragility lens and 'do no harm' principle.

Because of their level of vulnerability to economic and environmental shocks, LDCs and countries in fragile situations are of particular importance in the framework of the AfT strategy. Through diversification of productive capacities and infrastructure, as well as the improvement of the trade environment and investment climate, the EU is addressing the challenges faced by LDCs and fragile states. One of the game changers lies in generating economic and social gains in an inclusive manner, appeasing tensions and sharing benefits.

The Aid for Trade strategy also sheds light on the need to optimise preference utilisation (such as through the 'Everything But Arms' scheme) by fragile states and LDCs. From the outset, Aid for Trade has been effective in helping developing countries generally, and LDCs in particular, expand their exports. A supportive policy environment – with stable macro policies, well-respected property rights, and an effective legal system, as well as social peace – is crucial to capitalise on AfT's success. LDCs also have to play their part to promote the effective use of Aid for Trade. A central priority is to establish a climate conducive to efficient implementation of public investment that in turn encourages a private investment response. To reach this goal, the EU will capitalise on innovative tools such as the EU External Investment Plan, existing trade agreements and unilateral trade preferential schemes.

The EU intends to increase the share of EU AfT allocated to LDCs to help them double their share of global exports, a target that has so far been missed, as LDC's share on global exports has remained at 1% and on exports to the EU at 2% in 2020, more or less stationary since 2010. Similarly, the share of EU and Member States' AfT channelled towards Least Developed Countries was 15% in 2019, at the same level as of 2017 and 2018[28], as shown in Part II of this report, and still far from the 25% target of total EU AfT by 2030. The proportion of EU and Member States' AfT channelled towards countries in situations of fragility and conflict grew instead from an average of 16% in 2016-2018 to 19% in 2019.

The **Enhanced Integrated Framework (EIF),** housed in the WTO, is the only multilateral partnership dedicated to assisting LDCs use trade as an engine for growth, sustainable development and poverty reduction. Its projects are funded through a Multi-Donor Trust Fund and managed by the United Nations Office for Project Services (UNOPS) as the EIF Trust Fund Manager. The EIF and LDCs work together to identify sectors with export potential and act on expert advice – all to help countries become more competitive in global markets. The EU and eight of its Member States[29] support Phase Two of the Enhanced Integrated Framework to help the LDCs harness trade for poverty reduction, inclusive growth, and sustainable development. Team Europe's commitments as of end 2020 amounted to USD 68 million, 49% of total commitments from all donors. The EIF so far has prepared 46 Diagnostic Trade Integration Studies (DTIS) to identify trade priorities for LDCs,

27 For a list of LDCs see Annex 4. For a list of States in fragile situations, see https://www.worldbank.org/en/topic/fragilityconflictviolence/brief/harmonized-list-of-fragile-situations

28 The 2020 EU AfT report included a higher percentage for LDCs as it included only grants as well as AfT from the United Kingdom. The percentage in the current text refers to the total of EU AfT (grants plus loans) from current EU Member States and is lower than the one reported last year as LDCs receive more AfT ODA grants than ODA loans.

29 Denmark, Estonia, Finland, France, Germany, Luxembourg, Netherlands, and Sweden.

mobilised more than USD 2.3 billion in 242 projects related to the Action Matrices of the DTISs, supported USD 2.1 billion of exports and over 13,000 micro, small and medium-sized enterprises[30].

As shown in Figure 15 below, the vast majority of respondents found the contribution of the EIF to increased capacities or donor coordination rather limited. A positive example is provided by **Nepal,** where the EIF aid for trade donor coordination mechanism is well established. The leadership of the EU as EIF Donor Facilitator has strengthened the Government-development partner cooperation and has contributed to mainstream trade in country strategies of local development partners. The EIF supported in implementation of NTIS 2016, carrying out Rapid e-trade Readiness Assessment, Readiness Assessment for Cross-border Paperless Trade, launching of National Sector Export Strategies and building productive capacities (MAPs, Coffee, Pashmina and Ginger).

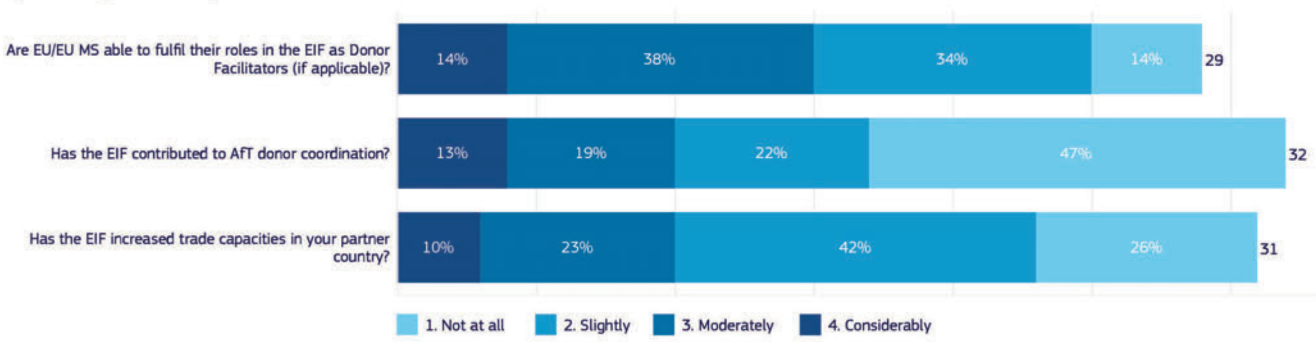


Figure 15 – Respondents' Views on the Enhanced Integrated Framework (EIF)

EU Aid for Trade in LDCs is more concentrated on agriculture accounting for 34% of all cumulative commitments over the period 2010-2019, compared to 10% for LMIC and 8% for UMIC. Building productive capacity for trade development (i.e. with an OECD/DAC TD marker of 1- significant or 2 - principal) received also a greater share of EU AfT in LDCs (25% compared to 9% in both LMICs and UMIC over the same period), as well as in fragile states (30%), and, not surprisingly, 60% of such capacity building was in agriculture.

7.1.1 AGRICULTURE VALUE CHAINS

Below are several examples of EU AfT programmes focusing on agriculture value chains in LDCs.

In **Benin**, the Belgian development cooperation has a portfolio of projects 2019-2023 including the support to the pineapple value-chain and promotion of exports to Europe (DEFIA) and a programme to provide support to the Port of Cotonou. The DEFIA program (25 MEUR) includes an entire result dedicated to improving the market shares of Beninese operators in the pineapple sector on existing and potential markets. Current actions consist of improving market knowledge for a better positioning of Beninese products, strengthening marketing capacities and improving traceability, control and accreditation. The French Cooperation (AFD), under the EU co-funded project PARASEP, has contributed for the pineapple Pain du sucre from Allada to obtain the recognition of Indication Geographique Protegé (IGP) by the OAPI. This would open new market opportunities for this product within the sub-region, Europe and worldwide.

The “EU-Coffee Action for **Ethiopia** – EU-CafE” (2020-2023 – EUR 10.5 million) supports smallholder coffee producers, processors, traders and their organisations to improve productivity, quality, certification standards, trade transparency to increase their total income from coffee and for Ethiopia to benefit more from coffee trade. On conformity compliance, the project has activities that build the capacity of farmers to standardise their coffee bushes, pick only ripened cherries, and other aspects. All conformity compliance criteria of the buyer are derived from the conformity criteria of the market where the buyer will sell. On accreditation and standardisation, the micro-lot producers that target direct marketing have to pass through a certification process using any one of the coffee certification systems. Moreover, EU-CAfE has planned activities to profile at least two Ethiopian coffee types under the Geographic Indication protocol. On TBT, the project addresses standards, and conformity assessment procedures. On SPS, the project promotes awareness creation of farmers and extension workers on what SPS is and how it affects sales of their coffee.

30 EIF, Annual Report 2020, https://enhancedif.org/en/system/files/uploads/eif_annual_report_2020.pdf?file=1&type=node&id=6305

Ethiopia is standardising its coffee bushes, picking only ripened cherries, and other aspects of the coffee farming to improve it

Integration of the **Gambian** smallholders into regional and international value chains (VC) is an effective way to improve food security, employment, productivity, and income of smallholders, especially women and youth. However, the country faces competitiveness challenges that limit its potential to export and to become a regional trading hub. To increase export competitiveness, business environment and ecosystem must smooth the road for smallholders. In Gambia, improving the technical capacity of institutions comprising the National Quality Infrastructure (NQI) in support of smallholders is critical to unlocking untapped productivity gains, employment and income growth, economic diversification and, ultimately, inclusive and sustainable rural development. The "West Africa Competitiveness Programme – WACOMP" (2020-2024, EUR 2.4 million) will strengthen the institutional and private sector capacity to comply with standards and market requirements to facilitate market access.

The first **Lao PDR** Quality Champions Programme was launched in 2020, jointly with the Lao National Chamber of Commerce (LNCCI) and support from the "EU ARISE+ regional programme". Quality champions are individuals who are interested in quality, are working in the wood processing or/and specialty agriculture (e.g. coffee) sectors, and have a keen interest to support Lao business on a long terms basis. 20 individuals were offered the opportunity to join a 12-month intensive programme on quality related issues and to become certified Quality Champions. Each workshop featured a mix of international experts and national resource persons and covered areas such as international quality requirements, WTO TBT/SPS agreements, conformity assessment, Codex Alimentarius, the national quality infrastructure and related services, EU Traces, the SME quality journey and experience sharing by coffee and processed wood exporters.

In **Mozambique**, "MozTrabalha" (2016-2021, SEK 91 million), funded by Sweden, aims at increasing the number of Mozambican women and men, in particular youth and those living in rural areas, who have access to decent employment opportunities as a result of both institutional and market development support provided. It is estimated that the programme will be able to improve employment related policies and regulations in Mozambique, strengthen the coordination and implementation of employment related initiatives, and enhance social dialogue, reaching 15,000 beneficiaries living on less than 2 dollars/day in rural Mozambique, out of whom at least 50% will be female and 60% will be young people.

Nepal. The EU-Nepal Trade and Investment Programme has been supporting enhanced competitiveness, and participation in regional and global value chains of Nepali MSMEs, particularly in coffee and pashmina value chains. The majority of exports of these two products are destined to the EU market. Nepal is a beneficiary of the EU EBA GSP, and the preference utilisation rate of Nepal is above 90 %. Yet, Nepal has had limited success in utilising the GSP EBA scheme to leverage its export potential due to stagnant growth in exports. The export basket consists of a narrow range of products, with high export concentration of destination markets. The "EU-Nepal Trade and Investment Programme (TIP)" (2018-2019, EUR 8 million) has been providing support to the Trade Ministry for impact analysis and to formulate compensatory measures for Nepal's LDC graduation induced-trade losses. It will highlight how Nepal could continue to benefit from other preference facilities such as GSP+, after the expiration of transition period in 2025, as the EU has been one of the major export partners of

Nepal. Similarly, it has been strengthening trade and market intelligence capacity of Trade Support Institutions, which will be relayed to MSMEs for product development, branding, market penetration and compliance through targeted support measures.

The "Enhancing Africa Green Economy through Eco Geographical Indication for Coffee Project" (2020-2023, EUR 1.2 million) aims to implement a new model of coffee value chain in **Uganda** based on triple-certificate association - Geographical Indication, Fair Trade and Organic - to promote the highly valued Mount Rwenzori Arabica production and empower farmers to increase production and revenue and to better access international markets, while protecting the production environment. According to the project's reports, all six targeted farmer cooperatives renewed their fair-trade and organic certification schemes and there has been a 29% increase in the number of farmers registered under the different certification programs, from 7,500 to almost 10,000, half of which are women.

Following the launch event of the EU inclusive dialogue on sustainable cocoa in September 2020, the first "Cocoa Talks" webinar took place in January 2021 with the participation of EU public and private stakeholders and selected representatives of the two main producing countries, **Côte d'Ivoire and Ghana**. The objective of this dialogue is to enhance cooperation and coordination to support sustainable cocoa production in the framework of the Living Income Differential (LID) initiative, launched by the two producer countries to ensure decent revenue to local farmers[31]. The EU dialogue will be mirrored by similar dialogues at country level linking this price increase to further action with respect to deforestation and child labour related to cocoa production. The programme **"EU Multi-stakeholder Dialogue for Sustainable Cocoa"** (2020-2021, EUR 25 million) will fund parallel multi-stakeholder dialogue events at national and regional level in Côte d'Ivoire, Ghana and Cameroon, involving government, private sector companies and civil society. It will improve the ability of farmers' cooperatives and other bodies to represent local communities. It will train farmers on sustainability, tree replacement, reforestation, and ensure their awareness of child labour regulations.

7.2 LOWER MIDDLE INCOME COUNTRIES[32]

The relevant actions from the updated EU AfT strategy are:	
17	Pursue engagement on AfT with Middle Income Countries, including capacity building

The EU and its Member States are active in Lower Middle Income Countries and Territories (LMICs) in promoting economic development, assisting the development of new jobs and improving conditions in existing ones and in helping integrate value chains to improve exports.

EU Aid for Trade in LMICs is more concentrated on energy infrastructure, which accounted for 44% of all cumulative commitments over the period 2010-2019, compared to 27% for both LDCs and UMICs, while EU AfT for transport infrastructure is broadly aligned among the three income groups with shares between 21 and 24%. 42% of EU AfT energy-related support was for energy production from renewable sources, 31% for distribution and 17% for energy policy. The focus on renewable energy and the environment in LMICs is logical considering middle-income countries have per capita Carbon Dioxide ($CO2$) emissions that are almost six times greater than LDCs (1.7 metric tons per capita compared to 0.3, respectively in 2018)[33].

7.2.1 RENEWABLE ENERGY

Below are several examples of EU AfT programmes focusing on renewable energy, as well as sustainable production and consumption in LMICs.

Delivering clean energy at affordable prices in Nigeria through blending (budget: EUR 115 million, EU contribution: EUR 10.2 million). Climate Investor One (CIO) is a USD 850 million blended finance facility mandated with delivering sustainable energy at affordable prices in emerging markets through its contribution

31 In June 2019, Côte d'Ivoire and Ghana took an initiative on cocoa prices that led to an agreement with the cocoa and chocolate industry to create a Living Income Differential (LID) to ensure decent revenue to local farmers. At this stage, it is a USD 400/ton premium paid beyond the price of the cocoa futures markets.

32 For the full list of LMICs see Annex 4.

33 https://data.worldbank.org/indicator/EN.ATM.CO2E.PC

to each of the respective development, construction, and operational phases of a project's lifecycle. Established by FMO, the Dutch DFI, CIO combines a Development Fund, a Construction Equity Fund and a Refinancing Fund into one innovative "capital recycling" facility targeting wind, solar and run-of-the-river hydro projects that seeks to mobilise blended finance provided by donors and the commercial sector with its additional recycling feature to maximise impact and reduce risk in markets where development is needed and climate change solutions can have a significant and sustainable effect. The EU has provided a total contribution of EUR 40 million to CIO, including a EUR 10 million contribution made in 2020 to fund the Nigeria Renewable Energy Programme (NREP) to support the development and construction of Nigerian mid-size renewable energy projects in the wind, solar and run-of-the-river areas.

Havenhill Synergy Kigbe Solar Mini-Grid, Nigeria

The project "Promotion of a climate-friendly electricity market in the **ECOWAS region** – ProCEM" (2018-2021, EUR 17 million), funded by Germany, aims to improve the conditions for a climate-friendly electricity market and a widely effective, technically and economically efficient and socially and environmentally sustainable energy supply in the ECOWAS region. This will mitigate climate change and reduce greenhouse gas emissions. The increasing use of renewable energies also indirectly reduces the pressure on fossil resources and the resulting environmental damage. The main goal of the project is to use the impetus and the creative power of Member States' joint energy policy actions to accelerate energy transition at national level. This means strengthening ECOWAS's regional specialised institutions in exercising their mandates and functions. Regionally coordinated energy policy and technical specifications as well as recommendations can then be implemented nationally through the specialised institutions. The project complements the considerable contributions by EU, KfW, AFD and other European development banks to funding power generation and transmission infrastructure to develop the West African Power Pool (WAPP).

Under **SWITCH-Asia** nearly EUR 300 million have been invested towards promoting sustainable consumption and production (SCP) in Asia and Central Asia, with 130 projects funded in the region over a period of 14 years of which 22 new ones active as of 2020. Over 500 Asian and European non-for-profit partners, about 100 private sector associates and 80,000 Asian micro, small and medium-sized enterprises (MSMEs) have been supported.

Phase II of the SwitchMed Initiative (2018-2023, EUR 22 million) aims at achieving a circular economy in the southern Mediterranean by changing the way goods and services are produced and consumed. In order to achieve this, the initiative provides tools and services directly to the private sector, supports an enabling policy environment, and facilitates exchange of information among partners and key stakeholders.

The **"EU4Environment" Programme,** launched in 2019, helps six Eastern Partnership (EaP) countries (Armenia, Azerbaijan, Belarus, Georgia, Moldova, and Ukraine), preserve their natural capital and increase people's environmental well-being. It supports environment-related actions, demonstrating and unlocking opportunities for greener growth, and setting mechanisms to better manage environmental risks and impacts. EU4Environment is helping EaP countries implement Resource Efficient and Cleaner Production (RECP) in SMEs activities, promote green products, public procurement and eco-labelling, and reinforce compliance assurance.

7.3 UPPER MIDDLE INCOME COUNTRIES[34]

The relevant actions from the updated EU AfT strategy are:	
16	Expand engagement with more advanced developing countries including through South-South and triangular cooperation, and in areas of mutual interest (e.g. regional integration, regional value- chains, trade facilitation and exchange of best practice).

The EU and its Member States are active in Upper Middle Income Countries and Territories (UMICs), promoting regional integration, trade facilitation, exchange of best practices and working on sustainable regional value chains.

EU Aid for Trade in UMICs is more concentrated on banking and financial services that received 26% of all cumulative commitments over the period 2010-2019, compared to 3% for LDCs and 12% for LMICs, and building non-trade development related productive capacity, with a share of 37% of all commitments compared with 25% for LDCs and 24% for LMICs.

7.3.1 EU AFT ON INVESTMENT CLIMATE, ACCESS TO FINANCE AND BUILDING PRODUCTIVE CAPACITY IN UMICS

Below are several examples of EU AfT programmes focusing on the investment climate, access to finance and building productive capacity in UMICs. When compared with capacity-building projects in LDCs described earlier in this chapter, capacity-building projects funded by EU AfT in UMICs are clearly broader in scope, targeting businesses by sustainable development potential rather than their export-focus.

In **Bosnia and Herzegovina**, the EU provided EUR 13 million and the Federal Republic of Germany EUR 0.7 million to finance the EU4Business Recovery project to support the recovery of MSME in export-oriented sectors from the effects of COVID-19 crisis. The project will provide advisory services and investment incentives for introduction of health & safety standards, new technologies and reinforcement of value chains, to help MSMEs and farmers ensuring their business continuity; it will also facilitate creation of innovative start-ups.

Thirty-five small and medium-sized agri-food producers from Bosnia and Herzegovina were supported through EU4Business project, financed by European Union and the Federal Republic of Germany

In **Gabon**, the EU facilitated the drafting of “Gabon Investment Climate Reform Action Plan”, prepared by the World Bank and funded under the EU investment facility “Support to Business Friendly and Inclusive National and Regional Policies, and Strengthening Productive Capabilities and Value Chains”. Its objective is to reinforce the investment climate, strengthen private sector development and shape more dynamic markets in Gabon. The EU is a member of the Task Force for Revision of the Investment law in Gabon. The Business-Friendly facility also supports the work of the World Bank to help the Authorities to revise the law.

34 For a full list of UMICs and graduated countries see Annex 4.

Supporting dynamic entrepreneurship and innovation in Jamaica (budget: EUR 52 million, EU contribution (blending): EUR 7 million). The main objective of the programme "Boosting Innovation, Growth and Entrepreneurship Ecosystems in Jamaica" is to promote inclusive growth and productivity by fostering innovation in the private sector. The purpose of the programme is to jumpstart economic growth by building an ecosystem that supports dynamic entrepreneurship and innovation in MSMEs. The specific objectives are to: (i) promote innovation and productivity among established MSMEs with high growth potential; (ii) promote sustainable and inclusive growth in scalable start-ups; and (iii) create a sustainable pipeline of high-growth potential start-ups. Within these objectives, entrepreneurship and innovation activities that tackle gender and climate issues will be targeted and implemented. EIB is the lead financing partner.

Supporting sustainable private sector development in Central Asia (budget: EUR 34 million, IFCA guarantee: EUR 5 million). In the Central Asian countries of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan, micro, small and medium-sized enterprises (MSMEs) account for over 95 % of all companies and around 50 % of jobs. But in spite of this potential to drive growth, the jobs they provide are often not stable and their contribution to GDP remains low, largely due to a lack of access to finance and know-how. The project comprises three elements. The first involves training and consultancy services to help businesses to grow, and to allow MSMEs to learn from the experience of EU Member States and successful firms in other countries. Under the second element, direct financing is supplied to companies. The third entails indirect financing via local intermediaries. EU guarantees enable these to lend to MSMEs and support is given to extend lending to groups such as female and young entrepreneurs. EBRD is the lead financing partner.

The **Responsible Business Conduct in Latin America and the Caribbean – RBCLAC** (2019-2022, EUR 2 million disbursed), implemented by ILO, OECD and OHCHR, aims to promote smart, sustainable and inclusive growth in the EU and in Latin America and the Caribbean (Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico, Panama, and Peru), by supporting responsible business conduct practices, in line with the instruments of the United Nations, the ILO and the OECD. In Colombia, for example, the project has published the document ABC of Child Labour for Colombian employers, with the purpose of supporting Colombian companies in understanding their main role in child labour prevention and eradication strategies. It has also published a due diligence of the Colombian gold supply chain carried out by the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals in Conflict-Affected or High-Risk Areas, analysing the extractive industry conditions and related risks for south-western Colombia.

As shown in **Figure 16** below, there has been little interest in supporting triangular or South-South cooperation through EU AfT interventions, with only 12% of respondents having achieved considerable success in implementing such forms of cooperation, and none being extremely successful.

Have you considered/been able to implement triangular and South/South AfT initiatives successfully?

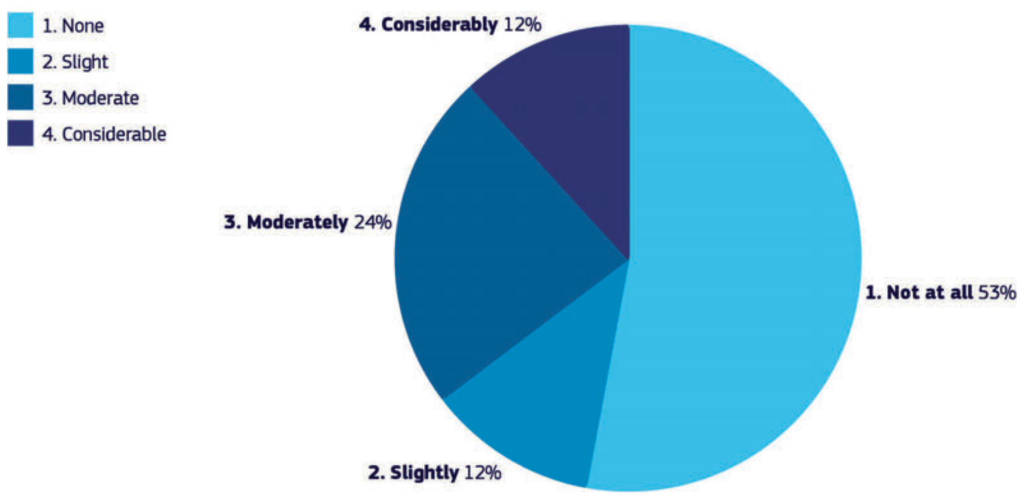


Figure 16 – Respondents' Views on Triangular Cooperation and South-South AfT Initiatives

8 ADVANCING SUSTAINABILITY OBJECTIVES

The relevant actions from the updated EU AfT strategy are:	
9	Strengthen the engagement with civil society, social partners and local authorities to better inform Aid for Trade delivery including through the Domestic Advisory Groups (DAG) established by new generation of EU free trade agreements; EU country roadmaps for engagement with civil society and equivalent engagement formats with local authorities; and Economic Partnership Agreements.
10	Systematic gender analysis of every Aid for Trade project to promote women's' economic empowerment.
11	Adequately connect EU support to social and environmental objectives, Aid for Trade, the chapters on trade and sustainable development of the new generation of EU free trade agreements, the Environmental Goods Agreement, and international principles and guidelines on responsible business conduct.
12	Promote social and environmental sustainability along value chains through integrated and multi-stakeholder approaches.
13	Support fair and ethical trade in partner countries, such as through a more targeted approach on commodities.

8.1 AID FOR TRADE, GENDER EQUALITY AND WOMEN'S ECONOMIC EMPOWERMENT

Empowering women is recognised as one of the best opportunities to achieve poverty reduction and inclusive and sustainable growth in the context of Agenda 2030 for Sustainable Development.

Indeed, promoting gender equality is a key priority for the EU, stemming from the founding EU Treaties, which specify gender equality as a fundamental EU value and objective. It is also an essential condition for an innovative, competitive and thriving economy. The EU Global Strategy highlights gender equality and women's empowerment as cross cutting priorities for all policies and this is reinforced in the European Consensus on Development, which cuts across the entire 2030 Agenda, while underlining the need to mainstream gender perspectives in all actions. Moreover, the EU Gender Equality Strategy highlights women's economic empowerment as one of the key areas in EU external actions.

As operational guidance for all external actions, the third EU Action Plan on Gender Equality and Women's Empowerment in External Action 2021-2025 (GAPIII), approved in November 2020, identifies women's economic empowerment as one of the five pillars to close the gender gap. Special emphasis is given to creating equal opportunities for women in trade, through four specific actions. First, the EU should continue to promote gender equality through its trade policy, including through the EU's engagement in the World Trade Organisation and its work on Aid for Trade. Second, new trade agreements should include strong provisions on gender equality, including compliance with relevant ILO and UN Conventions. Third, compliance with these conventions should remain a requirement under the new Generalised Scheme of Preferences regulation, which will take effect in 2024. Fourth, the EU will also continue to include dedicated gender analyses in all ex-ante impact assessments, sustainability impact assessments, and policy reviews linked to trade.

It is crucial to recognise and analyse the different impacts that economic reforms and trade-related regulations and programmes have on men and women, including Aid for Trade actions and reflect this in the decision-making processes. It is also important to ensure that women's organisations are actively involved in the identification and formulation of AfT programmes and that all stakeholders, such as social partners, market associations and cooperatives, take into account the gender dimension.

Regardless of the progress made, women globally continue to face numerous barriers to their participation in the economy, ranging from discriminatory regulations and policies to cultural and social norms as well as limited access to finance and skills development. While the gender gap in education is being closed, gender gaps in areas such as employment, pay, care and pensions persist. To reflect the priority given to gender equality and to translate this into results, promoting gender equality and women's empowerment must therefore be given a new impetus throughout the EU's external policies and programmes, including trade. Thus, gender equality and women's economic empowerment are supported through the Aid for Trade programmes globally with an increasing attention year by year.

As shown in Figure 17 below, over 40% of respondents this year said that supporting women economic empowerment was systematically addressed in their AfT programmes either considerably or extremely. Boxes 11 and 12 show how women can be empowered in the shea butter and onion value chains of Benin and Gambia through EU AfT.

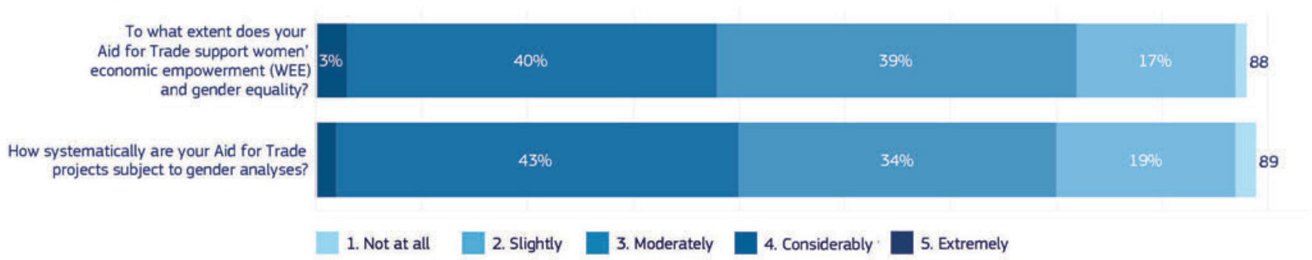


Figure 17 – Respondents' Views on the EU Aid for Trade and Women Economic Empowerment

Box 11 – Supporting women empowerment in the shea butter value chain of Benin

Women are frequently over-represented in cross-border trade activities. However, their specific needs are not sufficiently addressed due to the informal nature of their activities and the lack of political will.

In Benin, the EU is supporting the integration of gender budgeting in the budgetary cycle (being piloted within seven ministries) and the provision of gender-disaggregated statistics.

The "Projet d'appui au renforcement des acteurs du secteur privé – PARASEP" (2014-2021, EUR 10 million) aims to improve the business environment, strengthen the PPD and support productive value chains. The pineapple and the shea butter have significant potential to create employment particularly amongst women. The project has a comprehensive gender plan that allows monitoring of activities with data disaggregated by gender.

The "Shea Value Chain Development Support Project for the Promotion of Female Entrepreneurship within the Enhanced Integrated Framework" (2018-21, EUR 7 million) aims to strengthen productive and commercial capacities as well as the performance in this value chain in order to further empower women in production areas.

Preparation of the butter from the fruits of the Shea or Karité tree

Box 12 – Increasing the participation of women entrepreneurs in Gambia's onion value chain

The "WACOMP's Increasing competitiveness through enhanced quality and compliance in the onion value chain programme" (2020-2023, EUR 1.2 million) aims to strengthen and reinforce farmer-based associations and relevant service providers technical, business and entrepreneurial services and make them available to smallholders and group producers, with a special focus on women producers.

The project includes a comprehensive gender analysis of the value chains. The analysis and mapping will take a Women's Economic Empowerment (WEE) framework approach to identify and target opportunities to enhance WEE outcomes of the project. The women onion producers themselves will be heavily engaged in identifying the barriers they face, which opportunities they wish to be made available to them and how they engage with these opportunities. Similarly, the gender analysis will seek to understand how widened opportunities, expanded enterprises, and increased productivity will impact on women's reproductive roles. Finally, the gender analysis will determine barriers to and mechanisms for more financial independence and household income decision making powers.

The women onion producers in Gambia are engaged in identifying the barriers they face

In **Bolivia**, the WEE and Market Access, (2020-2023, SEK 35 million), funded by Sweden, seeks to enhance women's empowerment in 25 selected municipalities of the country. More than 2100 small economic units led by female producers are benefitting from technical assistance to improve their productivity and promote equal opportunities for women to have access to training, decent work, equal representation in political and economic decision-making in their households/communities, while enjoying improved conditions of self-respect, health (family planning and enjoyment of sexual and reproductive rights), human security (reduction of domestic violence against women) and proper use of women's time.

In **Burundi**, the regional MARKUP project supports the preferential entry and participation of women and youth in gainful and attractive agri-business opportunities, in particular through identifying gaps and priority interventions focusing on three main themes: participation in advocacy to remove barriers to trade; access to finance; and skills and entrepreneurial capacities for women farmers and entrepreneurs in agricultural value chains.

In **Cameroon**, Germany supports women entrepreneurs in the processing of local products in value chains such as milk, groundnuts, cashew, sesame and fodder production in the North and Adamaoua Regions (2016 – 2020, EUR 14 million) as well as in traditional chicken rearing in the Adamaoua and West Region (2015 – 2023, EUR 15 million) which targets the minority of Mbororo women in Adamaoua.

In **Ethiopia**, the EU programme "Promotion of Sustainable Ethiopian Agro-industrial Development (PROSEAD)" (2019-2025, EUR 45 million), aims to generate entrepreneurial and job opportunities for women in agro-processing and related sectors, and will provide them with targeted and customised training in basic skills, food technology and business skills. The enhancement of the skills of youth and women in the parks and their catchment areas and the improvement of decent employment conditions are one of the expected results of the programme. Italy supports the multi donor initiative "Woman Entrepreneurship Development Programme

(WEDEP)" with a specific credit line managed by the Ministry of Finance. The Netherlands is currently involved in developing the "Care Women Economic Empowerment programme" (EUR 1.5 million) with the objective of developing profitable enterprises by and with women while generating enabling circumstances in the business environment. Under Trade Mark East Africa (TMEA), 20,000 women traders have been trained on how to navigate intra-regional trade and new markets. This led to a direct increase in monthly incomes of over 100%. Going forward, TMEA targets reaching 150,000 women before 2023.

Created through a strategic partnership of UN Women, the European Union and ILO, the "Win-Win: Gender Equality means Good Business programme" aims to strengthen women's leadership and economic empowerment in the private sector. In **Jamaica**, the Win-Win programme has proven to be a successful initiative as it has attracted so far 25 Jamaican companies which has signed onto the Women's Empowerment Principles (WEPs.)

In **Mozambique**, the "Spotlight Initiative" (2019-2022, USD 20 million), implemented by UN agencies (UNDP, UNFPA, UN Women, UNICEF), aims to contribute to a country where every woman and girl live a life free from all forms of Gender Based Violence and harmful practices and can enjoy sexual and reproductive health and rights. It promotes, among other activities, the "Safe Space Model" that includes three core elements: safe space, girls' network and mentorship and aims to provide the most vulnerable girls and young women between 10 and 24 year of age with life skills, empowerment, social participation, leadership, literacy, decision-making skills, economic empowerment and access to knowledge and information on sexual and reproductive health and rights.

In **Myanmar**, through the "EU Myan Ku Fund" (2020-2022, EUR 10 million), vulnerable factory workers, such as pregnant workers, internal migrants, and other workers with acute needs based on eligibility criteria, are supported with cash assistance during periods of unemployment and under-employment. Migrant workers and pregnant workers receive counselling on nutritional behaviour, as well as hygiene and financial literacy. The ARISE+ Myanmar (2019-2023, EUR 8 million) integrates gender as a cross-cutting issue. The project cooperates with women entrepreneurs' associations (such as the Myanmar Women Entrepreneurs Association - MWEA) to build the capacity of the association to better support its members. Sector value chains are selected considering their gender dimension. In addition, special attention is given to women-owned MSMEs and farmers/producers throughout the project – both in terms of enabling them to engage in policy level discussion and in terms of specific training/coaching/mentoring of women in the key areas identified (i.e. export management, quality and food safety, packaging, and marketing).

Funded by Sweden, the "Women's Economic Empowerment Project" (2020-2023, SEK 77 million), implemented by We Effect (**Zambia** - WeEffect Global), addresses barriers to Zambian women's economic empowerment, and strengthens capacity of women to run and own viable, productive, resilient and sustainable agricultural businesses and to increase access to, control of and ownership over productive and financial assets among women through women-led cooperatives, land tenure and financial inclusion. At the same time, the "Women's Financial Inclusion" (2020-2024, SEK 40 million), implemented by Financial Sector Deepening Zambia FSDZ[35] focuses on digital financial services, financial education and savings groups for women, youth, people with disabilities, and their households.

In **Tunisia**, as a part of its efforts to promote women empowerment, among other programs, the EU financed "The Moussawat Programme" (2015-2021, EUR 52million). Within the second axis of the Moussawat program (economic and political participation), "FLAG" a project implemented by the Tunisian Association for Management and Social Stability (TAMSS) had a notable impact on women's entrepreneurship. With the aim of improving women's economic empowerment and equitable participation in economic growth in Tunisia, it supported the creation of an enabling environment for women's entrepreneurship in traditional and innovative sectors and for job creation for women in the regions of Gafsa, Kairouan, Mahdia and Greater Tunis. After building capacity and integrating the gender dimension in public and private entrepreneurship support centres and structures, the project identified and accompanied more than 60 women-owned businesses over 36 months. Assisting them on financial, administrative and strategic aspects, it aimed at improving their products and economic model. The activities organised have enabled the women entrepreneurs to materialise their projects with clear vision and ambitions, leading them in some cases, to export their products.

In **Ukraine**, the "EBRD Women in Business Programme" provides a First Loss Risk Cover to incentivize commercial banks in extending EUR 60 million of loans to women-led MSMEs and start-ups, while also providing TA to commercial banks to crate financial products specifically tailored to women-led MSMEs.

35 www.fsdzambia.org

8.2 LEVERAGING EU TRADE AGREEMENTS AND SCHEMES FOR SUSTAINABLE TRADE

8.2.1 THE GSP+ SCHEME

The GSP+ scheme is strongly oriented towards sustainable development. To be eligible, countries must not only satisfy the same conditions as Standard GSP countries (i.e. be classified by the World Bank as low- or lower- middle income), but also fulfil additional vulnerability criteria related to the relative share and diversification of their export portfolios to the EU. This ensures that the additional trade preferences under this arrangement benefit the countries most in need. In addition, the promotion of sustainable development practices lies at the heart of GSP+. This is achieved through the requirement for countries to ratify and effectively implement 27 international conventions on human rights, labour rights, environmental preservation and good governance. The EU monitors all GSP+ beneficiary countries on an ongoing basis to ensure they comply with these requirements.

During the 2018-2019 GSP reporting period, the European Commission services and the European External Action Service (EEAS) conducted GSP+ monitoring missions in Armenia, Bolivia, Kyrgyzstan, Mongolia, Pakistan, the Philippines, and Sri Lanka, as well as in three EBA beneficiaries subject to Enhanced Engagement: Cambodia, Bangladesh and Myanmar. Besides the impact the GSP has on economic growth and job creation, for which estimates vary between 500,000 jobs in Myanmar and five million in Bangladesh[36], the engagement also meant more attention and dialogue with beneficiary countries' authorities on labour standards, political and human rights and in the case of GSP+ – environment and good governance. Lack of compliance with GSP+ reporting requirements among beneficiary countries could be linked to a lack of capacity and financial resources required for data gathering, processing and reporting.

As noted in the latest Report on the Generalised Scheme of Preferences covering the period 2018-2019, published in February 2020, GSP+ beneficiaries have made progress in effective implementation of the 27 international conventions listed in the arrangement. They have also taken additional commitments. All GSP+ countries have signed the Paris Agreement, sometimes responding to requests from GSP+ monitoring missions (Philippines). Armenia signed the Second Optional Protocol to the UN International Covenant on Civil and Political Rights (ICCPR), effectively abolishing the death penalty, and to the Convention on the Rights of Persons with Disabilities (CRPD).

On child labour, Mongolia agreed to conduct a child labour survey following a recent monitoring mission. A countrywide survey on child labour is carried out in Pakistan. Sri Lanka was able to bring child labour down from 16% to 1% through pioneering 'Child Labour Free Zones'. Meanwhile, Bolivia raised the minimum age for work to the international minimum standard of 14 years. Cape Verde made progress in criminalising the use and facilitation of minors for prostitution and sexual exploitation. Paraguay adopted a national strategy to eradicate child labour by 2024.

Yet, challenges related to compliance with GSP requirements remain: civil society space is shrinking, notably in Pakistan and the Philippines. Calls for (implementation of) capital punishment have become louder, including in Sri Lanka and the Philippines. Most beneficiaries face challenges when it comes to freedom of association.

8.2.2 EVERYTHING BUT ARMS (EBA)

Countries that are unwilling to address and engage on issues of concern are being scrutinised. Through enhanced engagement, the EU intensified the dialogue with Bangladesh, Cambodia and Myanmar, countries benefitting from the EBA scheme, to press for concrete actions on and sustainable solutions to serious shortcomings in respecting fundamental human and labour rights. Engagement with each country follows a different track:

- The engagement with **Bangladesh** focuses on compliance with ILO Conventions. During an EU monitoring mission in October 2019, the authorities of Bangladesh agreed to develop a roadmap

36 European Commission and High Representative of the Union for Foreign Affairs and Security. Joint Report to the European Parliament and the Council, *Report on the Generalised Scheme of Preferences covering the period 2018-2019.* JOIN(2020) 3 final.

with timelines aiming to improving labour rights, notably the alignment of the Bangladesh Labour Act and the Export Processing Zone-Act. In October 2020, Bangladesh government started preparing a draft of the amended labour law in line with the "suggested actions on labour rights".

- With regard to **Myanmar**, concerns related to human and labour rights were discussed during high level monitoring missions in October 2018 and February 2019. Discussions continued during the first ever EU-Myanmar Senior Officials Meeting in May 2019 and the EU-Myanmar human rights dialogue co-chaired by the EU Special Representative for Human Rights in June 2019. More details are provided in Box 13 below.

- Due to violations of human rights in **Cambodia** the EU took a decision to partially withdraw the tariff preferences.

Box 13 – Tackling human rights violations in Myanmar through trade

Since 2013, Myanmar has benefited from the maximum preferential access for merchandise exports to the EU market under the EU Generalized System of Preferences (GSP) program's Everything But Arms (EBA) scheme. Against the background of developments in human rights violations in Rakhine, Kachin and Shan States and concerns around labour rights the EU engaged in an enhanced dialogue with Myanmar in October 2018 to discuss the measures to be adopted by Myanmar with a view to continue complying with the conditionalities included in the EBA. The potential removal of preferential access to the European Union (EU) market could have important ramifications for Myanmar. The EU market provides Myanmar the opportunity to diversify its export market, particularly for agriculture and labour-intensive products. Greater market access to the EU is also associated with a surge of FDI in the garment and footwear sectors which provide livelihoods to around 10 percent of employed workers, mostly women, in Myanmar. Removing preferential import tariffs would undermine the competitiveness of Myanmar exports, as the products will face stiffer competition from other countries that have more efficient production.

The EU market provides Myanmar the opportunity to diversify its export market, particularly for agriculture and labour-intensive products.

The coup on February 1, 2021 has brought renewed focus on the economic ties of the military and to what degree they too benefit from the GSP. European businesses across all sectors have reinforced due diligence efforts to ensure they have no ties with the military in their entire chain of operations. Overall, they have presented a good corporate governance and responsible business operations. The garment industry is the major beneficiary of EBA benefits. Since the Rakhine crisis in 2017, operators in the garment industry (mainly through EuroCham) have carried out due diligence throughout the sector and have found out that the links are few and far between them and the military and the few that exist have been/ or still are systematically weeded out. In addition, following the coup, foreign business with obvious and direct link have announced to cut the tie with military.

The above approach is based on the lessons of the late 1990's when, as observed by the Institute for Human Rights and Business[1], the sector contracted by two-thirds as a result of EU and US sanctions, and many Myanmar garment workers headed overseas into exploitative and precarious situations in Thailand, Malaysia, China and beyond, paying significant recruitment fees to people traffickers and spending years away from their families.

1 Institute for Human Rights and Business, Code of Conduct for the Shipping Industry - Delivering on Seafarers' Rights , 2021, https://www.ihrb.org/programmes/migrant-workers/There%20are%20opportunities%20now%20to%20change%20but%20it%20will%20require%20stepped%20up%20actions%20from%20governments,%20companies,%20and%20other%20actors

8.2.3 TSD CHAPTERS UNDER THE EU'S FREE TRADE AGREEMENTS

The EU and its trading partners make strong and binding commitments to respect and implement international conventions on labour rights

Through the TSD chapters under the EU's modern trade agreements[37], the EU and its trading partners make strong and binding commitments to respect and implement international conventions on labour rights and environmental conservation. This includes the commitment to ratify and implement all eight core conventions of the International Labour Organisation (ILO), as well as a number of UN environmental conventions. All agreements signed after 2015 also include commitments to implement the Paris Agreement. Since 2015 the EU has signed or ratified similar agreements with a number of countries and regions, including the Andean countries (Colombia, Peru and Ecuador), Central America, Singapore, Ukraine, Vietnam, Moldova, Georgia, and Mercosur. The EU has also modernised its pre-existing free trade agreement with Mexico, adding a modern TSD chapter. The EU also started negotiations with five countries currently implementing the East and Southern Africa (ESA) EPA, to add rules on trade in services, investment, public procurement, intellectual property rights, and, importantly, trade and sustainable development (TSD), to the existing EPA.

The EU's TSD chapters also include elements that encourage the adoption of sustainable practices and promote transparency and participation by civil society. They include the uptake of practices related to Corporate Social Responsibility, sustainability assurance schemes such as eco-labelling and fair and ethical trade initiatives. To promote transparency and civil society involvement, these agreements also create Domestic Advisory Groups (DAGs) and promote regular civil society fora.

The DAGs play a key role because they include groups representing environment, labour, business and employers. The civil society fora also offer opportunities for civil society in the EU and partner countries to meet and discuss issues. The EU has mobilised EUR 3 million to support civil society participation in the implementation of EU trade agreements. This has provided logistical and technical support to DAGs in the EU and in some FTA developing country partners since November 2018. It also facilitates joint discussions in annual workshops on TSD-related matters. Under the ARISE+ Programme (2019-2024), the EU provides

37 Partner countries and regions with which the EU has TSD chapters in effect or signed and awaiting ratification: Republic of Korea, Central America, Andean region (Colombia, Ecuador, Peru), Moldova, Georgia, Ukraine, Canada, Japan, Singapore, Vietnam, Mexico, and Mercosur. The last four agreements also include commitments to the Paris Agreement. Developing countries that have an FTA with a DAG include Ukraine, Moldova, Georgia, Central America, Colombia-Ecuador-Peru, CARIFORUM, and Vietnam. All DAGs for these countries except Vietnam and CARIFORUM met at least once in 2020 and/or 2021. Minutes of their meetings are available at https://trade.ec.europa.eu/doclib/press/index.cfm?id=1870

assistance for the formation of the Domestic Advisory Groups in **Vietnam** under Chapter 13 of the FTA on Trade and Sustainable Development. Activities include capacity building for the members of the DAG on the labour and environmental commitments contained in the FTA and facilitation of consultations with Government. They will be implemented in 2021. An EIDHR grant (2018-2021, EUR 0.5 million) is used to strengthen civil society participation in monitoring the EU-Vietnam FTA Sustainable Development Chapter. Under the project Promoting the Application of ILO Fundamental Conventions under the Framework of EU-VN Free Trade Agreement (2019-2021), the EU finances ILO in Vietnam to facilitate the ratification of Conventions listed in the EVFTA TSD Chapter.

Commitments to sustainability and core international values are only meaningful so long as they are enforceable. The EU has therefore taken a number of steps to ensure that these commitments transfer from words into actions. Since 2018, a 15 Point Action Plan has been applied to ensure the effective implementation of TSD chapters. This action plan calls for greater cooperation with international organisations, EU Member States and the European Parliament; increased communication and transparency; facilitated involvement and monitoring from civil society; the setting of priorities per country; and greater capacity building. In its new Trade Policy ("Trade Policy Review – An Open, Sustainable and Assertive Trade Policy", published on 18 February 2021), the European Commission announced the early review of the 15-Point Action Plan for Trade and Sustainable Development, which will consider further actions on the effective implementation and enforcement of TSD Chapters, including among others "the possibility of sanctions for non-compliance". The TSD review is expected to be concluded by mid-2022. In July 2021, the Commission published a guidance to support EU companies in exercising due diligence by providing concrete considerations to be used as part of their identification, mitigation and prevention of the risk of forced labour in their supply chain.

To further promote active enforcement of TSD commitments, a new Chief Trade Enforcement Officer (CTEO), was appointed in July 2020. He will be responsible for ensuring that commitments made under EU trade instruments – whether bilateral TSD chapters or obligations under the GSP – are effectively applied and implemented. The creation of a CTEO is an opportunity to ensure a more streamlined handling of complaints and a more consistent enforcement throughout the TSD implementation cycle.

8.3 DECENT WORK, RESPONSIBLE BUSINESS CONDUCT, FAIR & ETHICAL TRADE

As part of their AfT support, the EU and its Member States contribute to better working conditions and more sustainable livelihoods for marginalised farmers, workers and artisans participating in global supply chains.

Promoting productive employment and decent work is of equal importance for achieving fair globalisation, but EU Aid for Trade is seen by this year's respondents as addressing decent work, ethical trade and responsible business practices only to a limited extent, as shown in Figure 18 below. Many of the AfT projects implemented during the reporting period support the ILO decent work agenda with a focus on job creation, rights at work, social protection and social dialogue, with the ILO being often directly involved in their delivery as implementing partner of the EU. Private business in the EU and partner countries are crucial in fostering decent work.

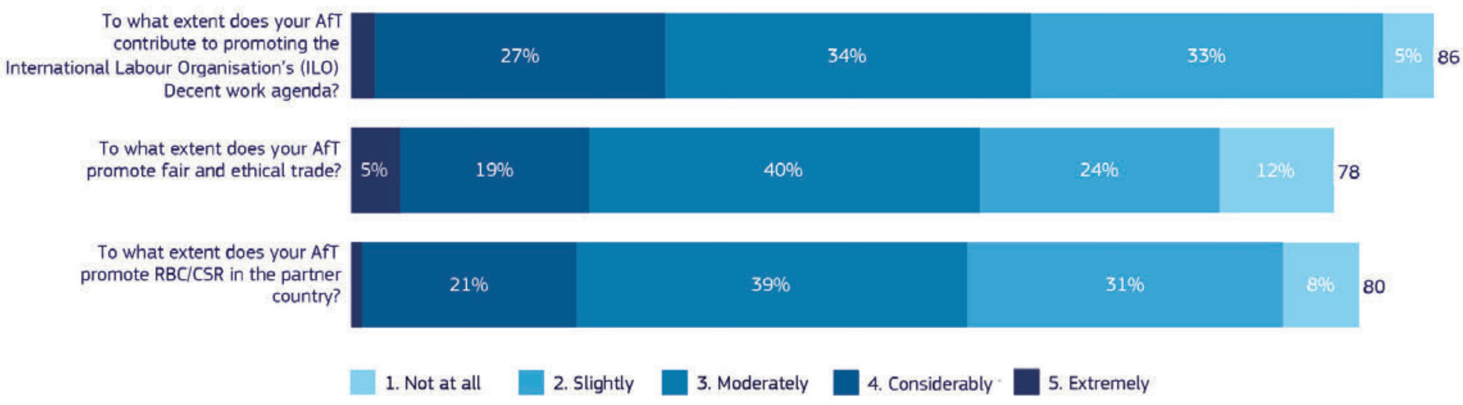


Figure 18 – Respondents' Views on the EU Aid for Trade and the Decent Work Agenda

8.3.1 GLOBAL AND REGIONAL INITIATIVES

The European Commission (EC) and the International Labour Organisation (ILO), through its International Labour Standards Department (NORMES), have established a longstanding and productive partnership on supporting EU trading partner countries jointly identified to improve the application of the ILO fundamental Conventions. This includes bringing labour law and practice in line with International Labour Standards (ILS), building the institutional capacity of public administrations, social partners and other relevant stakeholders to support law reform and reporting, and strengthening institutional frameworks to facilitate social dialogue and conflict resolution.

Since 2013, the Directorate-General for Trade and the Directorate-General for International Partnerships have funded projects on International Labour Standards implemented by the ILO in numerous countries such as Armenia, Bangladesh, Cape Verde, El Salvador, Guatemala, Myanmar, Mongolia, Pakistan, Philippines, Thailand and Vietnam. Regular consultations between the ILO and the EC on labour related matters in selected countries have contributed to joint reflection to find appropriate solutions within the national contexts to improve labour relations and working conditions in line with core ILS.

The project **"Trade for Decent Work**" (2019-2021, EUR 6 million), co-funded by the EU and Finland and implemented by the ILO, aims to promote the application of ILO fundamental conventions under the EU GSP+. The project operates within a framework including a Global Facility providing global initiatives in the area of ILS and ad hoc support to specific needs arising in partner countries; and a Country-focused Facility supporting each year a number of target countries. In 2019, the project started in three Asian countries, that have been expanded to thirteen by 2021: six in Asia (Bangladesh, Mongolia, Myanmar, Pakistan, Philippines and Vietnam), 5 in Africa (Cape Verde, Côte d'Ivoire, Ghana, Madagascar and Mozambique) and two in Latin America (Ecuador and Peru). The expansion of the project exemplifies the EU strong support to the ILO work regarding the application of the Fundamental Conventions.

Other ILO programmes focus on the concept of responsible and sustainable supply chains. The **Sustainable Supply Chains to Build Back Better** programme is described in the Box 14 on the next page. In addition, following Box 15 shows how the concept has been applied to the end child labour. A third programme, the **Responsible Supply Chains in Asia Programme** (2017-2021, EUR 4.5 million), implemented by ILO and OECD, aims to further sustainable and inclusive economic, social and environmental progress by integrating responsible business practices into the operations of multinational companies and their supply chains. Active in selected industrial sectors in six Asian countries (China, Japan, Myanmar, Thailand, Philippines, and Vietnam), it takes a multifaceted approach with the aim of promoting respect for human rights, and labour and environmental standards. Over the period 2018-2021 the programme has worked with almost 10,000 professionals from 2,244 businesses, of which 1,226 were SMEs and 1018 multinational enterprises (MNEs). It has contributed to the creation of a seafood think tank in Vietnam, a tripartite working group in the Philippines' agricultural sector, and a task force on promoting socially responsible and sustainable business in auto parts supply chains in Thailand.

The ILO has been assisting GSP+ countries in the biennial monitoring of their GSP+ status that is conditioned to the effective implementation and compliance and reporting obligations of 27 UN Conventions, including the eight Core Labour Standards (CLS). In **Mongolia**, the programme has supported monitoring and reporting on the status of Fundamental Principles and Rights at Work (FPRW) in the country to boost its benefits from the EU GSP+ schemes since 2015. Mongolia is making progress, though incremental. While the public and certain sectors of society demand better human rights protection, unacceptable labour practices remain. To accelerate the pace of legal reform, a mix of approaches that cultivate social consensus, increase technical capacity on ILS and effectively use them, and heighten political commitments to accelerate process of reform is necessary.

In **Pakistan**, the last biennial review (2018-19) reported a keen interest in maintaining Pakistan's GSP+ status for its economic and trade benefits. The report also reaffirmed that the Government is interested in the GSP+ arrangement as an incentive for sustainable development and good governance. Vital technical assistance and capacity-building support were provided under the project to the tripartite constituents and other stakeholders to ameliorate the compliance and reporting of the CLSs. The reflection of ILS in labour legislation increased, ILS reporting increased, and social dialogue strengthened on contemporary labour market issues. Furthermore, the analytical and evidence-based work was advanced, and spadework was completed towards improving the labour dispute resolution system.

Box 14 – Building Back Better through Sustainable Supply Chains

The "Sustainable Supply Chains to Build Back Better – SSCBBB" (2021 –2023, EUR 1.4 million) is a global project, implemented by the ILO, with a focus on **five global supply chains linked to Colombia (coffee), Madagascar (textiles and clothing), Malaysia (rubber), Namibia (fishing) and Vietnam (electronics)** of key importance to the European Union.

Rubber gloves production in Malaysia for the EU market. The COVID-19 pandemic has created increased global demand for rubber gloves. Since early 2020, exports of gloves to hard-hit countries, including several EU countries, have increased substantially. Malaysia is the world's third-largest producer of rubber and meets more than 50 per cent of the demand for medical gloves in the world. Migrant workers, who make up a significant proportion of the workforce in Malaysia, including in the production of medical gloves, remain vulnerable to unfair recruitment practices, confiscation of passports, withholding of wages, forced labour, excessive working hours, poor occupational safety and health practices, and inadequate living conditions. The project supports social dialogue all along the supply chain and support government and stakeholders in defining a framework for the post-COVID era.

The fishing industry is an important source of emplyment in Namibia

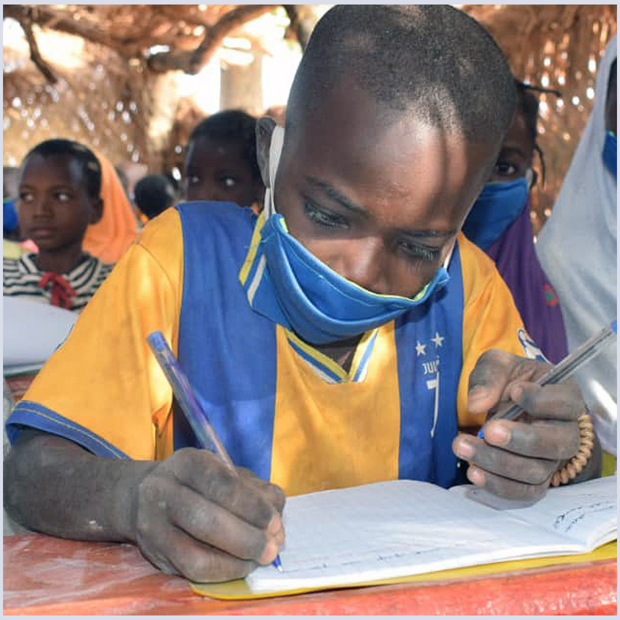
The global supply chain in the fishing sector is of great importance to both **Namibia** and to the European Union. The fishing industry is an important source of employment, food, investment and foreign currency. The sector employs directly in excess of 16,000 people and has potential for expansion. The European Union is the destination for 98% of Namibia's exported processed and unprocessed fish. Namibia's fishing exports generate approximately 15% of its foreign earnings. The European Union attaches particular importance to decent work in the fisheries sector and adherence to the tenets of the ILO Work in Fishing Convention No. 188. The project will also seek to promote zero tolerance to child and forced labour campaign, promote safe and healthy working conditions, freedom of association, human rights, trade policies and support the transition to the green economy.

Vietnam is the EU's second-largest trading partner in the Association of Southeast Asian Nations (ASEAN). In 2018, EU imports of telephone sets from Vietnam were valued at $13.12 billion, which represented nearly one third of Vietnam's global exports of telephones. Recently, several advanced integrated circuit enterprises and mobile phone producers have relocated operations to Vietnam to access its large but well- educated workforce. While data on working conditions in the industry is limited, ILO research has found incidences of non- standard forms of employment, long working hours, occupational safety and health issues, use of forced labour, and violations of rights at work. With Vietnam's new industrial relations system and recent revision of its Labour Code, which address aspects of freedom of association as well as discrimination of employment, and contractual practices, the country is taking important steps towards achieving decent work. The project supports the government and stakeholders in fully implementing the new system, revised Code and the fundamental ILO Conventions, and taking additional reform steps.

The Regional EU–ILO programme on **"Mainstreaming Employment into Trade and Investment in the Southern Neighbourhood - METI**" (2020-2024, EUR 4.5 million), active in four Southern Mediterranean countries (Jordan, Tunisia, Morocco, and Egypt) aims at ensuring that policy makers design and implement trade and investment interventions that ultimately optimise the quantity and quality of employment created in the region. It will provide targeted assistance for the design and implementation trade and investment interventions that ultimately optimise the quantity and quality of employment created in the region, especially in the context of the post-COVID-19 pandemic recovery.

Box 15 – Fighting Child Labour in the cotton, textile and garment value chains

According to the latest ILO-UNICEF global estimates, more than 160 million children are in child labour worldwide. Despite encouraging progress in Asia over the last two decades, the issue is persistent: in Central and Southern Asia, 26.3 million children aged 5 to 17 years old, representing 5.5% of children in the region, are found in child labour situations. In addition, the Asia and the Pacific region present the highest prevalence of forced labour occurrences in the world. Among the 25 million people estimated to be in forced labour in the world, 16.55 million (66%) are found in Asia, that is four victims for every thousand people.



A child in one of the child education centre supported by the CLEAR Cotton project, Bukina Faso, 2021

The project **"CLEAR Cotton -Eliminating child labour and forced labour in the cotton, textile, garment value chains: an integrated approach"** (2018-2022, EUR 7.5 million), implemented by ILO in collaboration with FAO, supports the elimination of child labour and forced labour in the cotton, textile and garment value chains in target producing countries (Burkina Faso, Mali, Pakistan, and Peru). The project aims at contributing to the elimination of child labour and forced labour in the cotton, textile and garment value chains in target producing countries. It promotes enhanced national legislation and policies, to address the basic needs and rights of children engaged or at risk of child labour, and of victims of forced labour.

Pakistan is the fourth leading producer of cotton in the world with a significant growth potential. The textile industry contributes nearly one-fourth of industrial value-added and provides employment to about 40% of industrial labour force. Textile products constitutes 62% of the national exports and the sector contributes 8.5% towards national GDP (ILO and Government of Pakistan's data). Child labour and forced labour are both present in the supply chain across the globe including in Pakistan where cotton production processes are labour intensive and/or dominated by small-holder farms or by tenancy and sharecropping. Child labour is also a particular issue for certain parts of the textile-garment industry because most of the producers requires low-skilled labour and short time delivery. In the cotton, textile and garment value chains, there are indicators of forced labour, such as bonded labour, withholding wages, restriction of movement, excessive overtime, abusive working and living conditions involving also adolescent labourers.

In the **Philippines**, the project has strengthened enterprise/ecozone-level bipartite mechanisms that are better able to adopt gender-sensitive and inclusive compliance plans and protocols that align with national and international labour standards, laws and policies including occupational safety and health (OSH) and COVID-19-related protocols and concerns, especially those that align with EU-GSP+ access.

The **Vision Zero Fund - Collective Action for Safe and Healthy Supply Chains** (2017-2021, EUR 3 million) is an initiative of the G7, endorsed by the G20, launched in 2015. Donors include the European Commission, France, Germany, Norway, Sweden, United Kingdom and the United States. In 2017, Siemens became the first private sector donor to join the Fund. It is administered and implemented by the ILO and seeks to reduce work-related diseases and accidents in global value chains to promote decent work. The Vision Zero Fund, with the financial contribution of the European Union, aims to achieve this objective in the coffee global value chain in Mexico, Colombia, and Honduras; coffee and garment in Lao PDR (with a pilot on the safe handling of agro-chemicals in agriculture); garment and ginger in Myanmar; and textile in Madagascar. Just in Myanmar, during the period 2017-2020, the VZF trained 1545 ginger farmers (of which 40% women) and 252 garment workers on Occupational Safety and Health (OSH), and 198,000 workers in the townships of Yangon and Mandalay have access to enhanced employment injury insurance; 141,000 are estimated to be garment workers, 90% of which are women.

The "**Ship to Shore Rights South East Asia"** (2020-2024, EUR 10 million) is a multi-country, multi-annual initiative of the European Union (EU) and the United Nations (UN), implemented by the ILO in collaboration with International Organization for Migration (IOM) and UNDP. Its overriding objective is to promote regular and safe labour migration and decent work for all migrant workers in the fishing and seafood processing sectors in South East Asia (Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Thailand and Vietnam). The specific objectives of the programme are: 1) To strengthen the legal, policy and regulatory frameworks related to labour migration and labour standards in the fishing and seafood processing sectors in SEA; 2) To protect labour rights and promote safe and secure working environments, in particular for all migrant workers from recruitment to post-admission and end of contract; 3) To empower migrant workers, their families, organisations, and communities to promote and exercise their rights. An asymmetric approach will be adopted in target countries depending on their status as country of origin, country of destination or transit country.

8.3.2 NATIONAL PROGRAMMES

8.3.2.1 DECENT WORK

In **Gambia**, the project "Jobs, Skills and Finance (JSF) for youth and women in the Gambia implemented by UNCDF" (2018-2022, EUR 15 million) will coordinate actions with ILO under the Gambia Decent Work Country Programme and for inputs and methodologies for youth led growth and employment. The programme will primarily contribute to the achievement of the SDGs in particular the Goal of Promoting Inclusive and Sustainable Economic Growth, Full and Productive Employment and Decent Work for All (Goal 8). In order to have access to grants from the project, local governments have to comply with minimum requirements such as monitoring and decent conditions for cash for work.

In **Guatemala**, the "Support to Decent employment in Guatemala Programme" (2019-2024, EUR 15 million) is supports the ILO's decent work agenda. The Programme's overall objective is to reduce poverty in Guatemala particularly for young people and women. Its specific objective is to increase decent employment opportunities for all, particularly for young people and women, in line with the National Policy for Decent Employment 2017 - 2032 (Política Nacional de Empleo Digno – PNED). A top-up to the programme will support the Ministry of Labour, State institutions and social partners, through technical assistance, to fulfil Guatemala's commitments under the TSD title of the EU-Central America Association Agreement related to the roadmap on Freedom of Association and Collective bargaining (ILO's Conventions 87 ad 98).

The project to "Support the fight against forced labour in the North and North East of **Haiti and the Dominican Republic** in the agricultural sector" (2018-2021, EUR 1 million) funds bi-national interventions between Haiti and the Dominican Republic to fight against forced labour and coercive recruitment methods in the agricultural sector, particularly in the production of sugar cane and bananas, in the departments and municipalities with the highest concentration of Haitian workers, especially migrants and particularly in rural and isolated municipalities where the problem targeted by the project is the lack of employment.

The EU-ILO collaboration in the "Monitoring of labour aspects in the implementation of the EU's rules of origin initiative for **Jordan** – Phase II" (2018-2020, EUR 4 million) aims at promoting the decent work agenda for companies exporting to the EU in the agricultural sector. The EU-ILO programme has experienced delays due to the lack of political will to issue instructions that would allow inspectors to investigate labour right violations in companies exporting to the EU. The increase of non-compliance of COVID-19 safety measures for workers in establishments has remained a challenge. The limitations of the delivery of Better Work (ILO) core services to eligible factories, mainly assessment visits due to the COVID-19 pandemic, have delayed the work on promoting decent work and occupational health measures.

In **Lao PDR**, the projects "Reinforcement and Extension of the Coffee Sector– RECoSeL" (2018-2021, EUR 1.5 million) and "Mekong Tea" (2019-2022, EUR 1.5 million), funded by France, are supporting Responsible Business Conduct and Corporate Social Responsibility, fair and ethical trade, and the ILO decent work agenda, as well as addressing environmental challenges such as deforestation, biodiversity loss and climate change.

In **India, Nepal and Pakistan**, the multi-country project “Hidden Homeworkers - Improving Transparency and Traceability to Improve Working Conditions of Homeworkers in Apparel and Footwear Chains” (2019-2023, EUR 1 million) aims to enhance the awareness of these workers on their working conditions, rights by using digital innovations, creating transparency in the supply chains of the target sectors.

In **Ukraine**, the project “Towards safe, healthy and declared work in Ukraine” (2019 – 2022, EUR 1.6 million), implemented by ILO, aims at promoting safe, healthy, and declared work in Ukraine and support Ukraine improving compliance with key international labour standards on occupational safety and health (OSH) and to reduce undeclared work (UDW). The project assists in drafting the legal acts aligning national legislation on OSH with relevant International Labour Organization (ILO) Conventions and EU Directives, providing technical support for the improvement and rollout of the labour inspection legal framework and will promote among workers and employers and their representative associations the transition from undeclared to declared work. It is expected that, by the end of the project, the legal framework on OSH will be better aligned with the international labour standards and labour inspection system and procedures are able to better ensure the promotion and enforcement of compliance with legislation.

8.3.2.2 RESPONSIBLE BUSINESS CONDUCT, FAIR & ETHICAL TRADE

Box 16 presents an example of how a Dutch public-private partnership is helping addressing responsible business conduct and ethical trade issues in the global cocoa value chain.

Box 16 - A public-private partnership active in the Dutch cocoa and chocolate sector working to sustainably improve the livelihoods of current and future cocoa farming families

Signatories of the Dutch Initiative on Sustainable Cocoa (DISCO) are jointly responsible for reaching the shared vision for a sustainable cocoa sector. They include leading Dutch cocoa traders and processors, manufacturers and brands, retails chains, service providers, certification entities, civil society organisations and government entities.

The vision is that in cocoa-production regions important to the Dutch cocoa industry the following will be achieved:

- Farming families with cocoa as their main livelihood activity will be enabled to earn a living income by 2030;
- Cocoa-related deforestation and forest degradation in producing regions where the Dutch cocoa industry and their trade partners are sourcing from will have ended in their supply chains by 2025;
- Effective measures and necessary actions contributing to ending all forms of child labour by 2025 are taken.

Aiming to improve the livelihoods of current and future cocoa farming families

DISCO acknowledges the complexity of the root causes behind the critical social, economic, and environmental sustainability issues in the cocoa sector. By working in partnership DISCO signatories are better able to coordinate and initiate efforts and interventions with stakeholders in the cocoa sector outside the Netherlands. This should lead to more efficiency and effectiveness in the national and international efforts aimed at making the cocoa sector more sustainable.

In **Bangladesh**, the project "Toward Mutual Buyer-Supplier Collaboration: Supplier Capacity & Better Buying Platforms" (2019 –2022, EUR 0.6 million), is implemented by Social Accountability International, Global Sustainable Certification Services (GSCS). The overall objective of the Action is to drive improvements in working conditions in the apparel supply chain – including improving the general health and well-being of workers and increasing the competitive advantage of responsible buyers and suppliers. The Action has proposed to develop an online tool (Supplier Capacity Platform) that incentivises supply chain transparency and visibility and improves buyer-supplier dialogue and workflows. This tool would create confidence on both the demand and supply side of the apparel supply chain. By targeting 3-5 European clothing brands and retailers and 50 suppliers in Bangladesh (factory management, factory workers, including Trade Unions), the action aim to improve transparency and traceability through the value chain, including lower segments; enhance business due diligence efforts and promote responsible production; and strengthen multi-stakeholder collaboration to promote responsible sourcing and production.

In **Ethiopia**, the programme "Bottom Up! Promoting a sustainable cotton & garment value chain from Ethiopian cotton to European consumers" (2019-2022, EUR 1.5 million) aims to contribute to a sustainable, inclusive and transparent value chain that generates business growth, improves working conditions, and promotes labour and environmental standards and responsible purchasing practices in Ethiopia and Europe. The objective is promoting and advocating for the adoption of responsible social and environmental practices benchmarked with international standards in Ethiopia by 14 cotton & garment producers and promoting transparency and responsible purchasing practices along the value chain among 175 EU businesses and promoting responsible buying behaviour of 1.2 million consumers in the Netherlands, Denmark and Germany. By sharing experiences, government institutions will support these practices and convert them into applicable policies respecting labour rights, particularly for female workers. Regarding International Labour Standards, targeted factories and producers will be supported to comply with core ILO conventions, and standards such as the Business Social Compliance Initiative and Worldwide Responsible Accredited Production. Relevant CSR initiatives will be included, such as the Sustainable Apparel Coalition (Higg Index and Social Convergence Initiative) promoting transparency of suppliers on cleaner production and decent work through self-assessments.

I**n seven Asian countries (India, Indonesia, Malaysia, Myanmar, Sri Lanka, Thailand and Mongolia**), the programme "Business and Human Rights in Asia" (2020-2023, EUR 6.5 million) aims to promote the agenda on Business and Human Rights and ensure that it is further taken up by Asian governments and businesses. The action promotes the implementation of the UN Guiding Principles on Business and Human Rights (UNGPs) in Asia, through National Action Plans (NAP), policy discussions and awareness raising programmes in these countries, while strengthening policy coherence with international corporate governance and compliance standards. The project has also a sub-component, added in January 2021, to address the intersection of human rights, environmental degradation, and climate change through awareness raising and knowledge products. More specifically, the action promotes the uptake of the Business and Human Rights agenda and the implementation of the UNGPs through the development of policy instruments (Output 1), communications and visibility efforts (Output 2), and access to remedy (Output 3) initiatives. In the first year and half of implementation, the EU-UNDP partnership on this action realised its first substantive programming gains. Six policy initiatives were reinvigorated or kick-started. Over 52 partners were engaged. Together with these partners, 29 events and 107 communication products enhanced a common understanding and awareness of the UNGPs and BHR agenda. At regional level, the action produced the Human Rights Due Diligence and COVID 19: Rapid Self-Assessment for Business tool which was later translated into 12 different languages (including in Asia, Bahasa-Indonesia, Bahasa-Malaya, Burmese, Chinese, Japanese, and Thai). The tool gave visibility to the EU initiative facilitated both in Asia and in Europe. Main multi-national enterprises (like Daimler AG) adopted the tool.

In **Burkina Faso and Mali**, the "Ethical Fashion initiative – EFI" (2017-2021, EUR 10 million) is a flagship programme developed by the International Trade Centre (ITC). Its aim is to contribute to economic development and employment in the handicraft sector and thus reduce migratory pressure, by combating the root causes of destabilisation phenomena, offering training opportunities and promoting the creation of dignified, sustainable and equitably remunerated jobs that respect the standards of the Fair Labour Association. It aims at connecting marginalised artisan communities - as well as designers - from the developing world to the global brands from the fashion and lifestyle sectors. The EFI initiative is expanding thanks to numerous funding sources, targeting specific products, and countries. It is managed at a worldwide level by a team based in ITC Geneva. A midterm review highlighted some important challenges in the field: difficulties to have a durable access to cotton yarn for artisans and the importance to have a strong local market for this type of product, especially during crisis such as last year with the COVID-19 crisis.

8.4 AID FOR TRADE AND THE ENVIRONMENT

As the drivers of climate change and biodiversity loss are global, the EU uses its influence, expertise and financial resources to mobilise its neighbours and partners to join a sustainable path. The European Green Deal[38], adopted in December 2019, constitutes an ambitious and comprehensive agenda of economic and social transformation. It plans for the EU to become the first climate-neutral continent by 2050, to reduce greenhouse gas emissions by at least 55% by 2030 over 1990 levels, and to decouple economic growth from resource use by a series of major political initiatives in eight policy are The EU also aims to strengthen its resilience to climate change, to reverse biodiversity loss and the broader degradation of the environment, and to leave nobody behind in the process.

The Green Deal Communication emphasises the EU's role as a global leader by announcing an increased EU engagement with partner countries, in particular through the creation of Green Alliances. The EU recognises that the global climate and environmental challenges are a significant threat and a source of instability, since the ecological transition will reshape geopolitics, including global economic, trade and security interests. The EU will work with all partners to increase climate and environmental resilience to prevent these challenges from becoming sources of conflict, food insecurity, population displacement and forced migration and it will support a just transition globally.

As one of the main building blocks of the Green Deal, in March 2020 the European Commission adopted a new Circular Economy Action Plan with measures to increase sustainability along the entire life cycle of products. Europe's transition to a circular economy will also affect trade with partner countries, for instance by setting standards for products placed on the EU market to ensure they are designed to last longer, are easier to reuse, repair and recycle and to incorporate, as much as possible, recycled material instead of primary raw material. EU AfT support will play an important role in helping partner countries meet these standards and themselves pursue the path towards a circular and green economy.

Because the global challenges of climate change and environmental degradation require a global response, the EU will continue to promote and implement ambitious environmental, climate and energy policies across the world. Aid for Trade is an essential means for achieving the goals of the Green Deal.

EU and **Ukraine** established a dedicated policy dialogue on green transition in February 2021. It focuses on climate governance architecture and the update of the Nationally Determined Contribution, green transition financing, the Carbon Border Adjustment Mechanism, the Energy Efficiency Fund, hydrogen technologies, the "just transition" of coal regions, European Industry Alliances and Ukraine's forestry strategy. In terms of support and projects, Ukraine has been supported by the EU via various programmes such as EU4Climate and EU4Environment, numerous projects on energy efficiency, such as the flagship Energy Efficiency Fund or the E5P multi-donor programme.

As shown in Figure 19 below, half of this year's respondents this year said that their AfT either considerably or extremely contributed to addressing environmental challenges in their respective countries.

To what extent does your AfT contribute to addressing environmental challenges?

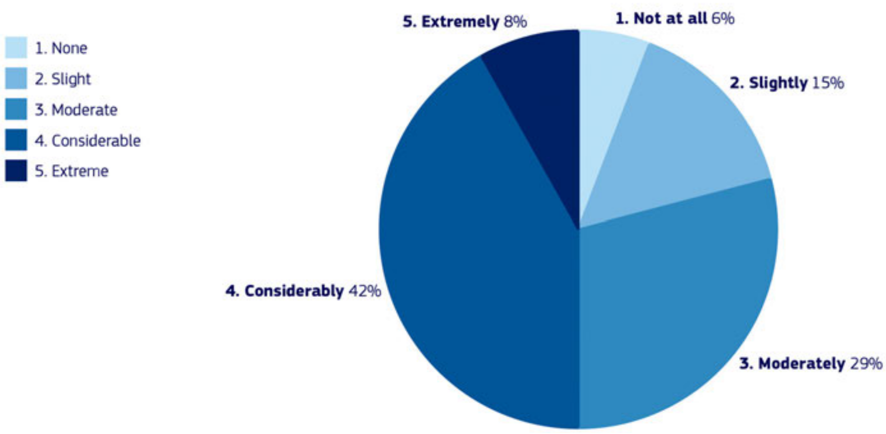


Figure 19 – Respondents' Views on the EU Aid for Trade and Environmental Challenges

38 European Commission Communication: The European Green Deal (COM(2019)640.

8.4.1 BIODIVERSITY

The 2020 EU Biodiversity Strategy for 2030 (BDS) puts unprecedented attention on the multiple dimensions of the trade-biodiversity nexus (dedicated chapter) in the context of the preparation of EU programming for 2021-2027 : this concerns but is not limited to the effective implementation of TSD chapters of trade agreements, raised environmental and social standards of access to the EU market (supply and value chains), policy coherence for development in relation to the European Green Deal and support to a just transition for the most vulnerable countries and groups, and the contribution of external trade policy to the green transition (the integrated green deal agenda is reflected in the EU Trade Policy review of January 2021). Following the announcements in September 2021 that the EU would double its external funding for biodiversity, particularly in vulnerable countries, the programming exercise will contribute to the scaling up of biodiversity and positive impacts on nature and climate in all policy areas.

The BDS is an important element for the ongoing evaluation of the 2016 EU Action Plan against **Wildlife Trafficking**[39]. The plan set out a comprehensive blueprint for joined-up efforts by EU institutions and Member States to fight wildlife crime inside the EU and strengthen the EU's role in the global fight against it. The plan is threefold – better enforcement, closer cooperation, and more effective prevention. In January 2021, the draft Commission Regulation amending the current rules on wildlife trade was published for feedback on the European Commission's website. The revised Regulation aligns the EU rules to the latest developments, including provisions to further tighten EU rules for trade in ivory, in line with the EU Biodiversity Strategy for 2030. Nature and biodiversity are also a priority for the European Green Deal Investment Plan. Programming for 2021-2027 in relation will build on the lessons learnt from the many EU projects conducted at global, regional and national levels in the last MFF, many of which are still ongoing, such as the support to the ICCWC consortium and strategic plan through contracts with UNODC and Interpol. It will also reflect the scaling up of action on deforestation and illegal trade in timber.

Box 17 below describes how the fight against illegal, unreported and unregulated (IUU) fishing can benefit from synergies between EU policies on trade and fisheries and timely Aid for Trade, with positive spill-over effects on the decent work agenda.

Box 17 – Fighting illegal, unreported and unregulated (IUU) fishing through synergies between EU Trade and Aid for Trade

The global value of illegal, unreported and unregulated (IUU) fishing is estimated at EUR 10-20 billion per year. Between 11 and 26 million tonnes of fish are caught illegally every year, corresponding to at least 15% of world catches. In 2010, the EU, as the world's biggest importer of fisheries products, introduced a Regulation to end illegal, unreported and unregulated (IUU) fishing, requiring that 'third countries' (those not in the EU) which export fish to the EU or lend their flags to vessels that import into the EU meet strict standards for fisheries management. If these standards are not met, the countries may be 'carded', which means that they could ultimately face exclusion of their fish from the EU market. Under the IUU Regulation, non-EU countries identified as having inadequate measures in place to prevent and deter this activity may be issued with a formal warning (yellow card) to improve. If they fail to do so, they face having their fish banned from the EU market (red card).

Since 2010, three developing countries – **Cambodia** (2013), Saint Vincent and the Grenadines and Comoros (2017) – have received a red card that is still in place, and seven - Sierra Leone (2016), Liberia and Vietnam (2017); **Ecuador**, Panama (2019); Cameroon and Ghana (2021) – a yellow card that is still in place. Twelve developing countries - Belize, Guinea, Togo, Sri Lanka, **Thailand**, the Philippines, Papua New Guinea, Solomon Islands, Kiribati, Tuvalu, Vanuatu, and Fiji - were able to have their yellow or red cards lifted after several years of efforts in improving their fisheries governance, in close coordination with the EU.

In **Thailand**, the yellow card for the Thai fishing industry on Illegal, unregulated and unreported (IUU) fishing, issued in 2015 was lifted in 2019, as Thailand amended its fisheries legal framework in line with international law of the sea instruments, putting all the necessary policies in place to prevent, deter and eliminate illegal, unreported and unregulated fishing. In parallel to the IUU dialogue, the EU and Thailand started a labour dialogue through which they were also able to start addressing the serious human rights abuses and forced labour in the fishing industry. Thai efforts in addressing their shortcoming on fisheries governance have been supported through EU Aid for Trade.

39 European Commission (2016), EU Action Plan Against Wildlife Trafficking, COM(2016) 87 final.

The "Ship to shore Rights" project - Combatting Unacceptable Forms of Work in the Thai Fishing and Seafood Industry) (2016-2020 EUR 4.2 Million) was the flagship project of the Delegation, complementing the dialogue on IUU and triggering the EU-Thailand labour dialogue.

This project supported the process of the ratifications by the Royal Thai Government of the ILO's Work in Fishing Convention, 2007 (No. 188) and Protocol of 2014 to the Forced Labour Convention (P029), with Thailand becoming the first country in Asia to do so. Other major achievements of this project, include the deployment of an additional 180 newly trained labour inspectors around Thailand, the rolling out of the Good Labour Practices programmes by leading seafood-processing associations, and the strengthening of the workers' voice and representation.

The project's endline report[1] found that more migrant workers entered the workforce through regular migration channels; salaries increased in the order of 28 per cent for fishers surveyed in 2019, and 15 per cent for seafood workers; and housing conditions were improved over the last five years. A follow-up regional action was launched in 2020, focusing on the angle of labour migration in the fishing sector.

The "Ship to Shore Rights South East Asia" (2020-2024, EUR 10 million), is a multi-country, multi-annual initiative of the European Union (EU) and the International Labour Organization (ILO).It promotes a multi-stakeholders and integrated approach to support the fundamental principles and rights at work and to address major gaps that had been identified. In **Ecuador**, a special short-term TA has been designed in 2019-2020 in coordination with the TRADE Section and DG MARE to support the Vice-ministry of Fisheries to control illegal fishing and tackle the yellow card issued by the EU in October 2019.

In **Cambodia**, the CAPFISH Capture - Post Harvest Fisheries Development project (2019-2024, EUR 16 million) aims at inclusive post-harvest fisheries development focusing on strengthening the institutional capacity of the Competent Authority for establishing official control systems and subsequently supporting the development of post-harvest fisheries, through capacity building in terms of skills development, food safety system implementation, matching investment support and building business support mechanisms in terms of research, development and innovation. The project includes activities to support the local private sector to comply with international standards and market requirements relevant to the post-harvest fisheries. The project will also support the fisheries administration inspectors on the inspection and non-compliance of food safety standard and requirements related to Cambodian Quality Seal, develop standards and/or technical regulations for official control of fish and fishery products, establish residue limits for fish and fishery products based on the existing legal framework and Codex, and strengthen capacity of national laboratories through training on ISO 17025 and support on laboratory management system.

1 ILO and European Union, Endline research findings on fishers and seafood workers in Thailand, 2020, https://shiptoshorerights.org/wp-content/uploads/Endline-Research-Findings-on-Fishers-and-Seafood-Workers-in-Thailand_EN.pdf

Germany funds the project 'Partnership against Poaching and Illegal Wildlife Trade in Africa and Asia', to combat poaching on African elephants and rhinos along the entire illegal trade chain, both in the countries of origin and transit and in the predominantly Asian consumer countries. BioInnovation Afrika supports African countries in the implementation of their national Access and Benefit Sharing (ABS) systems by concluding benefit-sharing agreements between African providers of raw biological materials and ingredients, and users from Europe. The Blue Action Fund provides targeted grants to non-governmental organisations active in developing countries with the aim of enhancing the management and use of coastal and marine ecosystems while improving the lives of local people.

The regional project "Disrupting illicit supply chains of wildlife in Asia by leveraging civil society partnerships to increase the effectiveness of Government action" (2018 – 2022; EUR 7 million) brings together state and non-state actors to increase trans-boundary coordination, and leverage on policy reforms and actions to combat wildlife trafficking between Myanmar, Cambodia, Lao PDR and China, through CSO-Government partnerships. It is also facilitating the coordination and collection of information and intelligence between CITES checkpoints, protected areas and wildlife crime units. In Lao PDR, it is making good progress in increasing the effectiveness of law enforcement responses to illegal wildlife trade through capacity building and intelligence analysis support, as well as to promote trans-boundary cooperation in tackling wildlife trafficking between Lao PDR and neighbouring countries, in particular Vietnam.

8.4.2 DEFORESTATION

The **FLEGT (Forest Law Enforcement, Governance and Trade) Action Plan** is the EU's policy to combat illegal logging and related trade[40]. Support for timber-producing countries is one of the main stays of the policy. With countries expressing their interest, the FLEGT Action Plan also envisages concluding FLEGT voluntary partnership agreements (VPA), legally binding trade agreements between the EU and timber-producing countries outside the EU. The purpose of a VPA is to improve forest governance and ensure that timber and timber products exported to the EU come from legal sources. The agreements help timber-exporting countries stop illegal logging by improving regulation and governance of the forest sector in a multi-stakeholder process and by putting timber legality assurance systems in place. They also include provisions to ensure transparency and disclosure of information. So far, seven countries have signed a VPA (Indonesia, Cameroon, Ghana, Liberia, Central African Republic, Republic of Congo) with the EU, making them 'VPA partner countries'. The EU has concluded negotiations and initialled a VPA with Honduras and Guyana, while negotiations are ongoing with Côte d'Ivoire, Democratic Republic of the Congo, Gabon, Lao PDR, Malaysia (currently on hold), and Thailand.

Indonesia started issuing FLEGT licenses in 2016 and is the only VPA partner country doing so to date. The others are developing the systems needed to control, verify, and license legal timber. According to the 2020 Union-wide FLEGT Report[41], over 33,000 FLEGT licences were received by 26 Member States' Competent Authorities in 2019, of which 99% were validated, within three days of receipt in 70% of cases where time to validation could be calculated. 56 FLEGT licences were rejected by 12 Member States.

The **EU FLEGT Facility** - funded by the EU and the governments of Finland, France, Germany, the Netherlands, Spain, Sweden and the UK - supports the implementation of the EU FLEGT Action Plan with a focus on VPAs, setting out a programme of actions that forms the EU's response to the problem of illegal logging and the trade in associated timber products. Box 18 includes several EU AfT programmes supporting FLEGT implementation in VPA countries.

The EU, France, Germany, Ireland, Spain, and the Netherlands fund the EU Reducing Emissions from Deforestation and Forest Degradation Facility (**EU REDD Facility**), which supports countries in testing strategic and innovative solutions for designing, implementing and monitoring REDD+ strategies and monitoring the fulfilment of zero-deforestation commitments. It collaborates with a broad range of stakeholders in the public and private sectors and civil society organisations to contribute to subnational, national, EU and international policy-making. The facility supported in 2020 nine countries (Colombia, Ecuador, Indonesia, Lao PDR, Vietnam, Cameroon Cote d'Ivoire, Congo and the Democratic Republic of Congo).

Worker labels a tree trunk to identify the specific company logo and forest number in Cameroon

40 European Commission (2003), Forest Law Enforcement, Governance and Trade (FLEGT) – Proposal for an EU Action Plan, Communication from the Commission to the Council and the European Parliament, COM/2003/0251 final.

41 European Commission, 2020. FLEGT Regulation: Union-wide Overview for the year 2019. Overview based on the analysis of information on the application of the Forest Law Enforcement, Governance and Trade (FLEGT) Regulation (Council Regulation (EC) No 2173/2005), submitted by EU Member States.

Box 18 - Supporting FLEGT Implementation in Africa and Asia through EU Aid for Trade

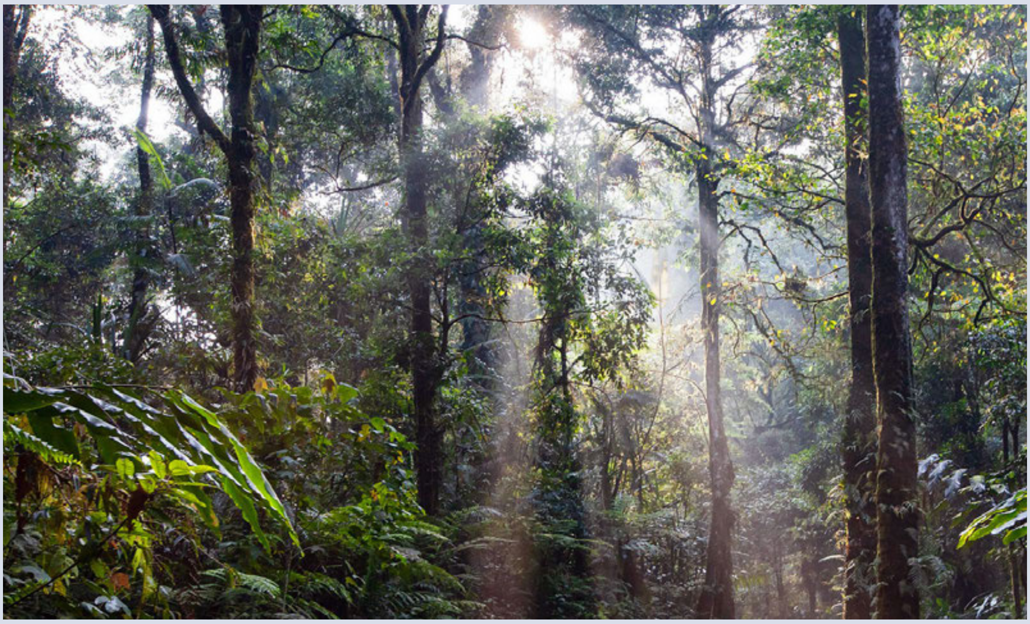
Important initiatives are taken within the framework of the Forest Law Enforcement Governance and Trade (FLEGT) agreement, which aims at promoting trade in legal timber. The legality grids are in the process of being updated in a multi-stakeholders' effort, with a strong involvement of the private sector. Thanks to this long-awaited update, the legality grids will soon be applicable.

The EU is supporting the FLEGT process in Cameroon through four programmes: the "Programme d'amélioration de la gouvernance en milieu forestier – ProFE" (2020-2022, EUR 23 million); "Regional support to the Central African Forest Commission – COMIFAC" (2019 – 2022, EUR 21 million); "Support to the Congo Basin Forest Partnership – PFBC" (2019 – 2021, EUR 2.8 million); "Forest for Future - F4F" (2019 – 2022, EUR 0.4 million). One important achievement has been the launch of the Open Timber Portal. This open data platform provides reliable information on forest producers, facilitating in turn the enforcement of the EU Timber Regulation (EUTR).

A smaller programme – "Long Term Technical Assistance for the implementation of the Voluntary Partnership Agreement" (2019-2022, EUR 3 million) - supports Liberia in the implementation of its VPA with the EU.

The EU is also supporting the Republic of Congo in the forest sector through a EUR 9 million forest governance support project, aiming to enhance the legality and competitiveness of Congolese wood production.

A new regional-ASEAN FLEGT support programme is in place since August 2020. It focuses on countries currently negotiating a VPA (Voluntary Partnership Agreement) such as Vietnam, Thailand and Lao PDR; and on supporting the implementation of the VPA in Indonesia, in place since 2014. In Lao PDR, the programme "Protection and sustainable use of forest ecosystems and biodiversity in Lao – ProFEB" (2019-2021), funded by Germany, supports the Government of Lao PDR in negotiating a partnership agreement with the EU on forest law enforcement, governance and trade (FLEGT). The agreement sets out the legal obligations and the measures to be taken by both parties to combat illegal logging and improve governance in the forestry sector. This participatory decision-making process involves government agencies, civil society organisations, the timber industry and local communities. The project additionally focuses on increasing knowledge of and fostering more positive attitudes towards the environment and biodiversity among the local population and representatives of authorities. It links capacity development support in the field of environmental education at national level with informative and learning processes in the provinces, districts and villages.



The EU strives to combat illegal logging and improving governance in the forestry sector. Forest of Indonesia.

8.4.3 MINERALS

Concerning trade of minerals, in 2020 the EU supported the Extractive Industry Transparency Initiative (EITI) that implements the global standard to promote the open and accountable management of extractive resources, with EUR 0.5 million, with Belgium, Denmark, France, Finland, Sweden, Germany and the Netherlands providing another EUR 1.5 million.

Box 19 below illustrates how EU Aid for trade is used to ensure diamonds accessing the EU market are ‘conflict free’.

Box 19 - EU Aid for Trade and conflict-free diamonds from West Africa

The Kimberley Process (KP) is a multilateral trade regime established in 2003 with the goal of preventing the flow of conflict diamonds. The core of this regime is the Kimberley Process Certification Scheme (KPCS) under which States implement safeguards on shipments of rough diamonds and certify them as “conflict free”. Producers compliant with Kimberley Process can have access to EU market for diamonds.

The Regional Resource Governance in West Africa Project (2019-2022, EUR 17.8 million), implemented by GIZ, supports the implementation of the Kimberley Process and promotes the integration of informal artisanal mining into the formal sector including as regard the enforcement of labour and social standards. This is aligned with the objective of compliance with the Kimberley process for which for RBC/CSR is central. The project is co-funded by the EU and the German Cooperation; it is implemented at regional and national level in Sierra Leone, Liberia, Guinea and Côte d’Ivoire.

Sierra Leone diamonds mine

8.4.4 SUSTAINABLE PRODUCTION AND CONSUMPTION (SCP)

The EU SWITCH to Green Initiative comprises SWITCH regional programmes: the SWITCH-Asia programme, the SwitchMed programme, and the Switch Africa Green programme.

Rapid economic growth in Asia and Central Asia has lifted many countries out of poverty. This has come at a cost of increased use of natural resources, growing GHG emissions and amounts of waste. Sustainability today is no longer simply about increasing efficiencies or complying with regulations. It is about making fundamental changes in the way business is done and the way the world consumes. The European Union is committed to tackle these global challenges together with its partners in Asia and Central Asia. Launched in 2007, its **SWITCH-Asia** programme has achieved more than a decade of progress on sustainable consumption and production (SCP) in 24 countries in the region. This has been possible through the joint efforts of the three SWITCH-Asia components: regional policy advocacy, the SCP facility and a grant programme. Under SWITCH-Asia nearly EUR 300 million have been invested towards promoting SCP in Asia and Central Asia, with 130 projects funded in the region over a period of

14 years of which 22 new ones active as of 2020. Over 500 Asian and European non-for-profit partners, about 100 private sector associates and 80,000 Asian micro, small and medium-sized enterprises (MSMEs) have been supported.

The **SwitchMed** initiative was launched in 2013 to speed up the shift to sustainable consumption and production patterns in the Southern Mediterranean (Algeria, Egypt, Jordan, Lebanon, Morocco, Palestine and Tunisia), notably through the promotion of circular economy approaches. Phase I covered the period 2013-2018 with a budget of EUR 24 million. **Phase II of the SwitchMed Initiative (2018-2023, EUR 22 million)** aims at achieving a circular economy in the Southern Mediterranean by changing the way goods and services are produced and consumed.so that human development is decoupled from environmental degradation. In order to achieve this, the initiative provides tools and services directly to the private sector, supports an enabling policy environment, and facilitates exchange of information among partners and key stakeholders. The SwitchMed initiative is aligned with the New Circular Economy Action Plan adopted by the European Commission. The measures for mainstreaming sustainable products and empowering consumers and public buyers presented in the Action Plan have a strong focus on the sectors that use most resources and where the potential for circularity is high such as plastics, textiles, and food.

The **SWITCH Africa Green**, also launched in 2013, supports stakeholders in Africa in achieving sustainable development by transitioning to an inclusive green economy based on sustainable consumption and production. It provides opportunities for the private sector to move to more resource-efficient, environmentally sound business practices that also increase profitability, create green jobs and reduce poverty. The collaboration with partners in the public and private sectors aims at advancing green business development, eco-entrepreneurship and sustainable consumption and production practices. The initiative targets four high-priority sectors: agriculture, manufacturing, integrated waste management and tourism focusing on five thematic cross-cutting areas: energy efficiency, labelling and standards, water efficiency, eco-innovation and sustainable trade. The programme consists of three components (green business development, policy support and a networking facility), and is active in Burkina Faso, Ethiopia, Ghana, Kenya, Mauritius, South Africa, and Uganda.

The "**EU4Environment Programme**", launched in 2019, helps six Eastern Partnership (EaP) countries (Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine), preserve their natural capital and increase people's environmental well-being. It supports environment-related actions, demonstrating and unlocking opportunities for greener growth, and setting mechanisms to better manage environmental risks and impacts. EU4Environment is helping EaP countries implement Resource Efficient and Cleaner Production (RECP) in SMEs activities, promote green products, public procurement and eco-labelling, and reinforce compliance assurance.

Armenia is one of the countries benefiting from EU4Environement - Lake Sevan

In addition to regional initiatives, there are several programmes at the country level supporting sustainable production and consumption. In **Cambodia**, for example, the "Promotion of sustainable energy practices in the garment sector" programme (2020-2024, EUR 3.5 million) aims to increase competitiveness and decrease environmental impact through sustainable production in the Cambodian garment industry, through increased investment in sustainable energy practices (such as efficient technologies, switch to renewable energy and good operations management) by garment factories.

8.4.5 CLIMATE CHANGE AND THE CARBON BORDER ADJUSTMENT MECHANISM (CBAM)

Within the context of the European Green Deal, the proposed Carbon Border Adjustment Mechanism (CBAM), would place a carbon price on imports of certain goods from outside the EU, as a way to reduce the risk of “carbon leakage”. The Carbon Border Adjustment Mechanism for certain products covered by the EU ETS would be an alternative to the current system of free allowances given to energy intensive industry to address the risk of carbon leakage. Carbon pricing and climate policies in third countries that affect the risk of carbon leakage will be taken into account. Sectors likely to be included are cement, steel, aluminium, fertilizers and electricity.

In order to avoid carbon leakages, it is necessary to implement an international compliant Measuring Reporting and Verification (MRV) system in order to quantify GHG emissions. Moreover, this MRV system at country level needs to integrate a more complex method (Tier 3) to estimate greenhouse gas emissions at the level of accuracy needed for products subjects to the CBAM. Developing countries, even though few have exports to the EU falling under the four initial sectors, need support to build such a solid national MRV system. In **Ethiopia**, for example, such a system is under development and good progress was registered in the past few years.

There is concern that the mechanism could lead to an unfair burden being placed on LDCs, unless there were an exemption. The CBAM does not target third countries but applies to goods of certain carbon-intensive sectors and takes into consideration the application of carbon pricing systems by third countries (opening possibilities for reduction or non-payment of the CBAM charge) and the carbon footprint of individual producers (the CBAM will be charged according to the actual emissions of imported goods). The EU is ready to engage with trade partners and international organisations to inform and where possible to assist with the implementation of the measure. The EU has also built in a transitional period in the CBAM, which will give trading partners, including developing countries, time to prepare.

Currently the EU directly imports only a small volume of carbon-intensive products from LDCs. Only aluminium forms any significant proportion of the total, mostly from African LDCs, at just under 5 per cent of all EU aluminium imports. None of the possible forthcoming African LDC graduates – including Comoros, Djibouti, Senegal and Zambia — are major aluminium exporters.

8.4.6 ENVIRONMENTAL ISSUES IN SUSTAINABLE TRADE PROGRAMMES

Environmental issues are often tackled together with other dimensions of sustainable trade, like corporate social responsibility, decent work, ethical trade, and regional integration. Box 20 provides a short summary of key programmes described in greater detail in other sections of this report.

Box 20 – Environmental Issues are often tackled together with other dimensions of sustainable development

Blending and guarantees

Renewable energy is the top sector for EU blending operations worldwide.

Delivering clean energy at affordable prices in Nigeria (budget: EUR 115 million, EU contribution: EUR 10.2 million).

Improving access to sustainable finance for the Ugandan agribusiness sector (budget: EUR 63 million, EU contribution: EUR 10 million).

Improving access to sustainable capital for Somali MSMEs (budget: EUR 23 million, EU contribution: EUR 5.5 million).

Promoting access to climate-smart finance in LAC (budget: EUR 59 million, EU contribution: EUR 6 million).

Providing renewable energy to rural areas of Papua New Guinea (budget: EUR 254 million, EU contribution: EUR 16 million).

Making the Bangladeshi Ready-Made Garment (RMG) Sector safer and greener (budget: EUR 81 million, EU contribution: EUR 7 million).

Supporting industrial, building, municipal and sustainable infrastructure investments to boost prosperity and benefit the environment in the EU Southern and Eastern Neighbourhood. The EU Municipal, Infrastructure and Industrial Resilience Programme, supported by an EFSD guarantee (budget: EUR 500 million, EFSD guarantee: up to EUR 100 million)

Supporting sustainable private sector development in Central Asia (budget: EUR 34 million, IFCA guarantee: EUR 5 million).

Removing barriers to private investment in renewable energy in Sub-Saharan Africa and the EU Neighbourhood (budget: EUR 806 million, EFSD guarantee: EUR 62. million).

Regional Integration

The West Africa Competitiveness Programme – WACOMP (EUR 2018-2023, EUR 116 million), aims to support several selected value chains at national and regional level to promote structural transformation and better

The EU-East Africa Community MARKUP Programme (2018-2022, EUR 35 million) aim to improve EAC exports of agro-industrial crops and horticulture, supporting participation in regional and global value chains with particular focus on EU.

Decent Work/RBC

The Responsible Supply Chains in Asia Programme (2017-2021, EUR 4.5 million), implemented by ILO, aims to further sustainable and inclusive economic, social and environmental progress by integrating responsible business practices into the operations of multinational companies and their supply chains.

In Ethiopia, the programme "Bottom Up! Promoting a sustainable cotton & garment value chain from Ethiopian cotton to European consumers" (2019-2022, EUR 1.5 million) aims to contribute to a sustainable, inclusive and transparent value chain that generates business growth, improves working conditions, and promotes labour and environmental standards and responsible purchasing practices in the industry in Ethiopia and Europe.

In seven Asian countries (India, Indonesia, Malaysia, Myanmar, Sri Lanka, Thailand and Mongolia), the programme "Business and Human Rights in Asia" (2020-2023, EUR 6.5 million) has also a sub-component, added in January 2021, to address the intersection of human rights, environmental degradation, and climate change through awareness raising and knowledge products.

Enhancing Africa Green Economy through Eco Geographical Indication for Coffee project (2010-2023, EUR 1.2 million) aims to implement a new model of coffee value chain in Uganda based on triple-certificate association - Geographical Indication, Fair Trade and Organic.

9 THE IMPACT OF COVID-19

Due to COVID-19[42], progress towards the SDGs has slowed, with poverty increasing for the first time in 20 years. On average, GDP in developing countries is projected to be about 7.5% lower in 2022 than what was expected before the COVID-19 crisis, with one out of four countries projected to experience a loss of more than 10% (UN DESA, 2021). Due to a decline in resources of USD 700 billion, and an increase in needs of USD 1 trillion to recover from COVID-19, the SDG funding gap in developing countries is projected to increase from USD 2.5 trillion pre-COVID to USD 4.2 trillion a year[43] for the foreseeable future, a 70% increase.

The impact of the global pandemic on trade has been dramatic. EU27 imports from developing countries declined by almost EUR 100 billion (-16%) from EUR 621.6 billion to EUR 522.9 billion between 2019 and 2020. Team Europe reacted swiftly to counter the impact of COVID-19 on its partner developing countries. Renewed commitments were made as part of the new Team Europe approach, both in the Joint Communication on the Global EU Response to COVID-19[44] and in the Council Conclusions on Team Europe Global Response to COVID-19[45].

In response to COVID-19, Team Europe mobilised resources of EUR 46 billion in support of partner countries as of April 2021, as detailed in Table 4 below. These commitments include both additional new funding as well as ongoing funding that has been adjusted to tackle the impacts of the COVID-19 pandemic.

Table 4 – Geographic Breakdown of Team Europe's External Response to COVID-19 as of April 2021

TOTAL EUR Millions (Commitments)	TOTAL	EU MS	EC	EIB	EBRD
	45,998	**14,883**	**14,883**	**11,433**	**4,799**
Global	7,537	7,058	479	-	-
Guarantees	3,281	1,587	1,549	145	-
Western Balkans and Turkey	5,820	84	1,754	2,178	1,804
Neighbourhood	13,844	990	5,719	4,584	2,551
Sub-Saharan Africa	8,082	2,679	2,415	2,988	-
Latin America and Caribbean	2,969	1,147	1,018	805	-
Asia and the Pacific	3,181	808	1,331	598	444
ACP, regional	658	51	507	100	-
OCTs & Greenland	627	480	111	36	-

Source: https://ec.europa.eu/international-partnerships/topics/eu-global-response-covid-19_en

42 See for example https://sdgintegration.undp.org/covid-impact-low-and-medium-hdi-groups

43 OECD. Global Outlook on Financing for Sustainable Development 2021: A New Way to Invest for People and Planet. Paris: OECD. 2020, p. 16.

44 Joint Communication to the European Parliament, the Council, the European Economic and Social Committee and the Committee of Regions, Communication on the Global EU Response to COVID-19, JOIN/2020/11 final. https://ec.europa.eu/info/sites/default/files/joint_communication_global_eu_covid-19_response_en.pdf

45 Council Conclusions, Brussels, 8 June 2020 (https://www.consilium.europa.eu/media/44347/teaWWWm-europe-ccs-200608.pdf). This has been reaffirmed in the Council Conclusions on Team Europe of 23 April 2021 (https://data.consilium.europa.eu/doc/document/ST-7894-2021-INIT/en/pdf).

9.1 PROGRAMMES' FRONTLOADING, ADDITIONAL RESOURCES AND FAST TRACK

Trade has been hardly hit by the global Covid-19 pandemic

In **Angola**, the EU has been engaged with the Government to reduce the socio-economic impact of COVID-19 leading to the approval of Angola´s first budget support operation, "Response to COVID-19 crisis in Angola in support of socio-economic relief" (2020-2021, EUR 20 million). The main objective is to accelerate formalisation of informal operators, focusing on those working in municipal markets in the province of Luanda where the capital is located. To recover from COVID-19 socio-economic impact, the Government has made available financing lines to assist economic operators recover, from individual to cooperatives and MSMEs. Only formal operators will be eligible to apply for micro-credits, so a quick formalisation campaign has been put in place aiming to register 100,000 operators by end of 2021.

In **Egypt**, the Ministry of Social Solidarity (MoSS), the European Union and UNDP signed a EUR 6 million Project Agreement to support Egypt's social protection strategies to defeat the socio-economic impact of the COVID-19 pandemic. The project aims to work on two interlinked tiers of the COVID-19 pandemic's response to reduce the implications on the vulnerable groups. The first tier is preventing new infections of people to flatten the curve of mounting cases especially among the poorer families targeted by MoSS who may not afford to stop working for long periods as they may not have adequate social security schemes. The second tier will address the COVID-19 socio-economic consequences to expand social safety nets for vulnerable families affected by the pandemic conditions and create dynamic work opportunities for families reliant on social protection programmes.

The EU has provided EUR 34 million of budget support for **The Gambia** to respond to the COVID-19 pandemic.

In **Kosovo**, the EU launched the EU funded Programme "EU4 Social protection following the coronavirus crisis" with a budget of EUR 12 million to help the most vulnerable categories cope and overcome the consequences of the COVID-19 crisis.

In **Malawi**, the EU together with Germany, Ireland and the EIB, under a Team Europe approach, put forward a substantial EUR 60 million package in support of the government's COVID response plan. This joint initiative of the EU and Member States in Malawi focussed primarily on mitigating the social and economic effects of the pandemic and provided direct support to the health sector, through ECHO and German cooperation.

In **Montenegro**, the EU mobilised EUR 113 million, mainly through these two operations: "the Support to COVID-19 crisis response in Montenegro - State Building and Resilience Budget Support" (EUR 40.5 million) and Macro-Financial Assistance (EUR 60 million).

In **Mozambique**, Team Europe mobilised a combined amount of about EUR 170 million, of which EUR 110 million from the European Union, for mitigating the socio-economic impact of the pandemic, including empowering the health system to deal with the immediate effects of the pandemic and assisting the Mozambican authorities in tackling disinformation.

In **Namibia**, Team Europe mobilised EUR 55 million for its COVID-19 response. Out of these, given the fiscal impact and the long-standing cooperation with Namibia in budget support, the EU reallocated EUR 8.4 million from the NIP towards additional budgetary support to increase the Government's fiscal space in its socio-economic response to COVID-19. Germany is the main EU MS partner to Namibia and provided about EUR 45 million to Namibian partners since the onset of the COVID-pandemic, mainly focused on health-prevention measures and on mitigating the socio-economic impact of the COVID crisis. Out of this, about EUR 28 million have been mobilized to support SMEs and start-ups to facilitate their business continuity and economic recovery, whereas EUR 13 million were provided to support Namibia in the conservation and tourism sector.

In the **Horn of Africa**[46], the EU assembled a EUR 60 million package to help tackle the health and socio-economic impact of the COVID-19 pandemic, in support of the Intergovernmental Authority on Development (IGAD), a regional organisation with eight member states, that has in its mandate to coordinate national responses to the COVID-19 pandemic in the Horn of Africa. The programme will focus on vulnerable groups, including migrants, refugees, internally displaced people and cross-border communities, and deliver medical equipment, including more than 8.5 million items of personal protective equipment. It will also help ensure borders and critical supply chains are safe for trade and promote digital solutions to monitor the crisis.

In September 2020, the **Caribbean** Export Development Agency launched the Direct Support Grant Scheme (DSGS). The DSGS comes in response to the immediate need for firms to retool and mitigate the impact of the COVID-19 pandemic. The scheme will provide a grant of maximum EUR 15,000, covering 100% of the project costs to selected firms. The call has attracted more than 400 project applications. The grant will cover technical assistance to firms to facilitate, among others, business continuity, digital transformation, energy management and efficiency, and protection of intellectual property rights.

In **Tunisia**, the EU increased its budget support disbursements, and is providing special Macro-Financial Assistance of EUR 600 million in loans disbursable in two tranches. Disbursement of the first tranche of EUR 300 million took place in June 2021.

46 Djibouti, Ethiopia, Eritrea, Kenya, Somalia, the Sudan, South Sudan and Uganda.

9.2 REORIENTATION OF EXISTING PROGRAMMES

Figure 20 below, half of this year's respondents said that their AfT had been either considerably or extremely impacted by COVID-19 in 2020-2021.

How negative has been the impact of COVID-19 on AfT in 2020 and first quarter of 2021?

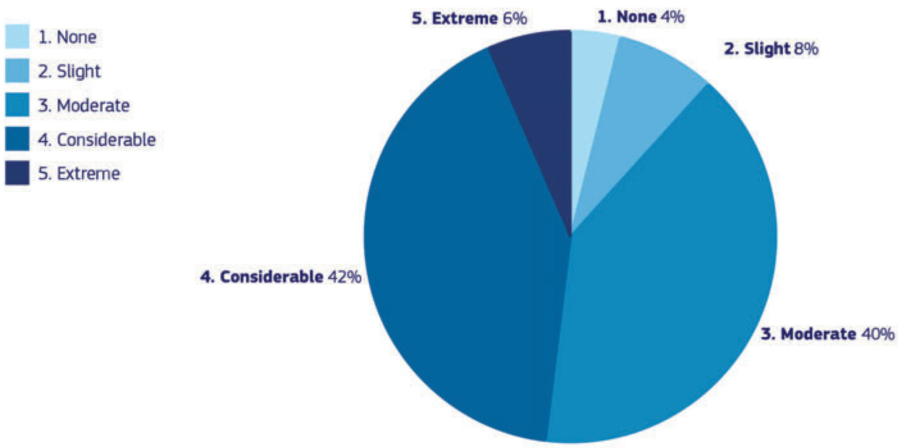


Figure 20 – Respondents' Views on the Impact of COVID-19 on EU Aid for Trade

As a consequence, several AfT programmes were adapted to the new challenges and work modalities, and a few examples are provided below.

In **Cambodia**, in direct response to the COVID-19 crisis, ARISE+ decided to provide SMEs technical assistance measures in "Fast Track" mode. In other words, the project prioritised the speedy preparation, approval and delivery process of technical assistance, rather than developing an exhaustive governance structure and launching a public call for applications. This "Fast Track" delivery mode was chosen to prevent further decline and safeguarding still ongoing operations, including jobs, incomes, livelihoods, supplies, markets and financial commitments. Further, the project focused its support on helping existing exporting SMEs to expand their export operations from a small base to reach a larger market, supporting livelihoods and strengthening backward linkages within Cambodia.

In **Lao PDR**, ARISE+ conducted two rapid sectoral COVID-19 Business Impact Assessments (coffee, wood processing) and, based on their results, made specific COVID-19 adjustments to sectoral export roadmaps in these two value chains, focused on enhanced resilience, including risk management, digitalisation and e-commerce tools. Specific COVID-19 interventions in the trade policy area included inserting a chapter on the impact of COVID-19 into the Foreign Trade Negotiations Roadmap and reflecting on it throughout the text.

In **Ukraine**, as part of "EU4Business: SME Competitiveness and Internationalisation project", the EU supported the creation of seven COVID-19 business clinics across Ukraine to provide urgent anti-crisis support to SMEs. Other EU4Business programmes also adapted their activities to provide online services.

Finally, a general impact of the COVID-19 crisis on the implementation of programmes has been a delay in conducting activities that could not be converted into desk-based work or an online format. In order to remedy such delays, the overall measure has been granting the extension of implementation periods and redesigning activities where possible.

10 CONCLUSIONS

Overall, the EU Aid for Trade Progress Report 2021 reflects the increased prominence of AfT in the development policies of the EU and its Member States and the prioritisation of stronger coherence between their development, trade and investment instruments to improve the economic, job creation and sustainability impacts. Environmental objectives are also becoming ever-increasingly important, a development expected to continue gaining prominence due to the recent European Green Deal.

This increased prominence is in line with the three main objectives of the updated EU AfT strategy:

- To better align EU AfT interventions with market-driven opportunities and constraints;
- To focus more on least developed countries because they need the most support;
- To increase the contribution of AfT to SDGs while supporting a stronger participation of women in the economy.

In 2019, the last year for which full data are available, the EU and EU Member States' commitments amounted to EUR 17.9 billion, an increase of 12% in real terms compared to 2018. The EU and EU MS remain the leading AfT donor with 38% of global AfT. Africa continued to receive the largest share of AfT commitments in 2019, with 43% of total AfT, followed by Asia (21%), Europe (13%)[47], and America (8%). AfT commitments to LDCs reached EUR 2.7 billion and those to ACP countries EUR 6 billion, representing 15% and 33% of total EU and EU MS AfT respectively.

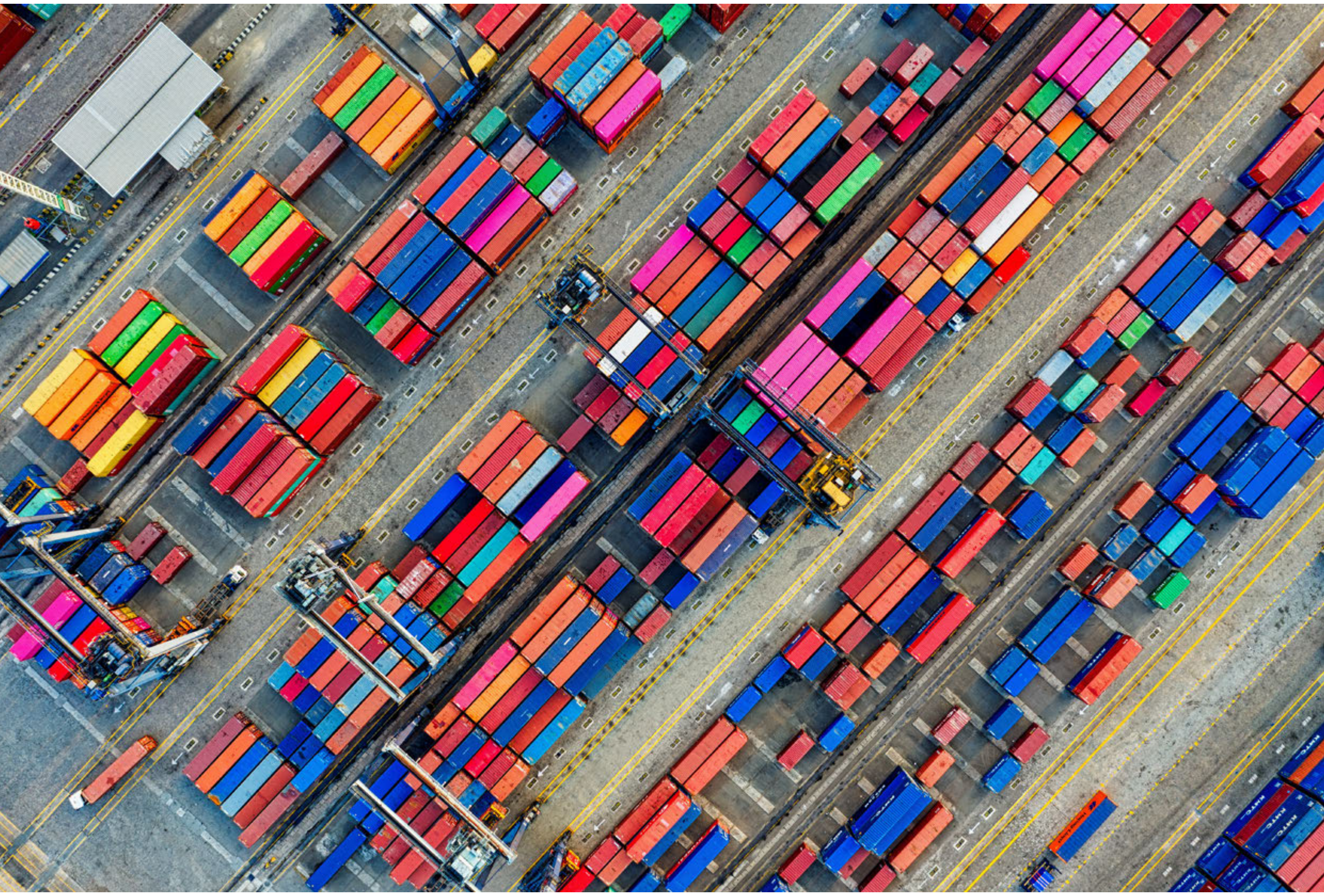
Apart from the increased focus on LDCs whose share of EU AfT has remained substantially stable since 2017, Team Europe has been achieving its other two objectives with an increased gender focus. Team Europe's support to partner countries in facing the COVID-19 pandemic has been prompt.

COVID 19 has reduced the resources available to developing countries to achieve the SDGs. Trade with the EU declined by EUR 100 billion due to COVID-19. Due to the impact of the pandemic on developing countries, the annual SDG funding gap has grown from EUR 2.2 trillion per year before COVID-19 to EUR 3.7 trillion now and traditional Official Development Aid (ODA) alone cannot fill this gap. EU Aid for Trade can help by fostering a rapid recovery in trade volumes, while Team Europe provided EUR 46 billion in immediate financial support to its partner countries.

EU Aid for Trade has also been increasing its contribution to a more inclusive and greener global economy. The EU Gender Action Plan III and the EU Gender Equality Strategy highlight women's economic empowerment as one of the key areas in all EU external actions. The EU Green Deal plans for the EU to become the first climate-neutral continent by 2050, while the 2017 EU AfT Strategy places building low-carbon and climate-resilient economies at the heart of Aid for Trade. Under the FLEGT (Forest Law Enforcement, Governance and Trade) Action Plan, the EU has signed agreements with seven developing countries to ensure their timber exports come from legal sources, and, through its support to the Extractive Industry Transparency Initiative (EITI), the EU promotes the open and accountable management of extractive resources while implementing the Kimberley process to certify that shipments of rough diamonds are "conflict free".

Building on the successes of the Team Europe's approach in 2020, the EU is developing nearly 150 Team Europe Initiatives that will be strategic and transformational responses to sustainable development challenges at national, regional and global level and will influence the design and implementation of EU Aid for Trade during the decade leading to 2030 and the sustainable development goals the global community has committed to achieve by then.

47 Non-EU countries from the EU neighbourhood and enlargement countries.



PART II

QUANTITATIVE ANALYSIS

PART II: QUANTITATIVE ANALYSIS

This quantitative part of the report includes statistical accounting information on AfT flows represented in summary tables and charts. The objective is not only to report the AfT historical data corresponding to flow amounts, but also to present the information in a way that allows for easier understanding and interpretation via the identification of trends and patterns in the context of various dimensions, including: geographical coverage, flow types, income level groups, sectors, etc.

The information and statistical analysis presented in this part is based on AfT data from the DAC Creditors Reporting System (CRS) provided by the Organisation for Economic Co-operation and Development (OECD). The OECD/CRS is an internationally recognised data source on Official Development Assistance (ODA) and Other Official Flows (OOF), with data disaggregated geographically, by sector, and by many other aspects.

The compilers of this report wish to thank the OECD for its availability and support throughout the data extraction process.

1 ABOUT AID FOR TRADE DATA

1.1 STATISTICAL DATA

Different sources of information are available on AfT flows, but none of them provides all the information needed for regular monitoring of AfT flows. However, the most comprehensive and accurate database available on AfT flows is the OECD CRS database. This database provides annual data for the period 1973-2019 through the OECD 'Query Wizard for International Development Statistics' web portal or through downloadable datasets. All the data are provided at a detailed level, with the names of donor countries/institutions, commitments and disbursements, recipient countries and sectors.

The raw dataset provided by the OECD for this exercise includes more than 300.000 records of AfT related activities covering the period 2002 to 2019 and including all AfT donors reporting to the OECD, which in the case of the EU, includes information from the EU Institutions and from individual EU Member States (with the exception of Bulgaria and Malta that have not reported to the OECD in the period under analysis).

1.2 AID FOR TRADE CATEGORIES

To increase transparency, the OECD/DAC has sought to streamline reporting on the following AfT categories identified by the Task Force:

- Cat 1. Trade Policy and Regulations (TPR)
- Cat 2. Trade Development (TD)
- Cat 3. Trade Related Infrastructure (TRI)
- Cat 4. Building Productive Capacity (BPC)
- Cat 5. Trade Related Adjustment (TR Adj.)

Additionally, this report includes information on Cat 6 for "Other Trade-Related needs". The EU is currently not collecting data on category 6 given that it is a manual collection and not extractable from the OECD CRS. Thus data presented for Cat 6 in this report is historical data collected during previous exercises and covers the period 2007-2014.

The OECD/DAC links each AfT category to one or more specific codes in the general Creditor Reporting System, to which donors report on all their ODA .

1.3 AID FOR TRADE DIMENSIONS

Aid for Trade activities and results can be measured and analysed in two different dimensions: the 'wider Aid for Trade agenda', which includes all AfT categories and can be referred to simply as 'Aid for Trade'; and on the other hand, the ´classical´ narrower AfT sense called 'trade-related assistance' (TRA), which is a subset of the first AfT dimension .

1.4 METHODOLOGICAL NOTES

- All information and statistical analysis presented in this part is based on data from the DAC Creditors Reporting System provided by the Organisation for Economic Co-operation and Development (OECD).
- All charts and tables are based on commitments (not disbursements) unless otherwise stated in the corresponding caption or footnote.
- All charts and tables are based on constant prices as provided by the OECD (base year 2019).
- All amounts are converted from US dollars into Euros at the average annual exchange rate for the base year (0.8933)
- The terms: ´Total Aid for Trade´, ´Aid for Trade´ or simply ´AfT´ all represent the ´wider Aid for Trade agenda´ which includes all AfT categories (see section 1.3 above).
- The terms: ´Trade-Related Assistance´ or simply ´TRA´ are used for the 'classical narrower AfT dimension' (see section 1.3 above).
- Mentions of 'EU' or 'European Union' both represent ´EU Institutions´ and bodies (EC+EIB). Whereas ´EU & EU MS 27' refers to the EU Institutions and the 27 EU Member States combined.
- For simplicity and due to space constraints in large tables, most figures presented are rounded to remove decimals which in some cases causes the totalled figures in the 'total' rows to be inconsistent.
- The EU is currently not collecting data on EU Cat 6 (Other Trade-Related Needs) given that it is a manual collection and not extractable from the OECD CRS. Thus the data presented for Cat 6 in this report is historical data collected during previous exercises and covers the period 2007-2014.
- Income-level groups used for section 10 in the analysis are based on the DAC List of ODA Recipients. The complete lists of countries per group are included in Annex 4 of this report.
- Bilateral flows as shown in section 14 (AID FOR TRADE BY REGION - BILATERAL) correspond to all AfT activities that benefit only one specific country.
- Regional flows as shown in section 15 (AID FOR TRADE TO REGIONAL PROGRAMMES) correspond to multi-country activities that benefit more than one country in the same region or activities with regional institutions (e.g. MERCOSUR).
- The regional groups presented in section 14 are those used by DG INTPA, whereas the groups presented in section 15 correspond to the regional distribution used by the OECD.
- Despite the fact that the UK was still member of the EU in 2019 –the year the data is from– the amounts from the UK are not included in the EU MS 27, and this is applied retroactively for ease of comparison and reference.

2 2019 EU AID FOR TRADE IN A NUTSHELL

More than 1/3 (38%)

of global Aid for Trade was from the EU & EU MS 27 (EUR 17.9 billion).

More than 3/4 (86%)

of EU AfT commitments were from just 3 donors: EU, Germany & France (EUR 15.5 billion).

Nearly 1/2 (43%)

of EU & EU MS 27 AfT went to Africa (EUR 7.7 billion), followed by Asia (21%), Europe (13%)[1] and America (8%).

Nearly 1/2 (44%)

of EU & EU MS 27 AfT commitments to Africa correspond to grants (EUR 3.4 billion).

15 %

of EU & EU MS 27 AfT commitments went to Least Developed Countries (LDCs) (EUR 2.7 billion).

1/3 (33%)

of EU & EU MS 27 AfT commitments went to ACP countries (EUR 5.9 billion).

Nearly 1/2 (48%)

of global Trade Facilitation (DAC purpose Code 33120) was from EU & EU MS 27 (EUR 231 million).

More than 1/2 (54%)

of EU & EU MS 27 AfT commitments were targeted to environmental objectives (Rio markers).

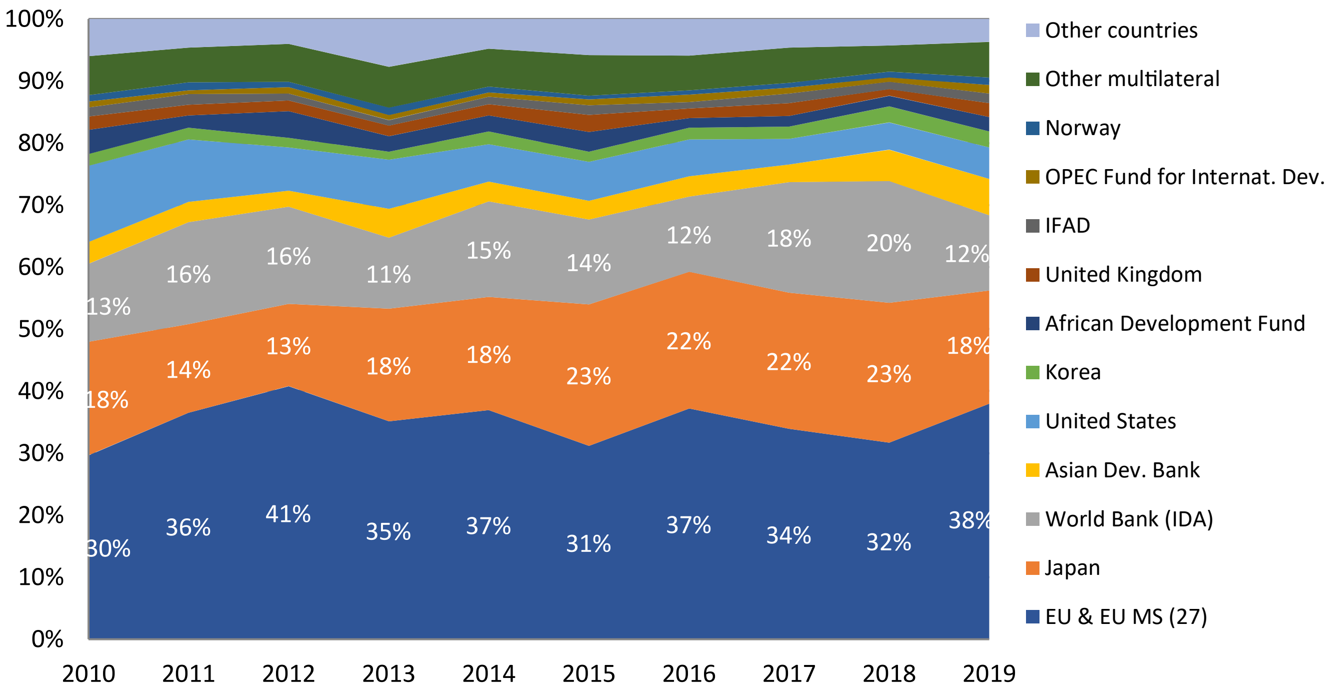
1 Non-EU countries from the EU neighbourhood and enlargement countries.

3 AID FOR TRADE (AFT) IN THE GLOBAL CONTEXT

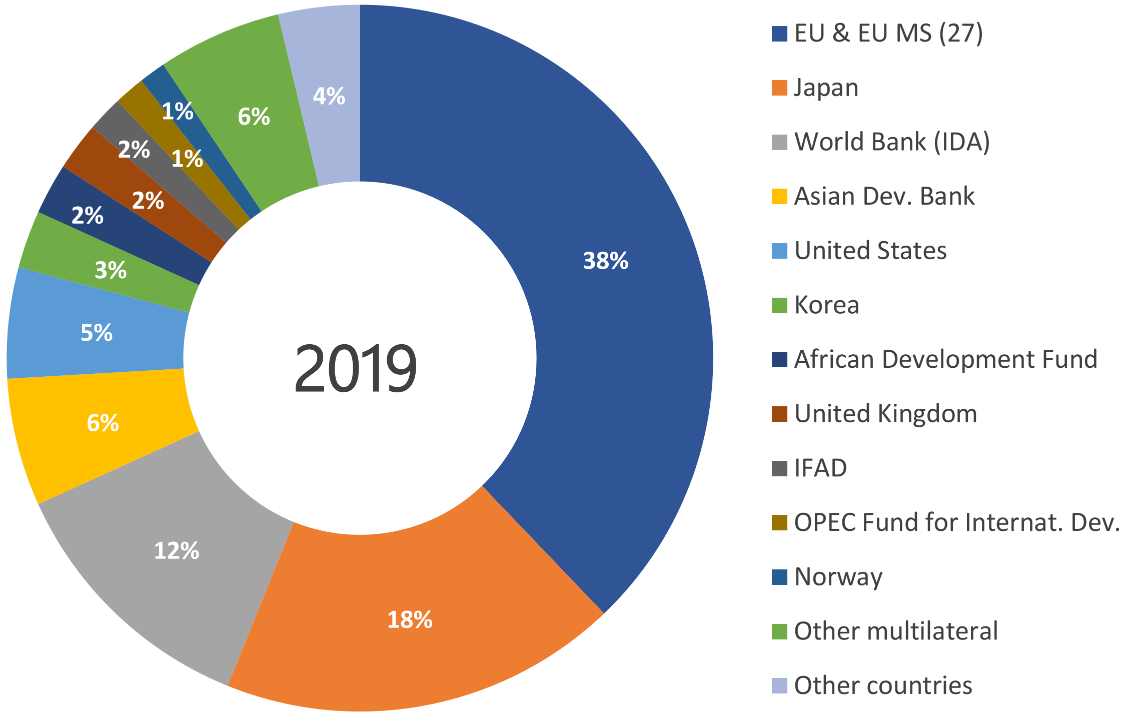
AfT by main international donors (in EUR million)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
EU & EU MS 27	11 173	13 591	18 135	16 637	17 196	16 052	17 571	17 955	16 027	17 934
Japan	6 868	5 331	5 925	8 636	8 504	11 713	10 406	11 623	11 387	8 649
World Bank (IDA)	4 753	6 133	6 967	5 391	7 156	7 048	5 731	9 410	9 966	5 738
Asian Dev. Bank	1 311	1 238	1 179	2 233	1 479	1 543	1 576	1 477	2 518	2 770
United States	4 609	3 743	3 074	3 759	2 836	3 245	2 770	2 250	2 239	2 402
Korea	703	708	733	638	923	803	915	1 021	1 297	1 253
African Development Fund	1 454	758	1 930	1 165	1 193	1 650	727	963	881	1 106
United Kingdom	823	645	763	786	817	1 399	749	1 050	579	1 050
IFAD	511	650	510	431	542	847	491	855	586	773
OPEC Fund for Internat. Dev.	377	218	448	399	302	470	555	451	362	666
Norway	371	490	393	555	457	301	311	444	455	582
Other multilateral	2 379	2 092	2 730	3 102	2 814	3 412	2 651	2 995	2 102	2 688
Other countries	2 262	1 714	1 760	3 623	2 226	2 984	2 769	2 456	2 165	1 764
Total	**37 594**	**37 313**	**44 548**	**47 357**	**46 445**	**51 466**	**47 222**	**52 949**	**50 564**	**47 374**

AfT by main international donors (in percentages)

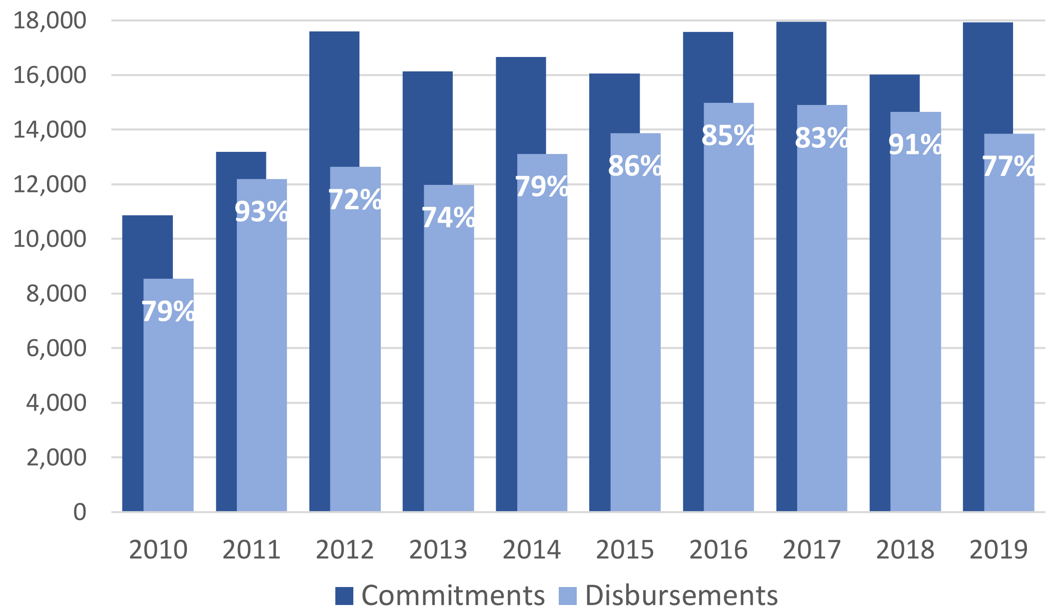


AfT by main international donors in 2019 (in percentages)

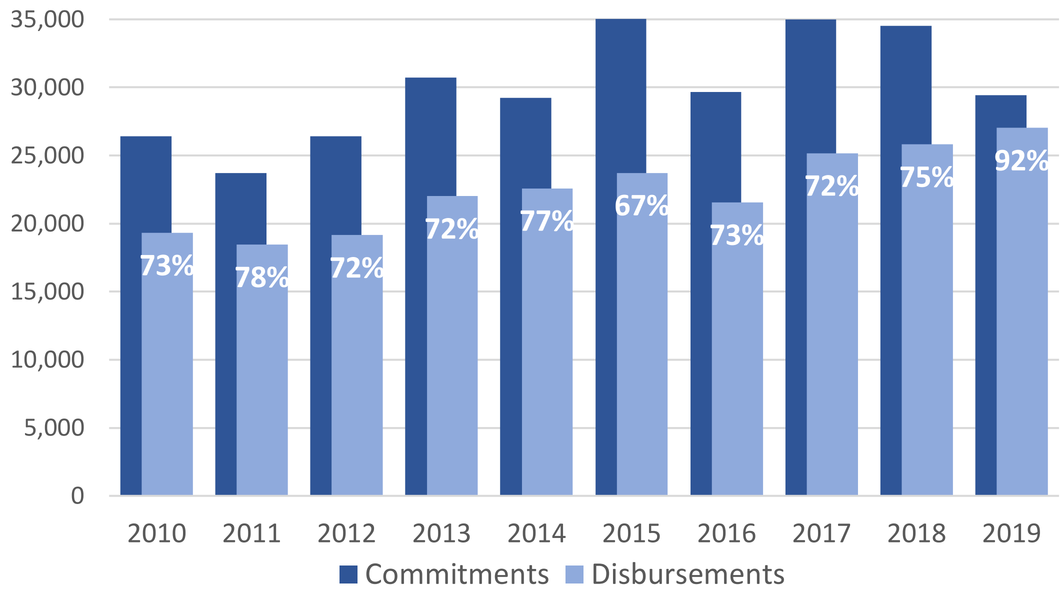


3.1 RATE OF DISBURSEMENTS[3] BY EU & EU MS 27 VERSUS OTHER DONORS (as a percentage of commitments)

EU & EU MS 27



Other donors



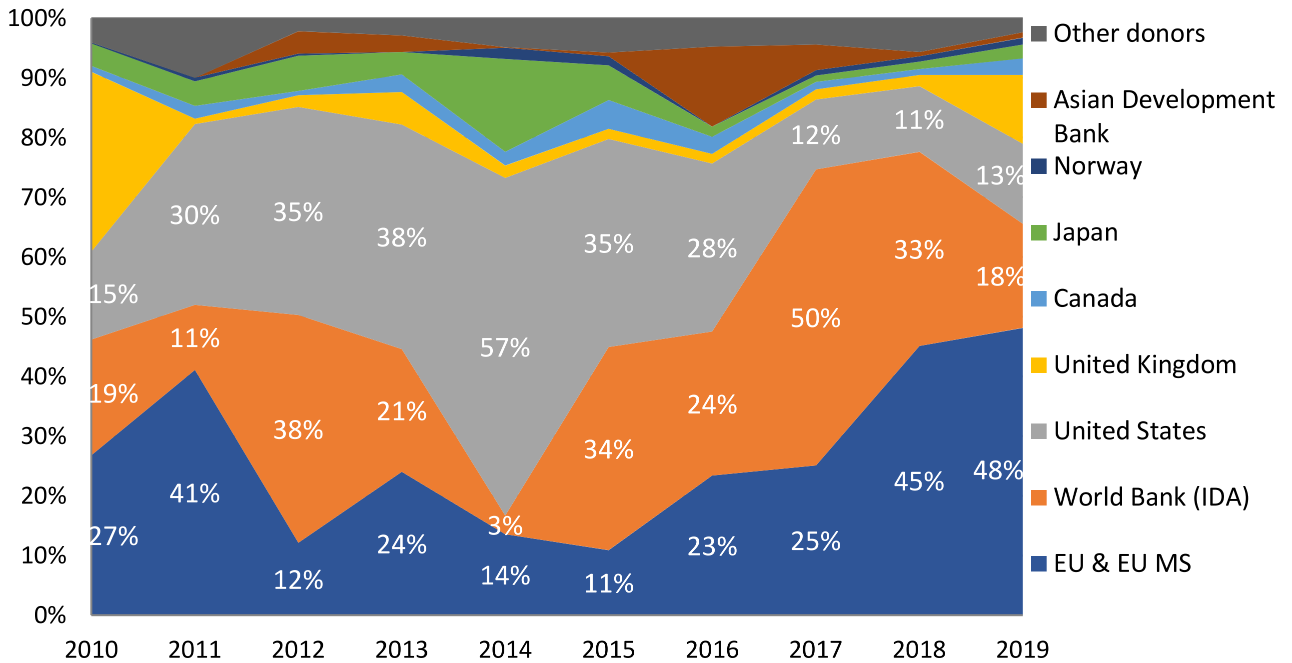
[3] The charts of rate of disbursements show amounts disbursed in each year as a percentage of the amounts committed in the same year. Therefore, disbursements and commitments for a given year may not correspond to the same activity/project.

3.2 TRADE FACILITATION BY MAIN INTERNATIONAL DONORS

Trade facilitation[4] by main international donors (in EUR million)

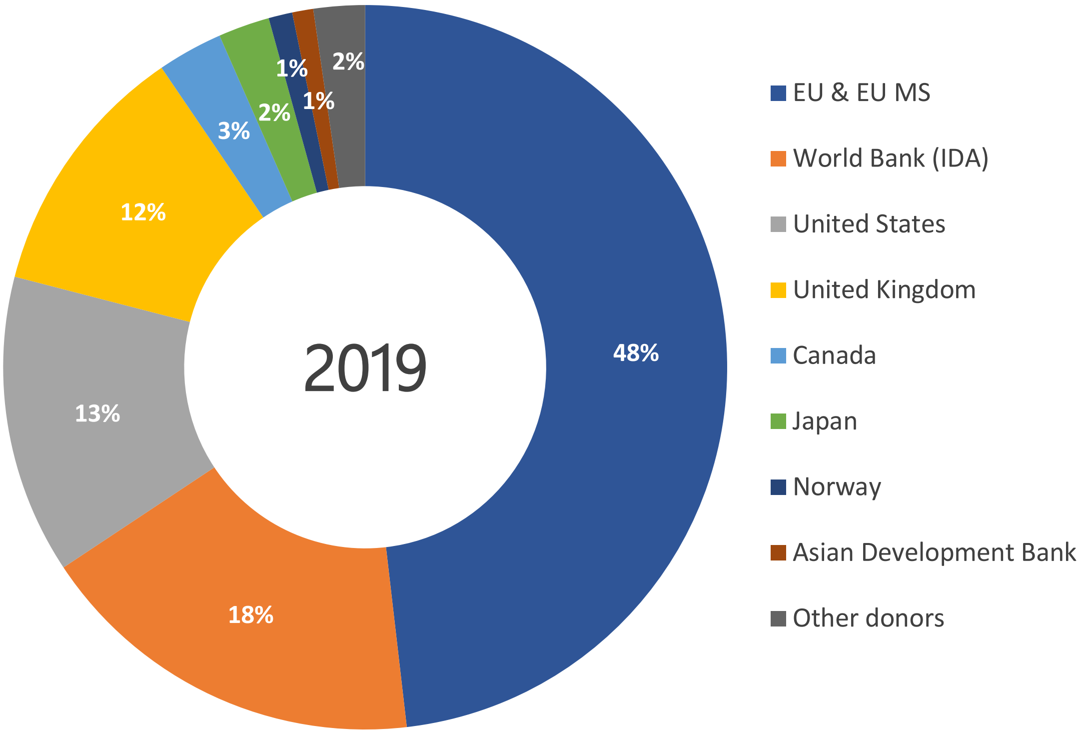
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
EU & EU MS 27	104	175	69	127	44	33	92	149	250	231
World Bank (IDA)	75	46	217	109	10	102	95	295	181	84
United States	57	129	198	199	182	105	111	69	61	64
United Kingdom	117	3.7	11	28	6.8	5.2	6.2	9.9	11	55
Canada	3.9	9.1	4.2	16	7.3	15	11	7	5.6	14
Japan	15	17	33	20	50	17	6.5	6.4	6.9	11
Norway	0.5	2.4	2.4	-	5.7	4.4	-	5.5	5	5.1
Asian Development Bank	-	-	21	15	0.2	1.8	53	26	3.7	4.5
Other donors	16	43	13	15	16	18	19	26	32	11
Total	**387**	**425**	**570**	**528**	**322**	**301**	**394**	**594**	**555**	**480**

Trade facilitation by main international donors (in percentages)[5]



[4] Trade Facilitation corresponds to DAC Code 33120: Simplification and harmonisation of international import and export procedures (e.g. customs valuation, licensing procedures, transport formalities, payments, insurance); support to customs departments and other border agencies, including in particular implementation of the provisions of the WTO Trade Facilitation Agreement; tariff reforms.
[5] Other donors include: African Development Bank, African Development Fund, Agency for International Trade Information and Cooperation (AITIC), Arab Fund (AFESD), Asian Development Bank, Azerbaijan, Caribbean Development Bank, Economic and Social Commission for Asia and the Pacific, Economic and Social Commission for Western Asia, Enhanced Integrated Framework (EIF), Food and Agriculture Organisation, IMF, Islamic Development Bank, New Zealand, Norway, Switzerland, Turkey, UNDP, UNECE, United Nations Industrial Development Organization (UNIDO), World Trade Organisation

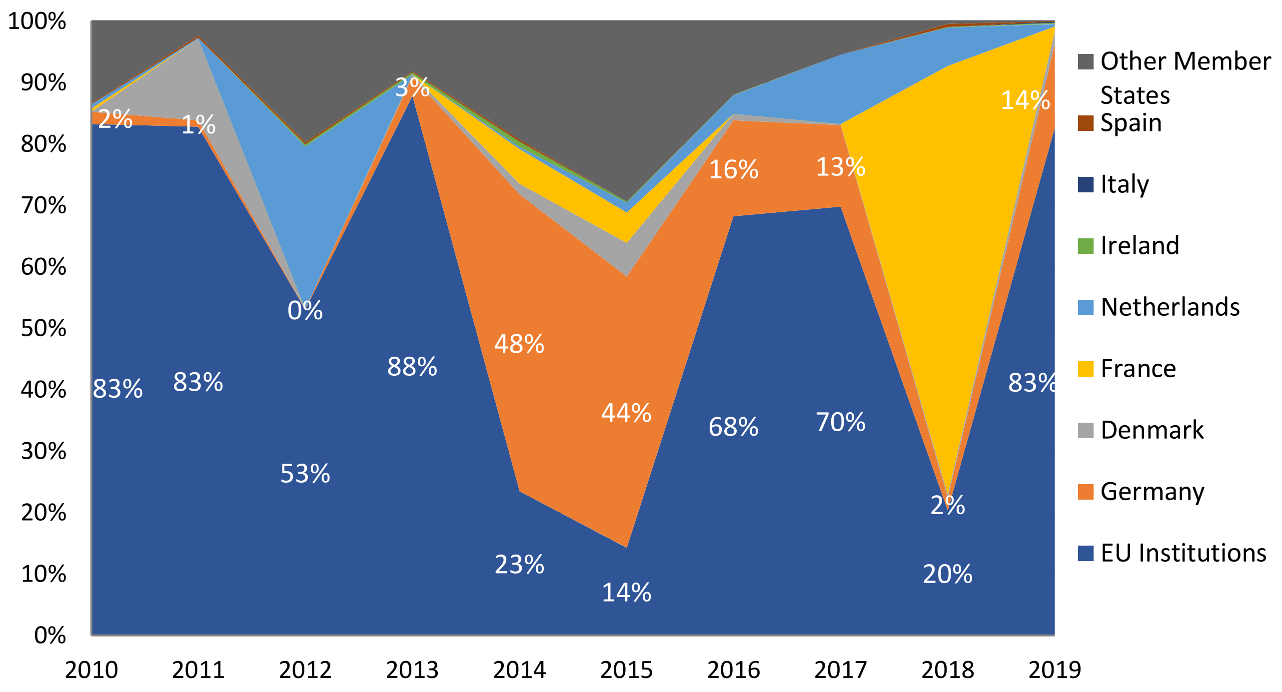
Trade facilitation by main international donors in 2019 (in percentages)



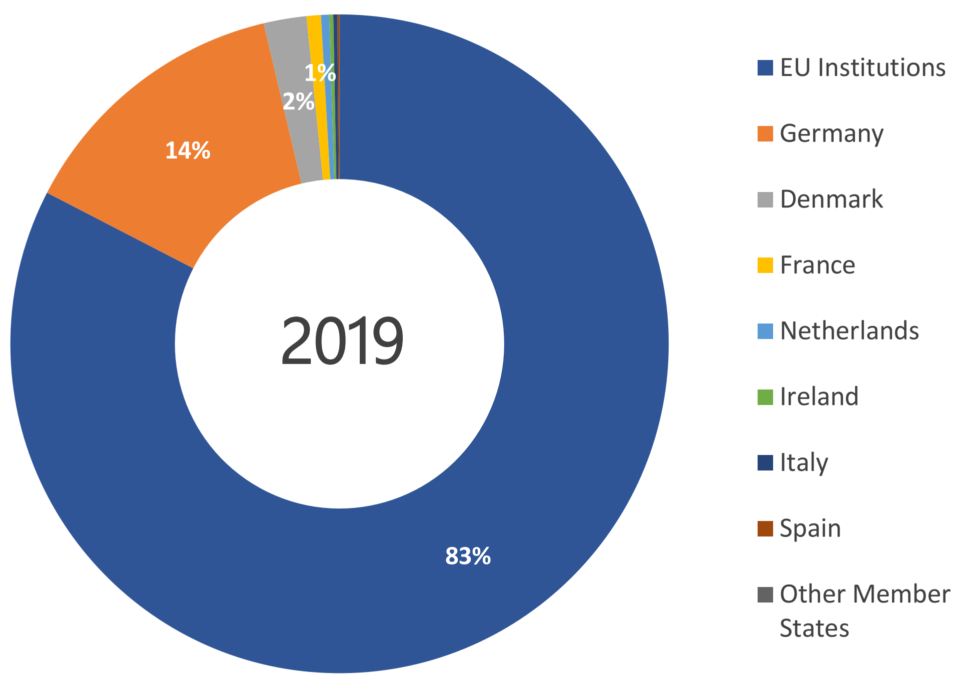
Trade facilitation by EU & EU MS 27 (in EUR million)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
EU Institutions	86	145	37	111	10	4.7	63	104	51	191
Germany	2	1.8	0.1	3.9	21	14	14	20	5.2	32
Denmark	-	23	-	0.4	0.8	1.8	1	0.2	1.4	4.9
France	0.5	-	-	-	2.5	1.6	-	-	175	1.7
Netherlands	0.7	0.3	18	-	0.1	0.5	2.7	17	15	0.9
Ireland	-	-	0.2	0.4	0.4	0.1	0.1	0.1	0.2	0.5
Italy	-	0.1	-	-	-	-	-	0.2	-	0.4
Spain	0.2	0.5	0.3	0.2	0.1	-	-	-	1.3	0.3
Other EU MS	14	4.2	14	10	8.4	9.6	11	8.1	1.2	-
Total	**103**	**175**	**70**	**126**	**43**	**32**	**92**	**150**	**250**	**232**

Trade facilitation by EU & EU MS 27 (in percentages)



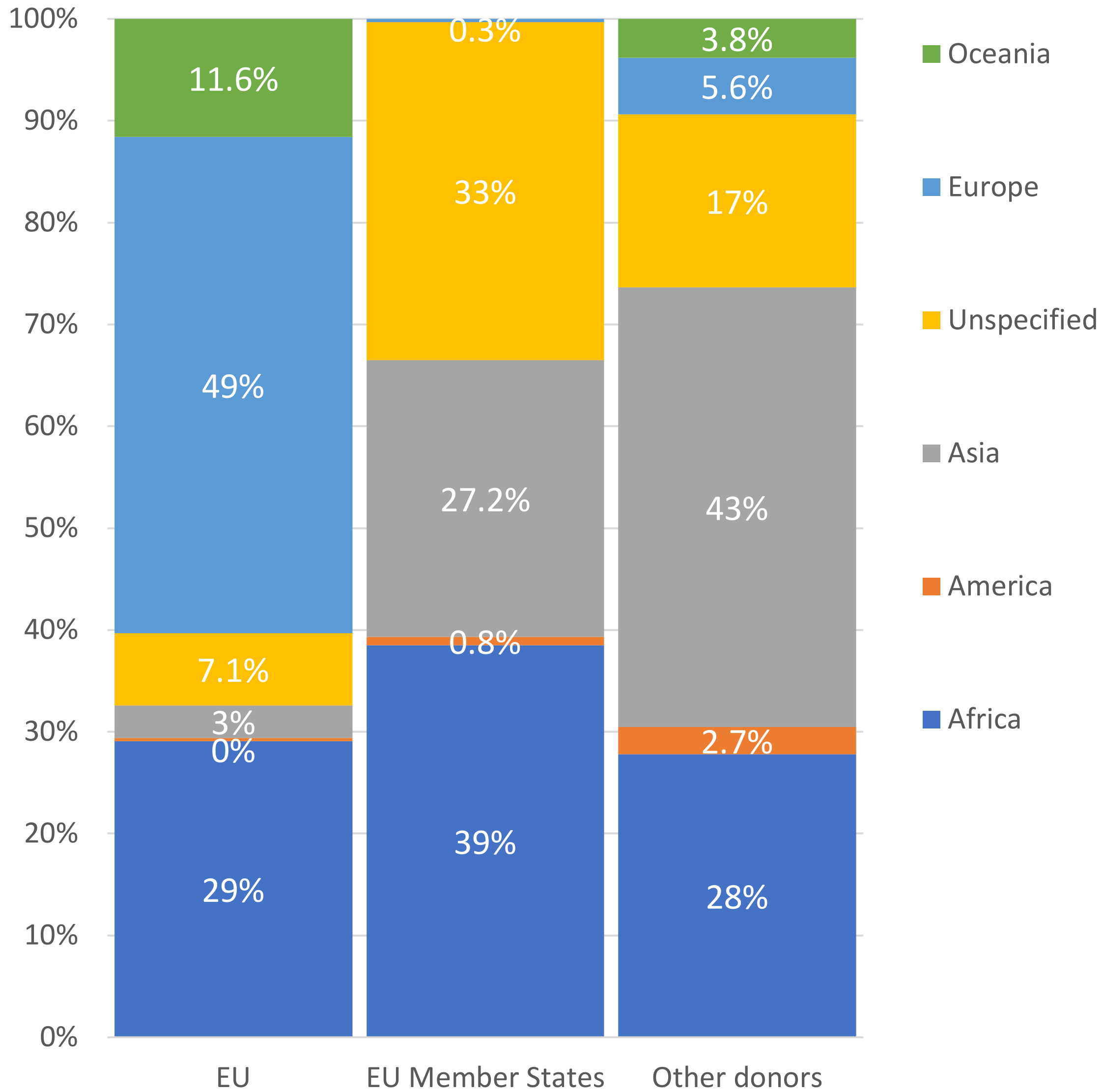
Trade facilitation by EU & EU MS 27 in 2019 (in percentages)



Distribution of trade facilitation by continent from EU & EU MS 27 versus other donors in 2019 (in EUR millions)

	Africa	America	Asia	Unspecified	Europe	Oceania	Total
EU	55	0.5	6.1	14	93	22	**191**
EU MS 27	16	0.3	11	13	0.1	-	**40**
Other donors	69	6.6	108	42	14	9.4	**249**
Total	**140**	**7.4**	**125**	**69**	**107**	**32**	**480**

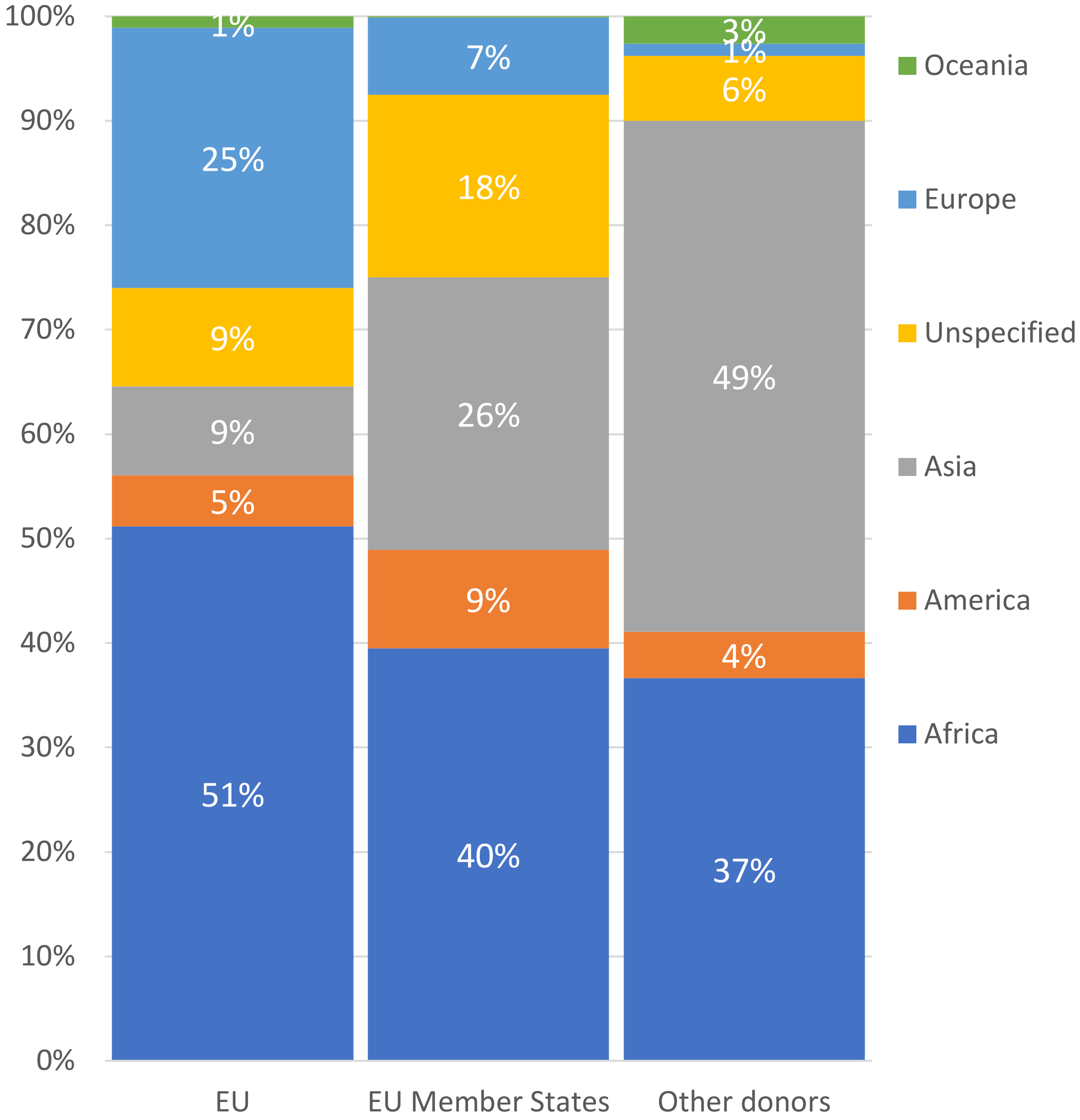
Distribution of trade facilitation by continent from EU & EU MS 27 versus other donors in 2019 (in percentages)



3.3 DISTRIBUTION OF AID FOR TRADE BY CONTINENT FROM EU & EU MS 27 VERSUS OTHER DONORS IN 2019

	Africa	America	Asia	Unspecified	Europe	Oceania	Total
EU	2 880	278	479	531	1 405	62	**5 635**
EU MS 27	4 856	1 158	3 216	2 150	910	9	**12 299**
Other donors	10 794	1 289	14 412	1 820	363	763	**29 441**
Total	**18 530**	**2 725**	**18 107**	**4 501**	**2 678**	**834**	**47 375**

Distribution of AfT by continent from EU & EU MS 27 versus other donors in 2019 (in percentages)

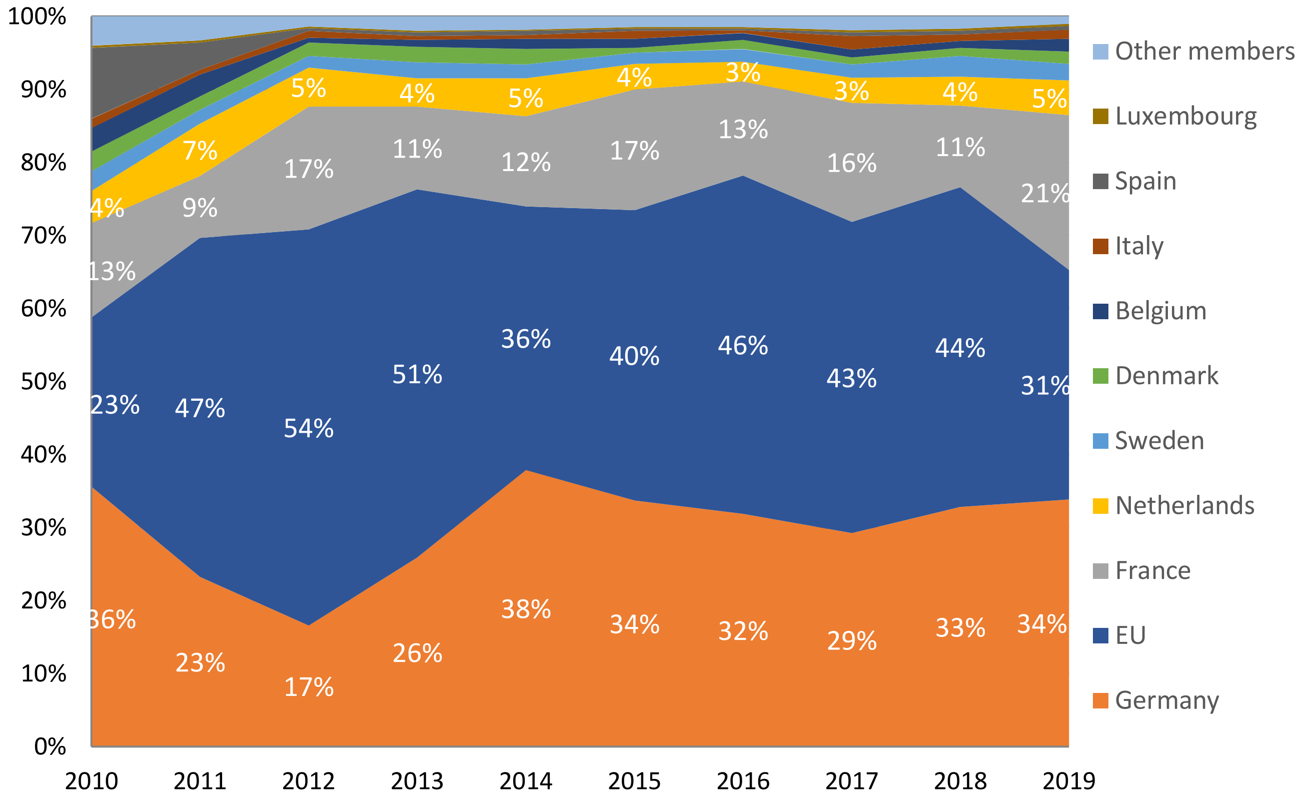


4 TOTAL AID FOR TRADE BY EU AND EU MS 27

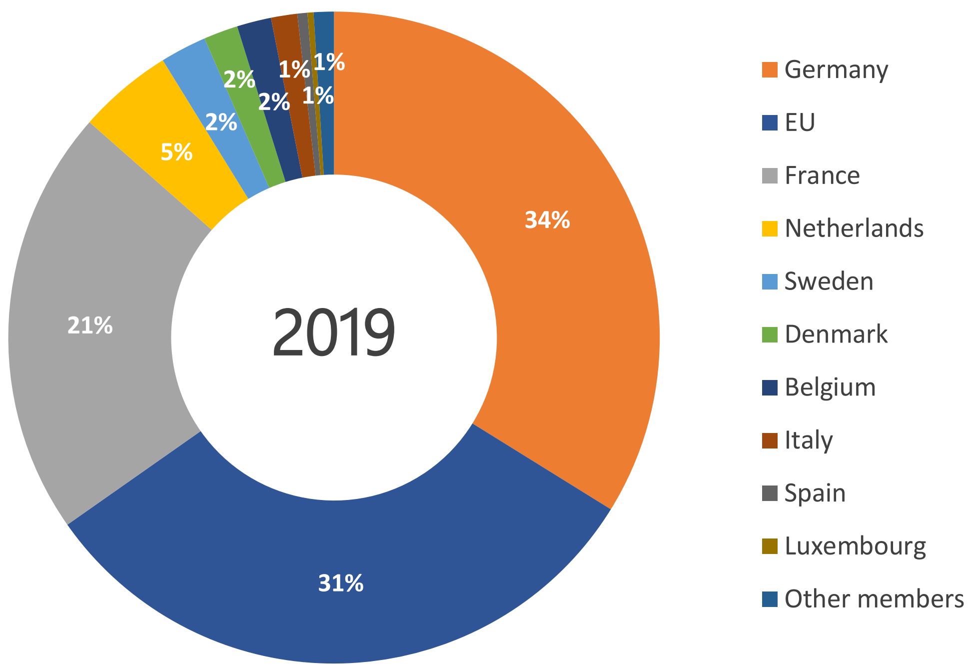
AfT EU & EU MS 27 (in EUR million and in descending order of contributions)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Germany	3 874	3 073	2 926	4 184	6 307	5 415	5 606	5 250	5 260	6 064
France	1 404	1 126	2 950	1 818	2 047	2 646	2 273	2 924	1 792	3 803
Netherlands	474	947	944	624	863	569	479	613	618	850
Sweden	299	246	274	354	322	247	293	324	462	411
Denmark	295	234	314	332	345	111	228	182	176	312
Belgium	352	389	119	166	227	198	151	199	139	298
Italy	144	87	157	75	87	172	70	318	143	237
Spain	1 051	486	70	75	100	47	39	96	81	91
Luxembourg	33	35	36	37	37	32	36	52	52	55
Finland	228	270	109	117	133	84	65	205	100	43
Austria	84	57	63	119	56	65	72	72	69	43
Ireland	58	59	46	46	42	31	37	39	31	37
Poland	-	-	-	3	21	29	74	15	33	24
Hungary	-	-	-	-	-	0	4	2	11	12
Czech Republic	0	10	8	8	7	10.9	7	9	8	8
Portugal	45.5	21	19	19	39	23	4	3	15	4
Slovak Republic	-	-	-	1	1	1	1	1	1	3
Slovenia	4	2	1	2	0	0	1	1	6	1
Lithuania	-	-	-	-	0.1	0.7	1	1	1	1
Estonia	-	-	-	2	1.9	1	2	2	3	1
Croatia	-	-	-	-	-	-	-	0	0	1
Romania	-	-	-	-	0	1	1	-	0.3	0.3
Cyprus	-	-	-	-	-	-	-	-	-	0.2
Latvia	-	-	-	-	-	-	0	-	0	0
Greece	14	15	0	0	-	-	-	-	-	-
Bulgaria	-	-	-	-	-	-	-	-	-	-
Malta	-	-	-	-	-	-	-	-	-	-
Total EU MS 27	**8 359**	**7 056**	**8 038**	**7 982**	**10 637**	**9 685**	**9 443**	**10 308**	**9 000**	**12 298**
EU	2 514	6 124	9 561	8 157	6 020	6 367	8 127	7 646	7 027	5 636
EU Cat. 6	300	410	536	498	540	-	-	-	-	-
Total EU	**2 814**	**6 535**	**10 097**	**8 655**	**6 559**	**6 367**	**8 127**	**7 646**	**7 027**	**5 636**
Grand Total (EU & EU MS 27)	**11 173**	**13 591**	**18 135**	**16 637**	**17 196**	**16 052**	**17 571**	**17 955**	**16 027**	**17 934**

Main EU AfT donors (in percentages)



Main EU AfT donors in 2019 (in percentages)

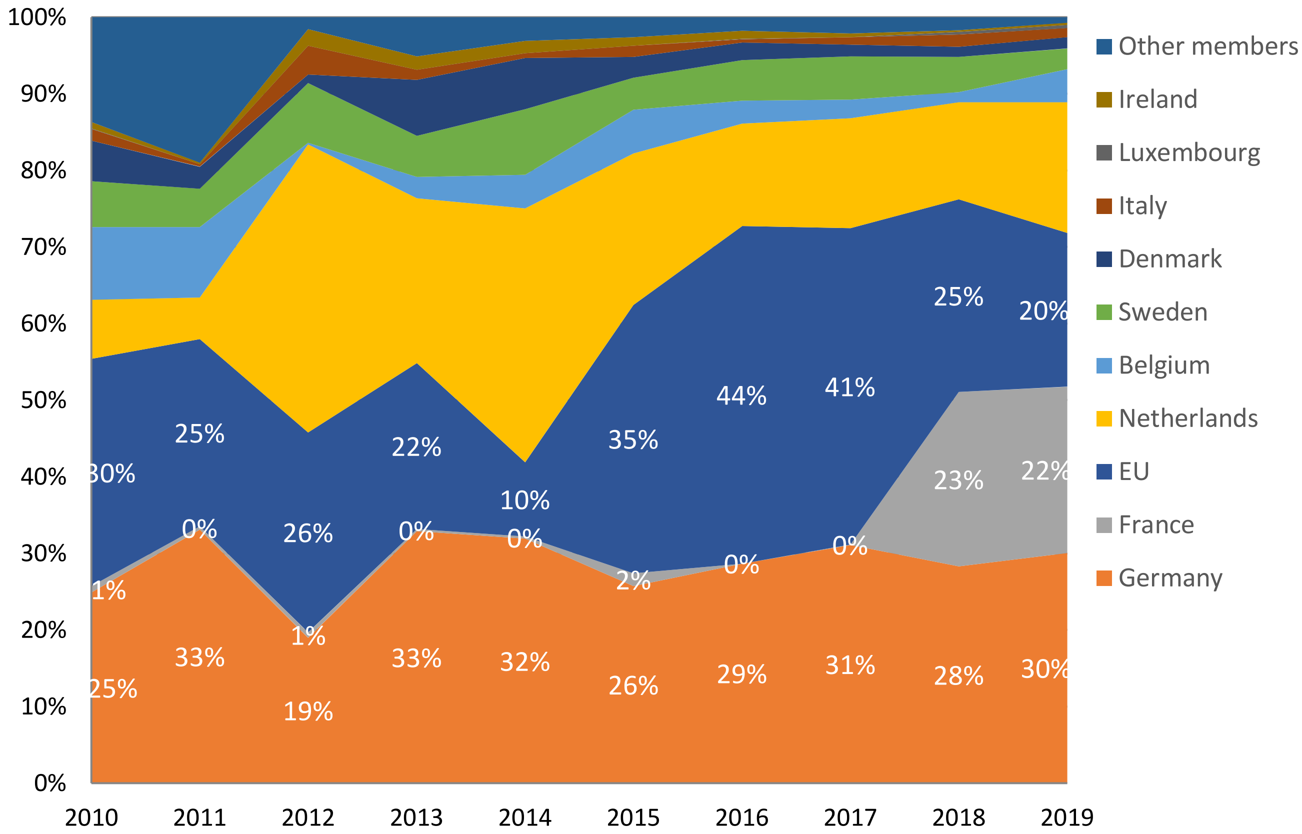


5 TRADE RELATED ASSISTANCE BY EU & EU MS 27

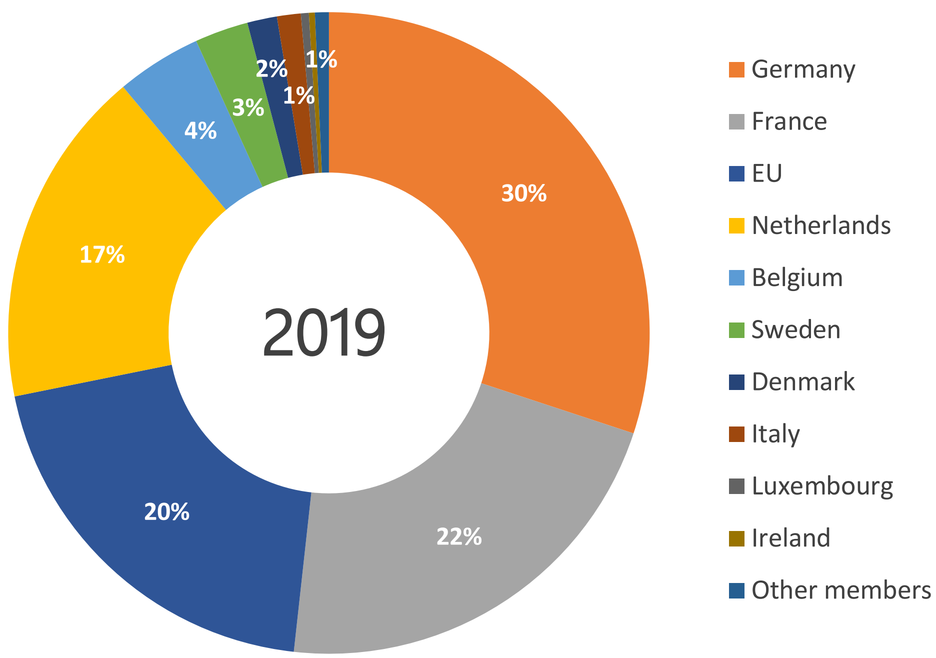
Trade Related Assistance by EU & EU MS 27 (in EUR million)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Germany	575	1 001	428	848	811	676	933	1 226	1 243	1 367
France	19	12	15	8	8	44	1	5	1 003	985
Netherlands	178	164	845	555	841	519	435	568	560	776
Belgium	220	278	6	71	112	149	97	94	55	197
Sweden	138	151	176	139	218	111	171	225	203	120
Denmark	122	88	24	187	171	71	75	58	58	67
Italy	35	10	85	34	17	40	12	38	69	52
Luxembourg	2	1	-	-	-	1	3	0	17	19
Ireland	18	6	46	46	41	30	32	19	9	12
Spain	217	413	9	43	32	20	14	39	23	10
Austria	27	27	10	36	6	12	11	14	6	10
Poland	-	-	-	0	1	2	3	2	3	4
Czech Republic	0	-	1	5	3	1	1	2	2	4
Finland	66	133	15	45	33	30	26	24	25	3
Portugal	2	2	2	1	2	1	2	1	12	2
Slovenia	3	2	1	1	0	0	1	1	0	1
Slovak Republic	-	-	-	1	0	0	1	0	0	0
Estonia	-	-	-	0	1	1	1	1	1	0
Lithuania	-	-	-	-	0	0	0	0	0	0
Romania	-	-	-	-	0	0	-	-	-	0
Hungary	-	-	-	-	-	-	0	0	0	0
Bulgaria	-	-	-	-	-	-	-	-	-	-
Croatia	-	-	-	-	-	-	-	-	-	-
Cyprus	-	-	-	-	-	-	-	-	-	-
Malta	-	-	-	-	-	-	-	-	-	-
Greece	1	0	-	-	-	-	-	-	-	-
Latvia	-	-	-	-	-	-	-	-	0	-
Total EU MS 27	**1 624**	**2 287**	**1 661**	**2 020**	**2 298**	**1 708**	**1 817**	**2 317**	**3 292**	**3 628**
EU	687	741	587	559	247	922	1 434	1 627	1 108	912
EU Cat. 6	300	67	104	124	59	-	-	-	-	-
Total EU	**987**	**808**	**691**	**683**	**306**	**922**	**1 434**	**1 627**	**1 108**	**912**
Grand Total (EU & EU MS 27)	**2 610**	**3 095**	**2 352**	**2 703**	**2 604**	**2 630**	**3 251**	**3 944**	**4 400**	**4 540**

Main EU donors of Trade Related Assistance (in percentages)



Main EU donors of Trade Related Assistance in 2019 (in percentages)



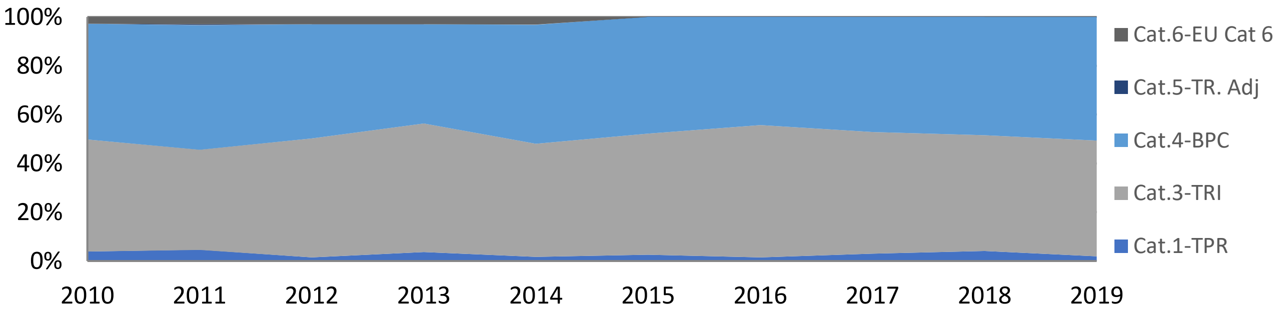
6 AID FOR TRADE BY CATEGORY

AfT[6] EU & EU MS 27 by category (in EUR million)

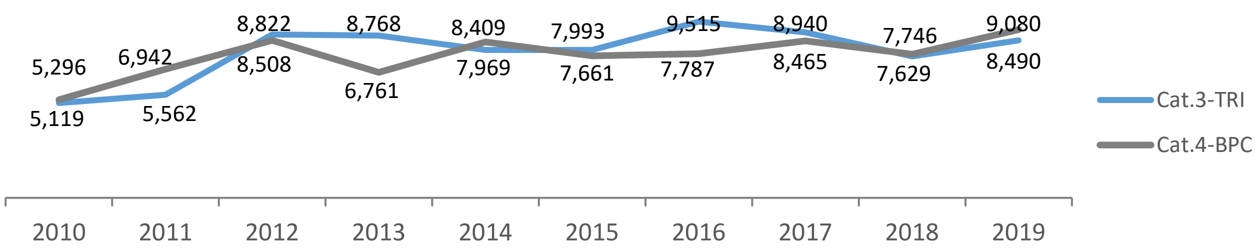
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	440	631	270	608	279	396	267	549	648	358
Trade Related Infrastructure (Cat. 3)	5 119	5 562	8 822	8 768	7 969	7 993	9 515	8 940	7 629	8 490
Building Productive Capacity (Cat. 4)	5 296	6 942	8 508	6 761	8 409	7 661	7 787	8 465	7 746	9 080
Trade Related Adjustment (Cat. 5)	18.5	44.8	0.2	2.3	-	1.6	2.1	0.3	4.1	5.1
Other Trade Related needs (Cat. 6)	300	410	536	498	540	-	-	-	-	-
Total	**11 173**	**13 591**	**1 8135**	**16 637**	**17 196**	**16 052**	**17 571**	**17 955**	**16 027**	**17 934**

* Cat 4 accounts for all Building Productive Capacity (BPC) activities, including those with TD marker (and then falling under the Cat 2: Trade Dev).

AfT EU & EU MS 27 by category (in percentages)



AfT EU & EU MS 27 focusing on two main categories (in EUR million)



AfT by category, EU MS 27 versus EU

Percentage of Total AfT 2010-2019

	EU MS 27	EU
Cat.1-TPR	3%	3%
Cat.3-TRI	49%	48%
Cat.4-BPC	48%	46%
Cat.5-TR. Adj	0%	0.1%
Cat.6-EU Cat 6	-	3%

Percentage of Total AfT 2019

	EU MS 27	EU
Cat.1-TPR	1%	4%
Cat.3-TRI	47%	48%
Cat.4-BPC	52%	48%
Cat.5-TR. Adj	-	0.1%
Cat.6-EU Cat 6	-	-

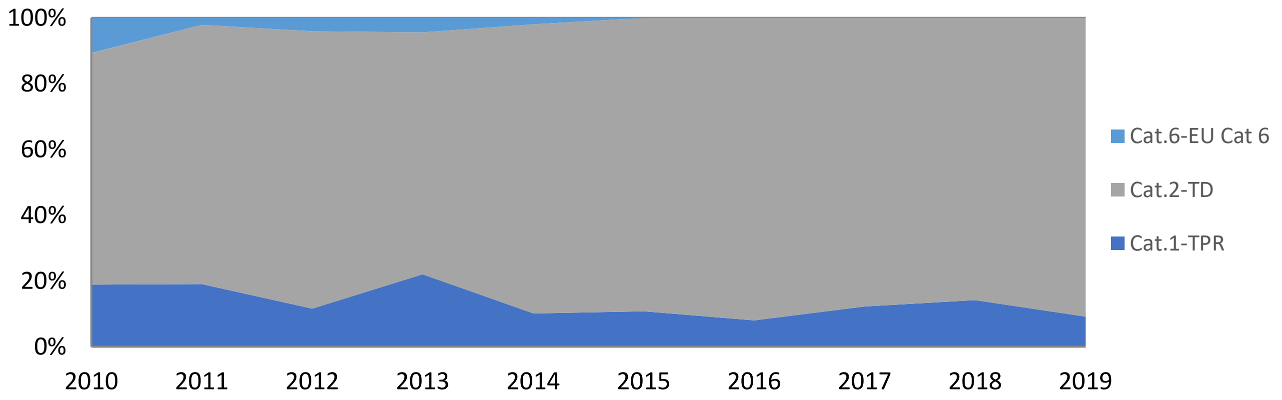
[6] 'Total AfT' includes all AfT categories and represents the 'wider Aid for Trade agenda'

Trade Related Assistance[7] EU & EU MS 27 by category (in EUR million)

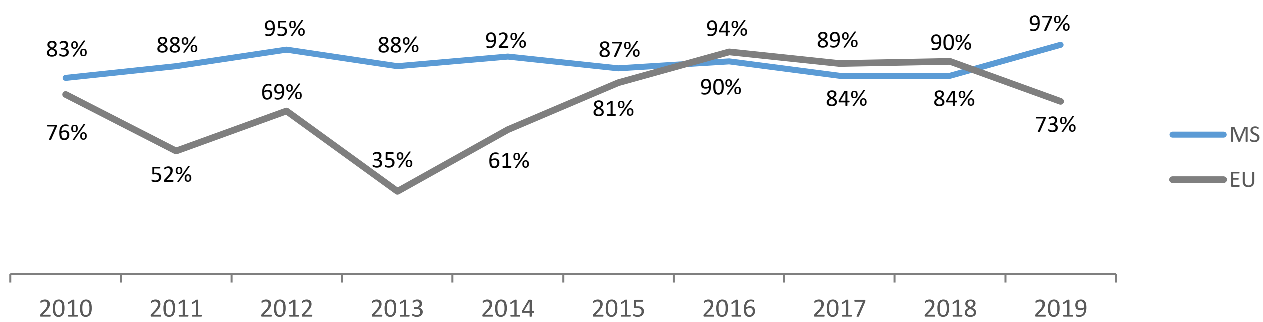
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	440	631	270	608	279	396	267	549	648	358
Trade Development (TD) (Cat. 2)	1 870	2 397	1 978	1 971	2 266	2 234	2 984	3 395	3 752	4 181
Other Trade Related needs (Cat. 6)	300	67	104	124	59	-	-	-	-	-
Total	**2 610**	**3 095**	**2 352**	**2 703**	**2 604**	**2 630**	**3 251**	**3 944**	**4 400**	**4 540**

* Cat 2: Trade Development (TD) is a sub-set of Cat 4: Building Productive Capacity (BPC) and is captured using the TD DAC marker.

Trade Related Assistance EU & EU MS 27 by category (in percentages)



Share of Trade Development (Cat 2) EU & EU MS 27 (as percentages of total TRA)



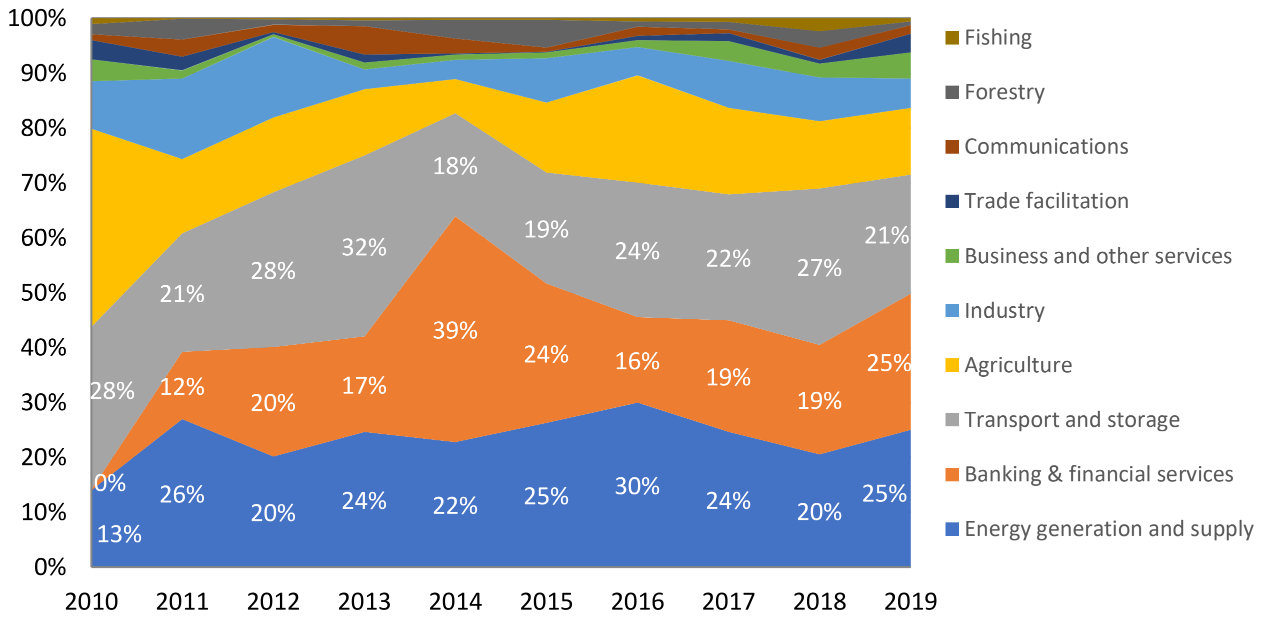
[7] 'Trade Related assistance (TRA)' represents the 'classical AfT' (which is narrower in types of support)

7 AID FOR TRADE BY SECTOR

AfT EU by sector (in EUR million and in descending order of contributions)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Energy generation and supply	337	1 583	1 899	1 940	1 299	1 582	2 423	1 800	1 391	1 391
Banking & financial services	1	725	1 881	1 372	2 343	1 532	1 257	1 483	1 348	1 388
Transport and storage	714	1 263	2 656	2 601	1 073	1 219	1 985	1 675	1 925	1 206
Agriculture	868	793	1 282	954	352	768	1 577	1 150	827	678
Industry	209	863	1 385	282	198	488	422	630	538	300
Business and other services	97	85	44	98	51	61	94	264	170	263
Trade facilitation	87	145	37	111	10	5	63	104	51	191
Communications	26	187	120	406	155	45	133	44	148	86
Forestry	46	222	98	78	190	309	79	100	202	38
Fishing	24	5	16	36	15	21	46	53	161	35
Trade policy and admin. mgmt.	52	115	80	165	83	166	19	63	38	32
Regional trade agreements	23	93	63	81	4	-	7	5	24	10
Multilateral trade negotiations	-	-	-	3	-	2	-	0	1	7
Trade-related adjustment	19	34	0	0	-	-	-	-	-	5
Tourism	12	11	-	9	-	-	-	76	38	4
Trade education/training	-	-	-	-	-	-	-	-	-	4
Mineral resources and mining	-	-	-	21	245	170	23	201	166	-

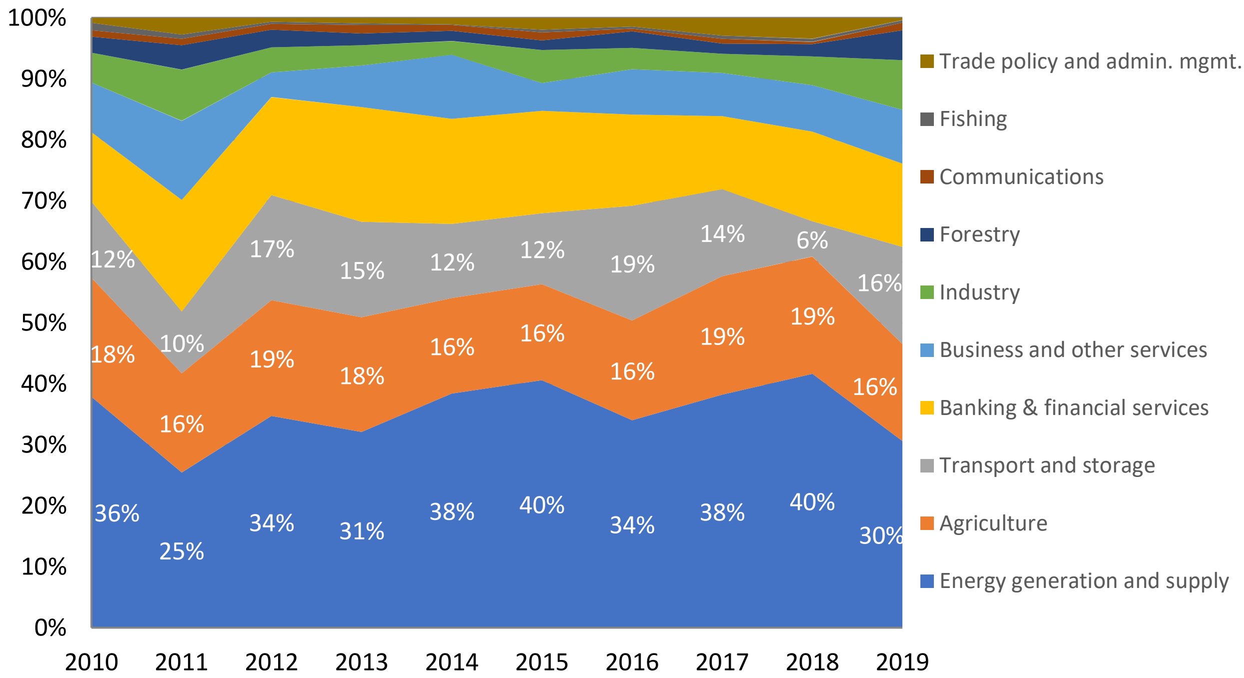
AfT EU by sector (in percentages)



AfT EU MS 27 by sector (in EUR million and in descending order of contributions)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Energy generation and supply	2 975	1 760	2 724	2 487	4 059	3 907	3 186	3 884	3 629	3 724
Agriculture	1 531	1 121	1 487	1 458	1 644	1 508	1 532	1 980	1 674	1 946
Transport and storage	981	699	1 350	1 225	1 288	1 116	1 755	1 454	500	1 931
Banking & financial services	894	1 263	1 264	1 461	1 817	1 621	1 401	1 214	1 277	1 659
Business and other services	631	894	318	527	1 114	435	703	726	670	1 078
Industry	388	576	319	259	234	522	323	321	416	988
Forestry	213	275	228	153	181	141	253	161	173	601
Communications	87	70	73	109	94	123	34	83	37	152
Trade facilitation	92	53	36	17	13	45	33	50	46	53
Trade policy and admin. mgmt.	65	193	51	73	119	182	129	299	297	48
Fishing	17	30	32	15	33	28	29	45	199	40
Regional trade agreements	268	19	115	28	6	27	23	55	27	35
Mineral resources and mining	186	36	5	155	26	7	16	24	34	26
Tourism	20	38	35	9	7	14	21	4	14	16
Multilateral trade negotiations	2.1	1.7	0.2	0.1	0.7	0.4	3	2	1.5	1.7
Trade education/training	8.5	16.8	1.4	3.1	2.5	7.7	0.5	6.8	2.4	0.5
Trade-related adjustment	-	10.6	0.1	2.3	-	1.6	2.1	0.3	4.1	0.1

AfT EU MS 27 by sector (in percentages)

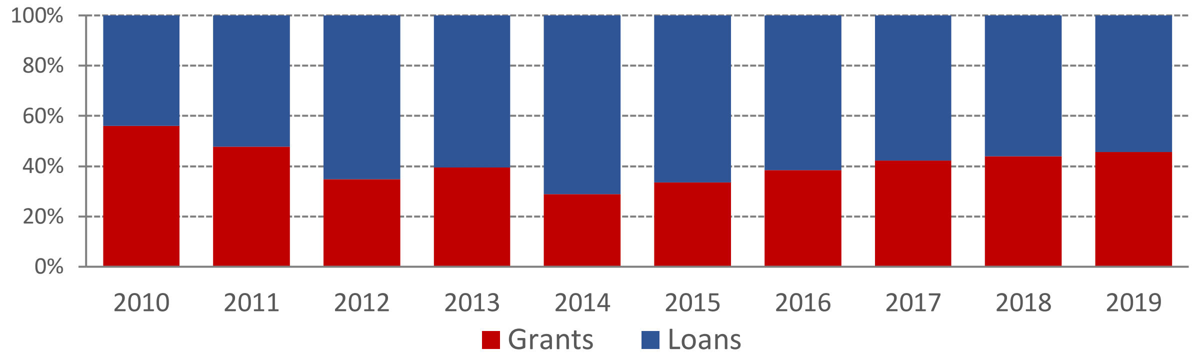


8 AID FOR TRADE BY TYPE OF FLOW

AfT by type of flow EU & EU MS 27 (in EUR million)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Grants	6 095	6 297	6 113	6 362	4 799	5 386	6 751	7 572	7 047	8 200
Loans	4 779	6 884	11 486	9 777	11 857	10 666	10 820	10 383	8 981	9 734
Total	**10 873**	**13 180**	**17 599**	**16 139**	**16 657**	**16 052**	**17 571**	**17 955**	**16 027**	**17 934**

AfT by type of flow EU & EU MS 27 (in percentages)

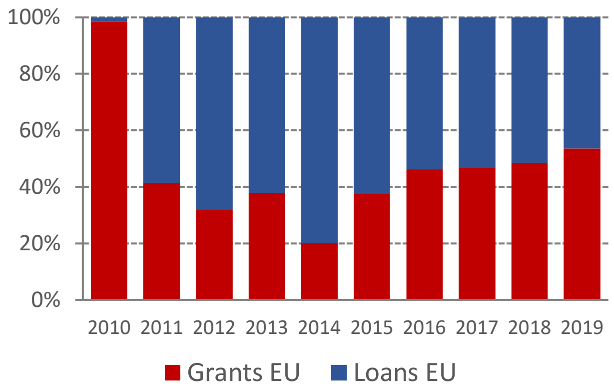


AfT by type of flow EU & EU MS 27 (in EUR million)

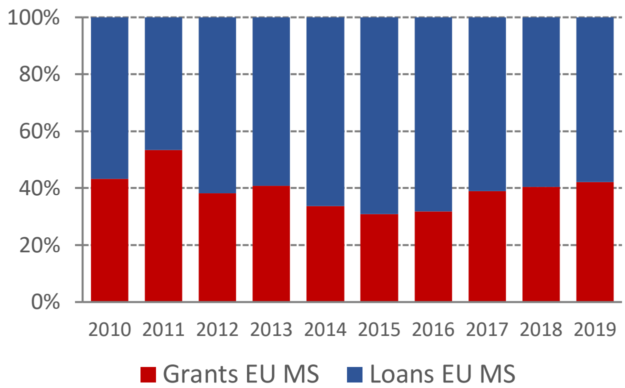
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Grants EU	2 476	2 529	3 048	3 097	1 214	2 388	3 753	3 558	3 405	3 016
Loans EU[8]	38	3 596	6 513	5 060	4 805	3 979	4 374	4 088	3 622	2 620
Grants EU MS 27	3 619	3 768	3 065	3 265	3 585	2 998	2 997	4 013	3 641	5 184
Loans EU MS 27	4 741	3 288	4 973	4 717	7 052	6 687	6 446	6 295	5 359	7 114

AfT by type of flow EU & EU MS 27 (in percentages)

EU



EU MS 27



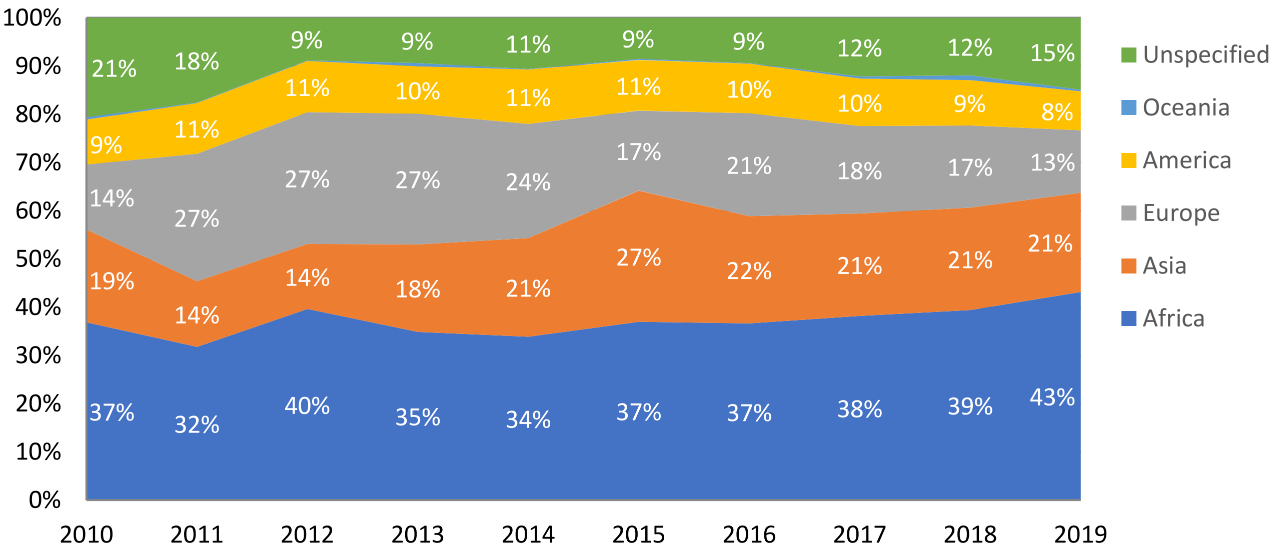
[8] EU Loans consist of ODA loans from the European Investment Bank qualifying as Aid for Trade.

9 AID FOR TRADE BY GEOGRAPHICAL COVERAGE

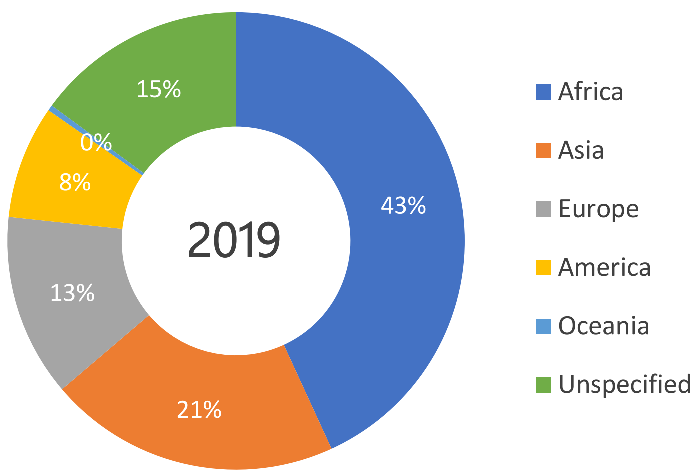
AfT EU & EU MS 27 by continent (in EUR million)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Africa	4 002	4 189	6 967	5 635	5 632	5 940	6 428	6 865	6 303	7 736
Asia	2 091	1 789	2 369	2 930	3 418	4 363	3 915	3 808	3 421	3 694
Europe	1 472	3 487	4 812	4 375	3 934	2 657	3 750	3 256	2 733	2 315
America	1 014	1 382	1 864	1 576	1 888	1 693	1 804	1 769	1 501	1 437
Oceania	54	17	37	112	11	42	24	72	160	71
Unspecified	2 240	2 316	1 550	1 512	1 774	1 358	1 650	2 184	1 910	2 681
Total	**10 873**	**13 180**	**17 599**	**16 139**	**16 657**	**16 052**	**17 571**	**17 955**	**16 027**	**17 934**

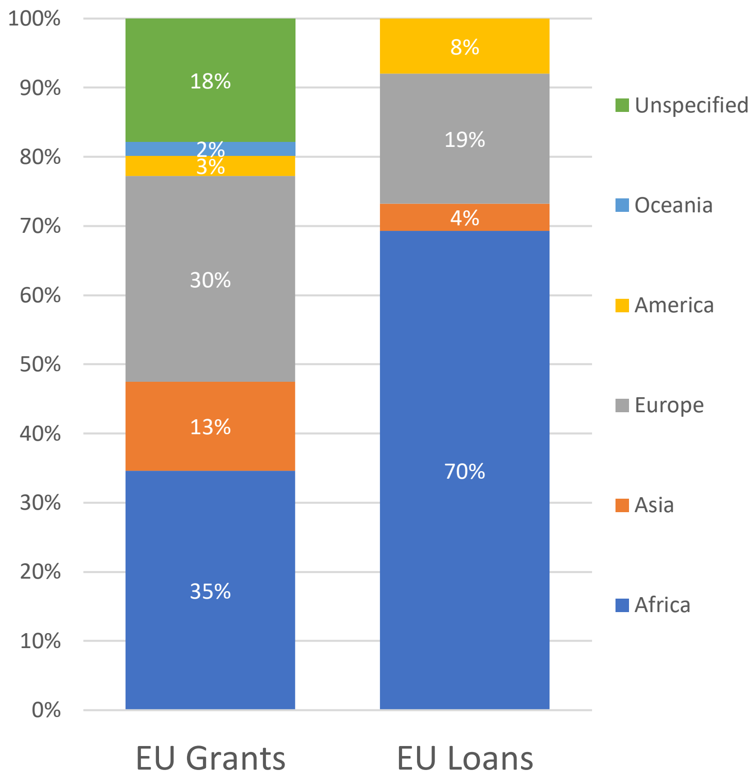
AfT EU & EU MS 27 by continent (in percentages)



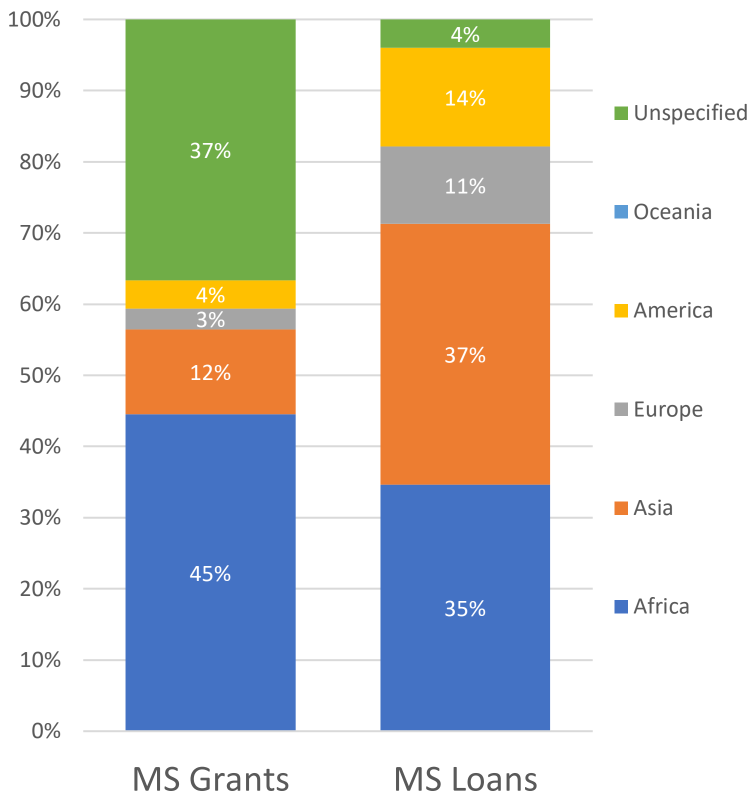
AfT EU & EU MS 27 by continent in 2019 (in percentages)



AfT EU grants and loans by continent in 2019 (in percentages)



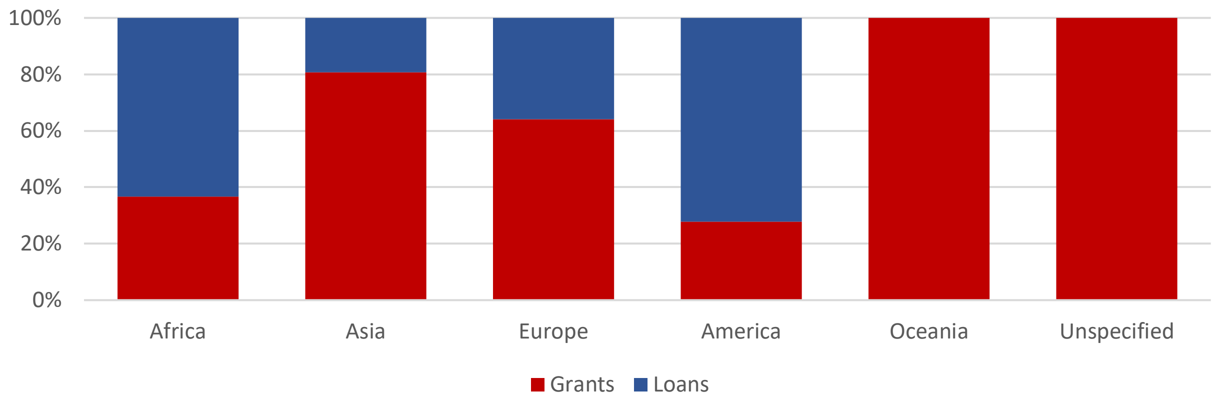
AfT EU MS 27 grants and loans by continent in 2019 (in percentages)



AfT EU grants and loans by continent in 2019 (in EUR million)

	Africa	Asia	Europe	America	Oceania	Unspecified
Grants	1 058	386	901	77	62	531
Loans[9]	1 822	93	504	201	-	-

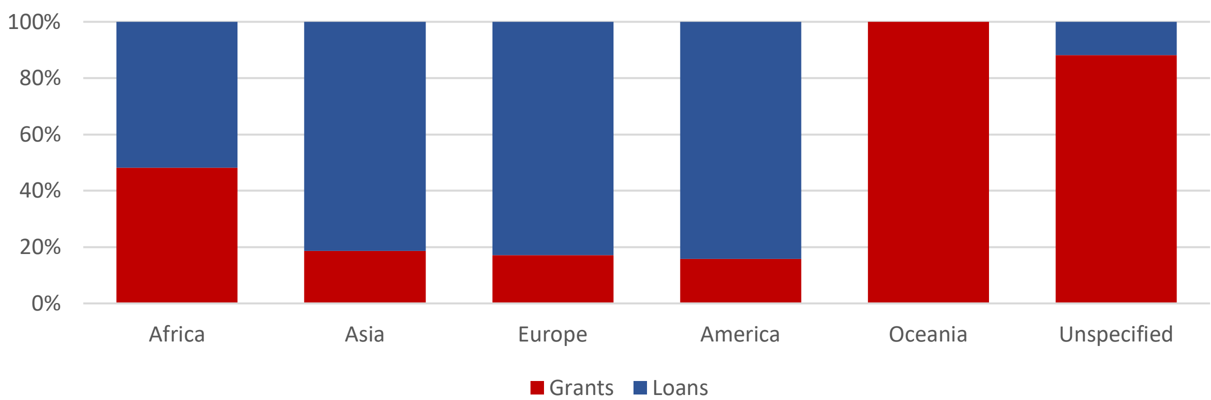
AfT EU grants and loans by continent in 2019 (in percentages)



AfT EU MS 27 grants and loans by continent in 2019 (in EUR million)

	Africa	Asia	Europe	America	Oceania	Unspecified
Grants	2 342	599	156	183	9	1 895
Loans	2 514	2 617	754	975	-	254

AfT EU MS 27 grants and loans by continent in 2019 (in percentages)



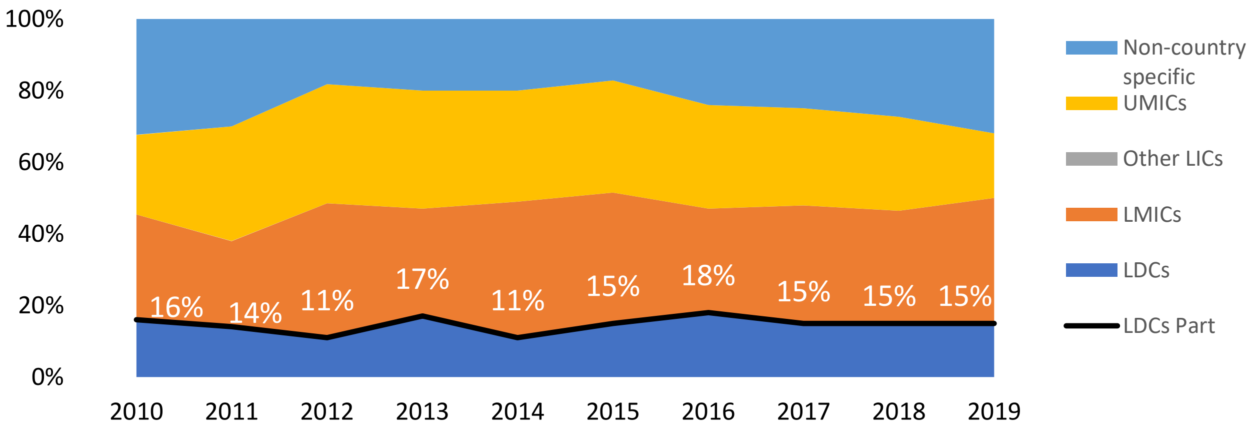
[9] EU Loans consist of ODA loans from the European Investment Bank qualifying as Aid for Trade.

10 AID FOR TRADE TO LDCS AND OTHER RECIPIENT INCOME GROUPS[10]

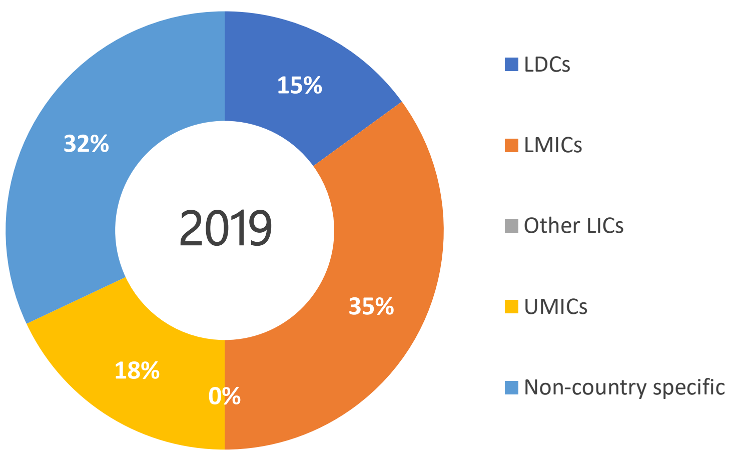
AfT EU & EU MS 27 by recipient income groups (in EUR million)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Least developed countries (LDCs)	1 733	1 784	1 914	2 762	1 904	2 351	3 241	2 709	2 478	2 699
Lower middle-income countries (LMICs)	3 199	3 183	6 582	4 812	6 266	5 808	5 165	5 987	4 987	6 217
Other low-income countries (Other LICs)	50	32	50	26	22	72	12	18	14	8
Upper middle-income countries (UMICs)	2 430	4 253	5 879	5 251	5 216	5 016	5 009	4 772	4 170	3 271
Non-country specific	3 462	3 929	3 175	3 288	3 248	2 804	4 143	4 468	4 378	5 739
Total	**10 873**	**13 180**	**17 599**	**16 139**	**16 657**	**16 052**	**17 571**	**17 955**	**16 027**	**17 934**

AfT EU & EU MS 27 by recipient income groups (in percentages)



AfT EU & EU MS 27 by recipient income groups in 2019 (in percentages)



[10] Income-level groups used here are based on the DAC List of ODA Recipients. The complete lists of countries per group are included in Annex 4 of this report.

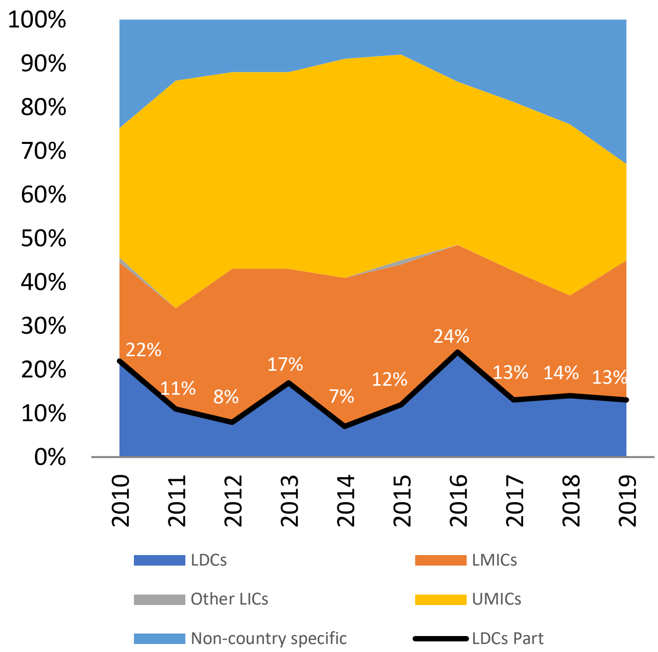
AfT EU by recipient income groups (in EUR million)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Least developed countries (LDCs)	543	674	745	1 365	422	794	1 939	969	949	731
Lower middle-income countries (LMICs)	583	1 384	3 317	2 096	2 038	2 016	1 968	2 314	1 631	1 827
Other low-income countries (Other LICs)	23	6.6	47	5	-	56	7	3	7	-
Upper middle-income countries (UMICs)	745	3 193	4 298	3 675	3 035	2 965	3 037	2 945	2 733	1 229
Non-country specific	619	866	1 154	1 016	525	536	1 176	1 416	1 707	1 849
Total	**2 514**	**6 124**	**9 561**	**8 157**	**6 020**	**6 367**	**8 127**	**7 646**	**7 027**	**5 636**

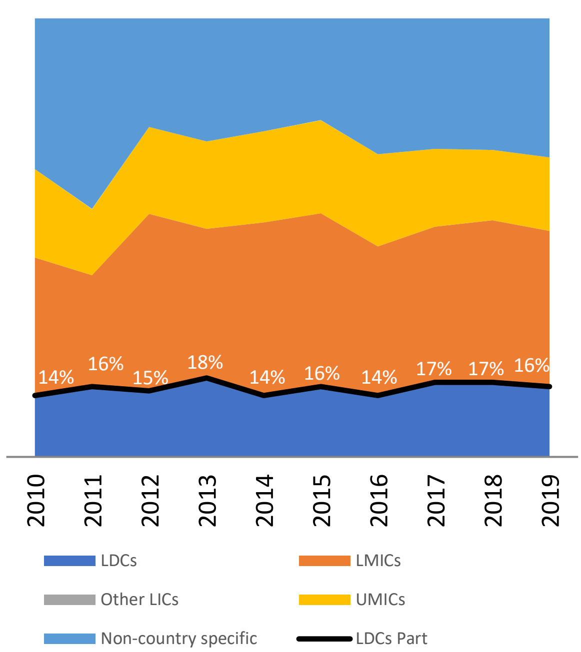
AfT EU MS 27 by recipient income groups (in EUR million)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Least developed countries (LDCs)	1 190	1 110	1 169	1 397	1 483	1 557	1 303	1 740	1 528	1 968
Lower middle-income countries (LMICs)	2 616	1 799	3 265	2 717	4 228	3 792	3 197	3 673	3 357	4 390
Other low-income countries (Other LICs)	27	25	3	21	22	16	5	15	7	8
Upper middle-income countries (UMICs)	1 684	1 060	1 581	1 575	2 181	2 051	1 971	1 827	1 437	2 042
Non-country specific	2 843	3 062	2 020	2 272	2 724	2 269	2 967	3 053	2 671	3 890
Total	**8 359**	**7 056**	**8 038**	**7 982**	**10 637**	**9 685**	**9 443**	**10 308**	**9 000**	**12 298**

AfT EU by income groups
(in percentages)



AfT EU MS 27 by income groups
(in percentages)

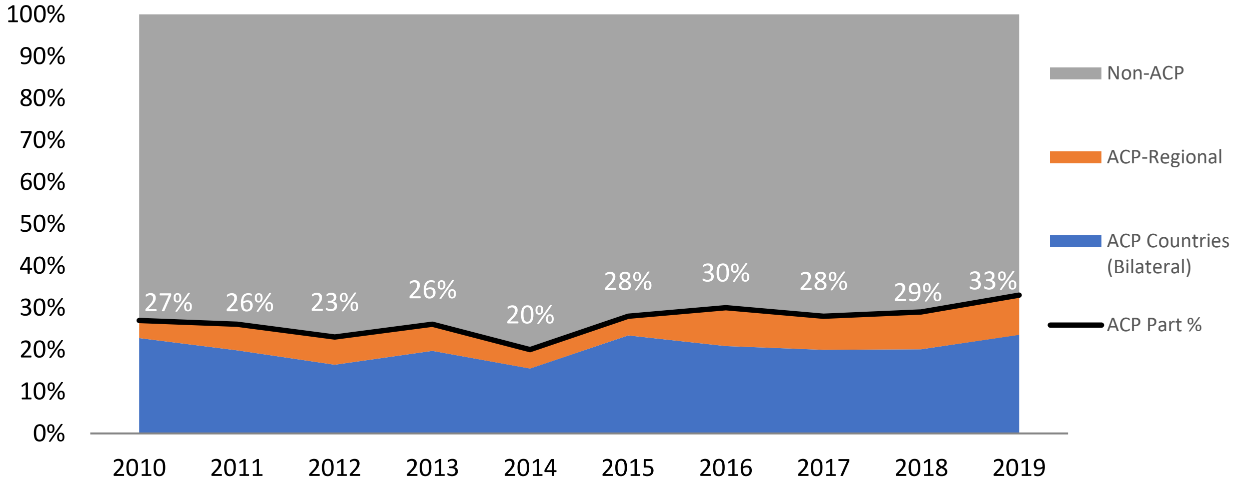


11 AID FOR TRADE TO ACP COUNTRIES

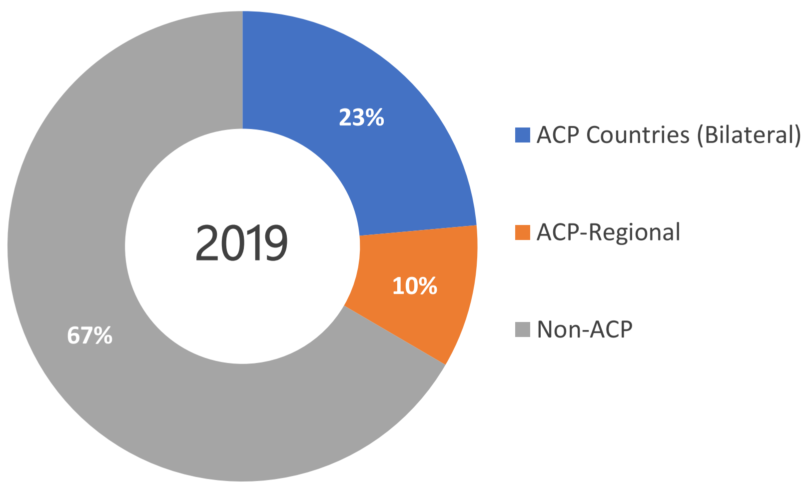
AfT EU & EU MS 27 to ACP countries (in EUR million)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
ACP Countries (Bilateral)	2 472	2 609	2 874	3 177	2 578	3 749	3 658	3 594	3 217	4 227
ACP-Regional	506	781	1 113	1 087	829	767	1 667	1 511	1 502	1 764
Total ACP	**2 977**	**3 391**	**3 987**	**4 263**	**3 407**	**4 516**	**5 325**	**5 105**	**4 719**	**5 991**
Non-ACP	7 896	9 790	13 612	11 876	13 249	11 536	12 246	12 849	11 309	11 943
Total	**10 873**	**13 180**	**17 599**	**16 139**	**16 657**	**16 052**	**17 571**	**17 955**	**16 027**	**17 934**

AfT EU & EU MS 27 to ACP countries (in percentages)



AfT EU & EU MS 27 to ACP countries in 2019 (in percentages)



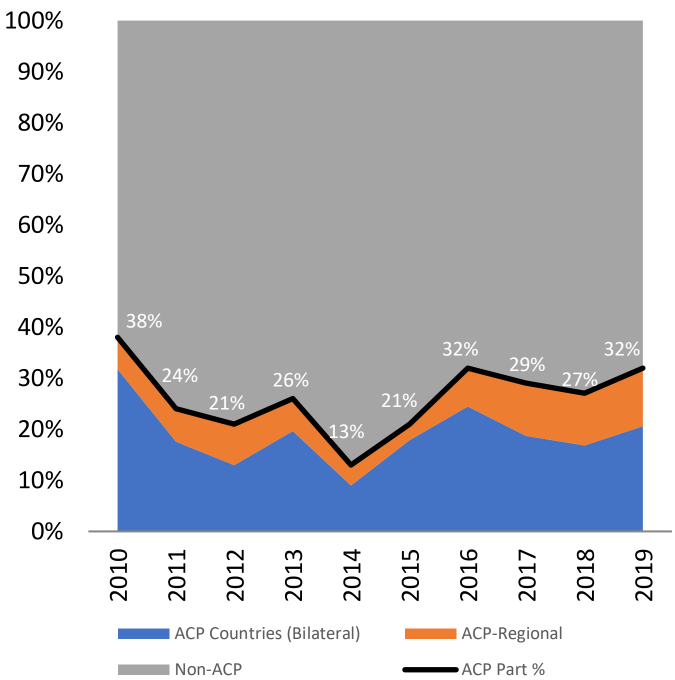
AfT EU to ACP countries (in EUR million)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
ACP Countries (Bilateral)	798	1 077	1 237	1 603	542	1 140	1 986	1 430	1 180	1 161
ACP-Regional	158	366	782	491	241	219	648	772	730	645
Total ACP	**956**	**1 443**	**2 019**	**2 095**	**783**	**1 359**	**2 635**	**2 202**	**1 910**	**1 806**
Non-ACP	1 558	4 682	7 542	6 063	5 237	5 008	5 493	5 445	5 117	3 829
Total	**2 514**	**6 124**	**9 561**	**8 157**	**6 020**	**6 367**	**8 127**	**7 646**	**7 027**	**5 636**

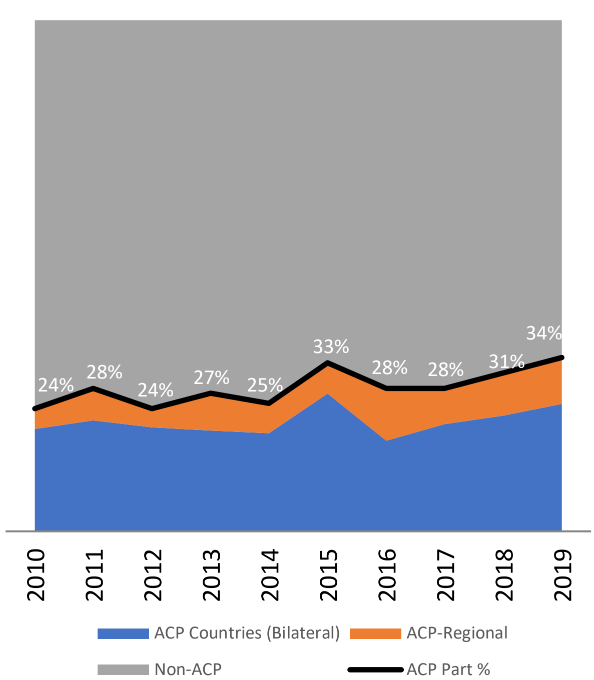
AfT EU MS 27 to ACP countries (in EUR million)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
ACP Countries (Bilateral)	1 674	1 532	1 638	1 573	2 036	2 609	1 672	2 164	2 037	3 066
ACP-Regional	347	416	331	595	589	547	1 019	739	772	1 119
Total ACP	**2 021**	**1 948**	**1 968**	**2 169**	**2 625**	**3 157**	**2 690**	**2 903**	**2 809**	**4 185**
Non-ACP	6 338	5 108	6 070	5 813	8 013	6 528	6 753	7 405	6 191	8 114
Total	**8 359**	**7 056**	**8 038**	**7 982**	**10 637**	**9 685**	**9 443**	**10 308**	**9 000**	**12 298**

AfT EU to ACP countries
(in percentages)



AfT EU MS 27 to ACP countries
(in percentages)

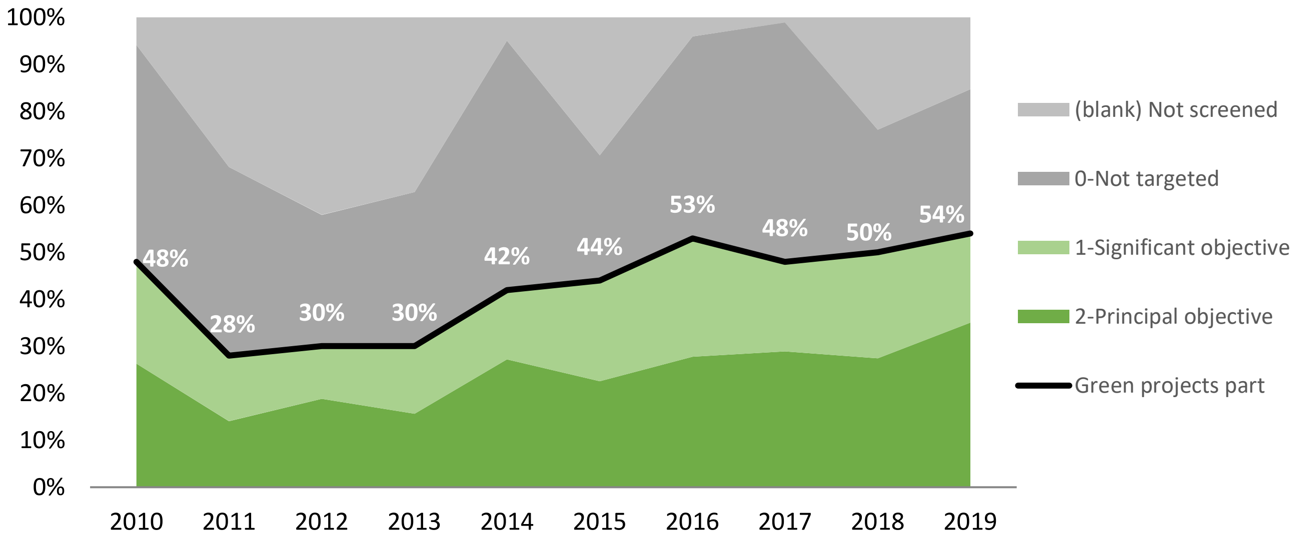


12 AID FOR TRADE SUPPORTING A GREEN ECONOMY[11]

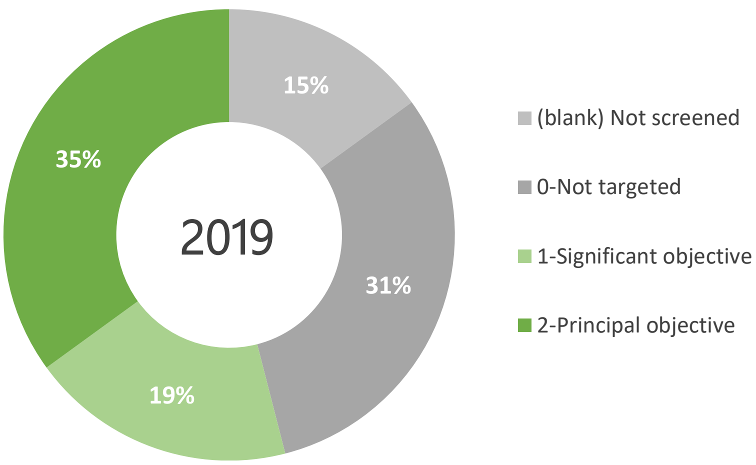
AfT EU & EU MS 27 targeting environmental objectives (Rio markers) (EUR million)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
(blank) Not screened	638	4 202	7 394	5 997	826	4 716	719	191	3 837	2 738
0-Not targeted	4 968	5 302	4 877	5 283	8 757	4 208	7 482	9 059	4 212	5 499
1-Significant objective	2 408	1 821	2 018	2 328	2 547	3 510	4 499	3 508	3 590	3 410
2-Principal objective	2 860	1 855	3 310	2 532	4 527	3 618	4 871	5 197	4 388	6 287
Total	**10 873**	**13 180**	**17 599**	**16 139**	**16 657**	**16 052**	**17 571**	**17 955**	**16 027**	**17 934**

AfT EU & EU MS 27 targeting environmental objectives (Rio markers) (percentages)



AfT EU & EU MS 27 targeting environmental objectives in 2019 (in percentages)



[11] The OECD statistics monitor external development finance in support of environmental objectives by "marking" activities targeting the environment or the Rio Conventions using four markers: Climate change-mitigation, Climate change-adaptation, Biodiversity and Desertification. Values assigned to each marker are: 0=Not targeted, 1=Significant objective, 2=Principal objective, blank=Not screened. For the charts presented in this section, activities are considered to target environmental objectives as "Significant objective" if at least one marker is "1" and there are none in "2", and as "Principal objective" if at least one of the four markers is "2".

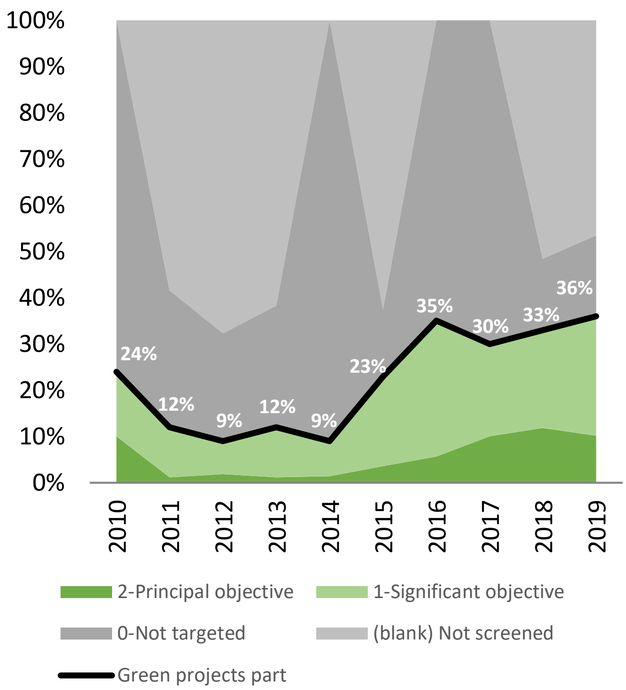
AfT EU targeting environmental objectives (Rio markers) (in EUR million)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
(blank) Not screened	-	3 574	6 479	5 032	-	3 979	-	-	3 622	2 620
0-Not targeted	1 923	1 819	2 231	2 106	5 478	892	5 290	5 384	1 084	971
1-Significant objective	339	661	675	923	454	1 265	2 375	1 495	1 489	1 474
2-Principal objective	252	71	177	96	87	231	462	768	833	571
Total	**2 514**	**6 124**	**9 561**	**8 157**	**6 020**	**6 367**	**8 127**	**7 646**	**7 027**	**5 636**

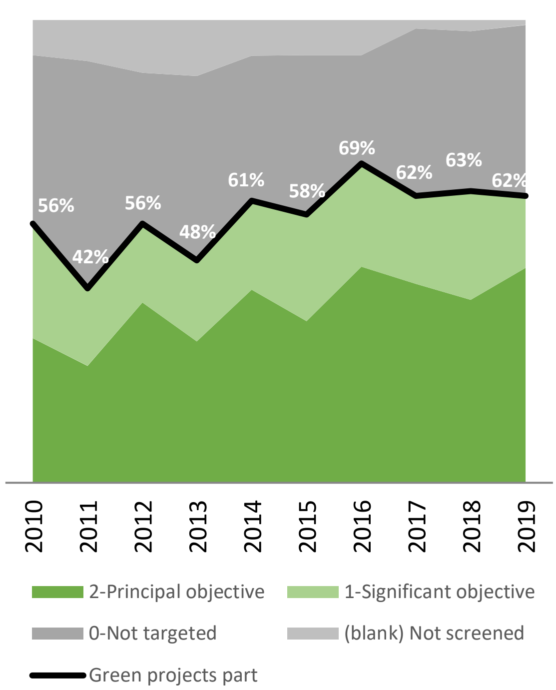
AfT EU MS 27 targeting environmental objectives (Rio markers) (in EUR million)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
(blank) Not screened	638	628	915	964	826	737	719	191	216	119
0-Not targeted	3 045	3 483	2 647	3 177	3 279	3 316	2 193	3 675	3 128	4 527
1-Significant objective	2 069	1 160	1 343	1 405	2 093	2 246	2 123	2 013	2 101	1 936
2-Principal objective	2 608	1 784	3 133	2 436	4 439	3 387	4 409	4 429	3 555	5 716
Total	**8 359**	**7 056**	**8 038**	**7 982**	**10 637**	**9 685**	**9 443**	**10 308**	**9 000**	**12 298**

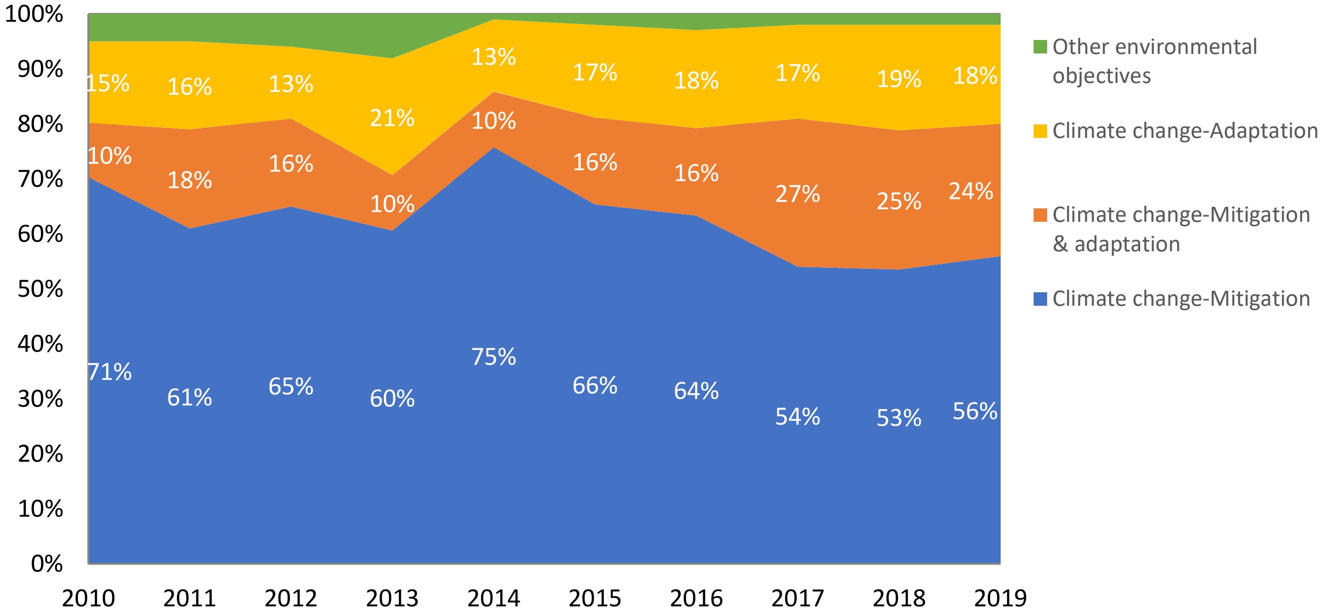
AfT EU to environmental objectives
(in percentages)



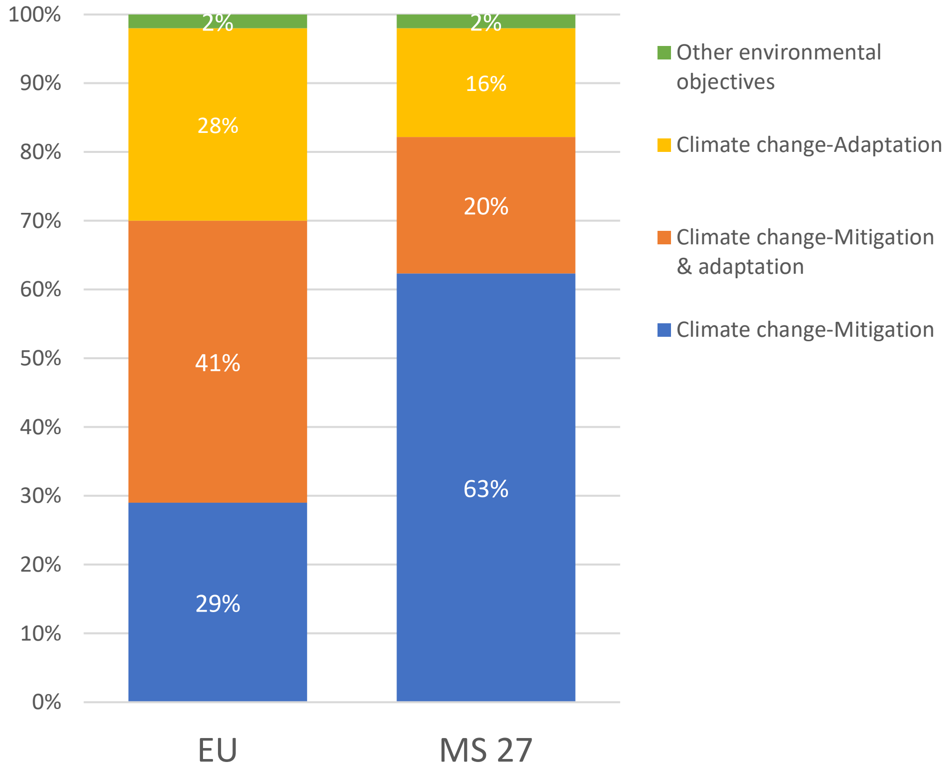
EU MS 27 to environmental objectives
(in percentages)



AfT EU & EU MS 27 to green economy programmes by environmental objective[12] (in percentages)



AfT EU & EU MS 27 to green economy programmes by environmental objective 2019 (in percentages)

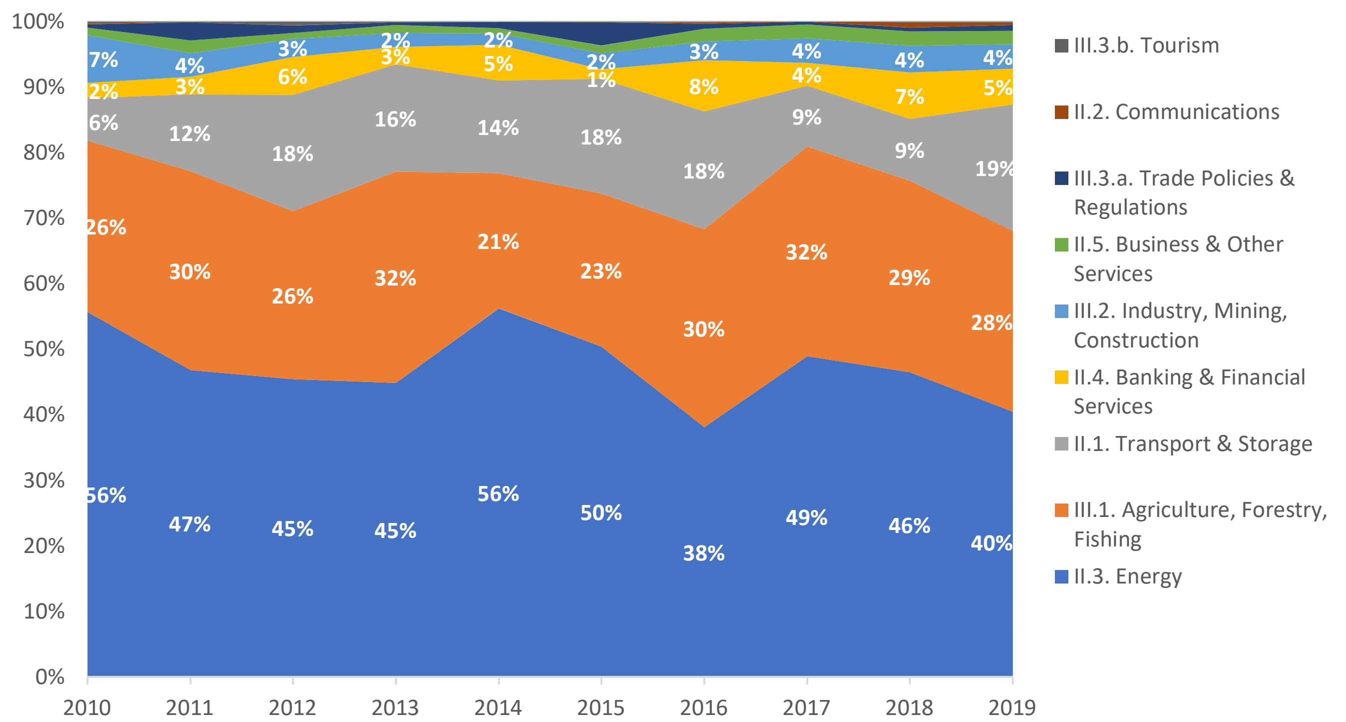


[12] The information presented in this page focuses on the two climate-change markers (Adaptation and Mitigation). If a programme targets climate-change and also others objectives (Desertification and Biodiversity) they are accounted only in the climate-change category to avoid double counting. On the other hand, the category called "Other environmental objectives" includes projects with markers "Biodiversity" and "Desertification" that do not include any of the two climate-change markers.

AfT EU & EU MS 27 to green economy programmes by sector (in EUR million)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
II.3. Energy	2 933	1 721	2 423	2 182	3 977	3 591	3 571	4 258	3 706	3 922
III.1. Agriculture, Forestry, Fishing	1 378	1 115	1 363	1 564	1 462	1 667	2 832	2 790	2 337	2 674
II.1. Transport & Storage	341	431	949	797	1 001	1 247	1 685	805	751	1 876
II.4. Banking & Financial Services	123	101	307	131	386	102	730	308	563	527
III.2. Industry, Mining, Construction	384	132	146	102	122	176	269	325	326	360
II.5. Business & Other Services	62	71	49	60	56	85	180	183	179	203
III.3.a. Trade Policies & Regulations	25	101	59	18	67	255	72	31	44	87
II.2. Communications	6	0	1	1	0	1	23	4	63	36
III.3.b. Tourism	16	4	30	5	4	5	8	1	9	11
	5 268	**3 676**	**5 328**	**4 860**	**7 074**	**7 128**	**9 370**	**8 705**	**7 977**	**9 696**

AfT EU & EU MS 27 to green economy programmes by sector (in percentages)



13 EU DONOR PROFILES

13.1 AUSTRIA

Total Aid for Trade[13] from Austria by category (in EUR thousand)

	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	-	91	5	8	51	83
Trade Related Infrastructure (Cat. 3)	19 893	32 254	27 334	25 796	23 817	12 521
Building Productive Capacity (Cat. 4*)	36 263	32 933	44 758	45 826	45 075	30 195
Trade Related Adjustment (Cat. 5)	-	-	-	-	-	-
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-
Total AfT	**56 156**	**65 278**	**72 097**	**71 629**	**68 944**	**42 798**

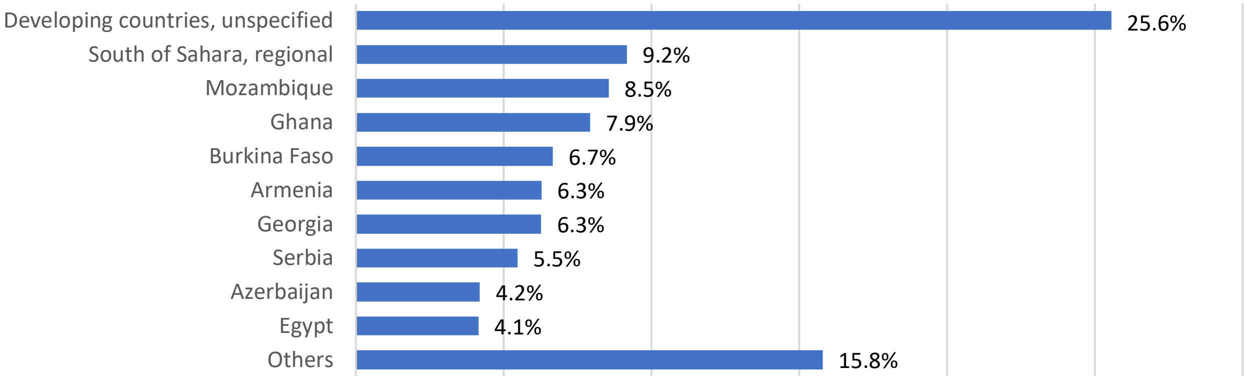
* Category 4 accounts for all Building Productive Capacity (BPC) activities, including those with TD marker (Cat. 2).

Trade Related Assistance[14] from Austria by category (in EUR thousand)

	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	-	91	5	8	51	83
Trade Development (Cat. 2*)	5 489	11 886	10 540	14 023	5 942	9 382
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-
Total TRA	**5 489**	**11 977**	**10 545**	**14 032**	**5 993**	**9 465**

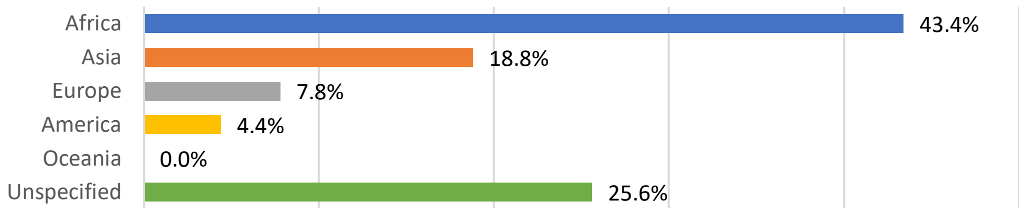
* Cat 2: Trade Development (TD) is a sub-set of Cat 4: Building Productive Capacity (BPC) and is captured using the TD DAC marker.

Main recipients* of AfT from Austria in 2019 (in percentages)



* Regional recipients correspond to the regional distribution used by the OECD

AfT from Austria by continent in 2019 (in percentages)



[13] 'Total Aid for Trade' includes all AfT categories and represents the 'wider Aid for Trade agenda'
[14] 'Trade Related assistance (TRA)' is a subset of 'Total Aid for Trade' and represents the 'classical AfT' (which is narrower in types of support)

13.2 BELGIUM

Total Aid for Trade[15] from Belgium by category (in EUR thousand)

	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	18 074	632	635	4 090	9 175	497
Trade Related Infrastructure (Cat. 3)	65 217	32 583	34 315	56 831	12 169	14 792
Building Productive Capacity (Cat. 4*)	143 777	164 946	116 350	137 983	117 195	282 336
Trade Related Adjustment (Cat. 5)	-	-	-	-	-	-
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-
Total AfT	**227 067**	**198 161**	**151 299**	**198 904**	**138 538**	**297 625**

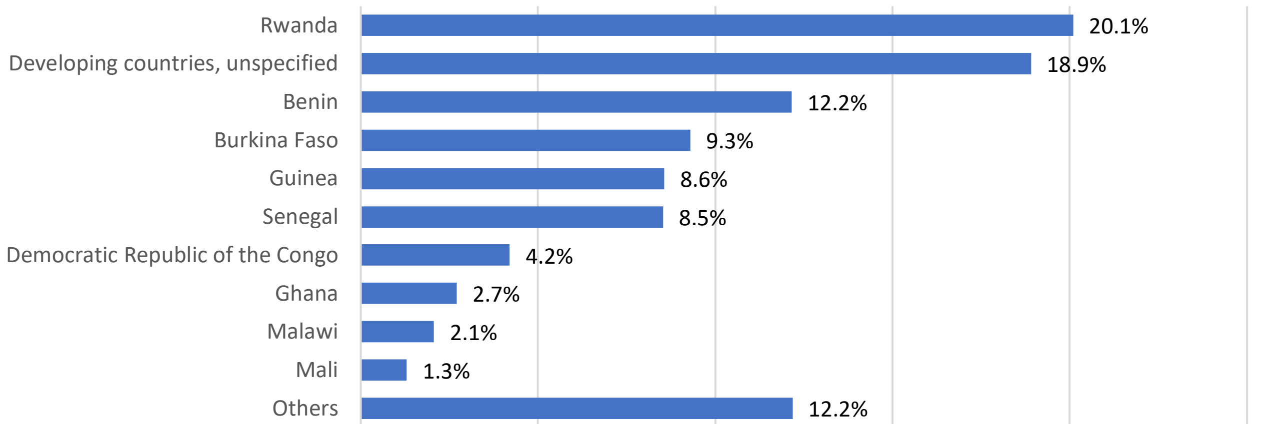
* Category 4 accounts for all Building Productive Capacity (BPC) activities, including those with TD marker (Cat. 2).

Trade Related Assistance[16] from Belgium by category (in EUR thousand)

	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	18 074	632	635	4 090	9 175	497
Trade Development (Cat. 2*)	93 639	148 842	95 994	89 684	46 056	196 003
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-
Total TRA	**111 712**	**149 474**	**96 629**	**93 774**	**55 230**	**196 501**

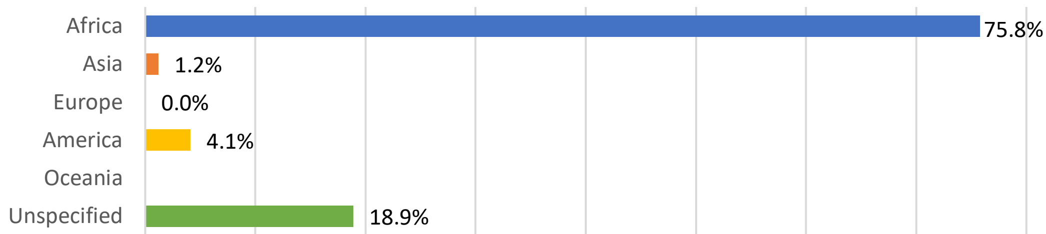
* Cat 2: Trade Development (TD) is a sub-set of Cat 4: Building Productive Capacity (BPC) and is captured using the TD DAC marker.

Main recipients* of AfT from Belgium in 2019 (in percentages)



* Regional recipients correspond to the regional distribution used by the OECD

AfT from Belgium by continent in 2019 (in percentages)



[15] 'Total Aid for Trade' includes all AfT categories and represents the 'wider Aid for Trade agenda'
[16] 'Trade Related assistance (TRA)' is a subset of 'Total Aid for Trade' and represents the 'classical AfT' (which is narrower in types of support)

13.3 BULGARIA[17]

Total Aid for Trade[18] from Bulgaria by category (in EUR thousand)

	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	-	-	-	-	-	-
Trade Related Infrastructure (Cat. 3)	-	-	-	-	-	-
Building Productive Capacity (Cat. 4*)	-	-	-	-	-	-
Trade Related Adjustment (Cat. 5)	-	-	-	-	-	-
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-
Total AfT	-	-	-	-	-	-

* Category 4 accounts for all Building Productive Capacity (BPC) activities, including those with TD marker (Cat. 2).

Trade Related Assistance[19] from Bulgaria by category (in EUR thousand)

	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	-	-	-	-	-	-
Trade Development (Cat. 2*)	-	-	-	-	-	-
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-
Total TRA	-	-	-	-	-	-

* Cat 2: Trade Development (TD) is a sub-set of Cat 4: Building Productive Capacity (BPC) and is captured using the TD DAC marker.

[17] Bulgaria and Malta have not reported to the OECD in the period under analysis in this report.
[18] 'Total Aid for Trade' includes all AfT categories and represents the 'wider Aid for Trade agenda'
[19] 'Trade Related assistance (TRA)' is a subset of 'Total Aid for Trade' and represents the 'classical AfT' (which is narrower in types of support)

13.4 CROATIA

Total Aid for Trade[20] from Croatia by category (in EUR thousand)

	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	-	-	-	-	-	-
Trade Related Infrastructure (Cat. 3)	-	-	-	288	321	196
Building Productive Capacity (Cat. 4*)	-	-	-	147	84	278
Trade Related Adjustment (Cat. 5)	-	-	-	-	-	-
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-
Total AfT	**-**	**-**	**-**	**436**	**404**	**474**

* Category 4 accounts for all Building Productive Capacity (BPC) activities, including those with TD marker (Cat. 2).

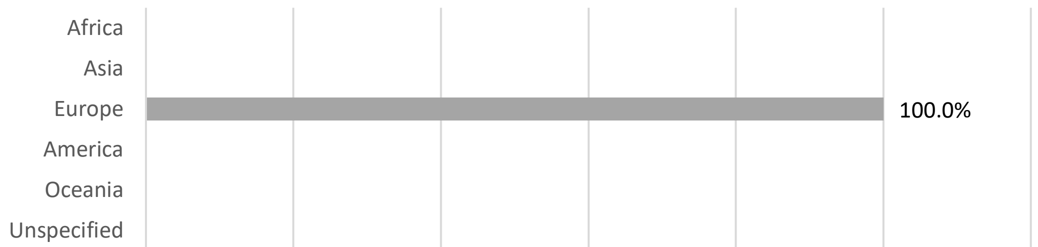
Trade Related Assistance[21] from Croatia by category (in EUR thousand)

	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	-	-	-	-	-	-
Trade Development (Cat. 2*)	-	-	-	-	-	-
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-
Total TRA	**-**	**-**	**-**	**-**	**-**	**-**

* Cat 2: Trade Development (TD) is a sub-set of Cat 4: Building Productive Capacity (BPC) and is captured using the TD DAC marker.

Main recipients* of AfT from Croatia in 2019 (in percentages)

AfT from Croatia by continent in 2019 (in percentages)



[20] 'Total Aid for Trade' includes all AfT categories and represents the 'wider Aid for Trade agenda'
[21] 'Trade Related assistance (TRA)' is a subset of 'Total Aid for Trade' and represents the 'classical AfT' (which is narrower in types of support)

13.5 CYPRUS[22]

Total Aid for Trade[23] from Cyprus by category (in EUR thousand)

	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	-	-	-	-	-	-
Trade Related Infrastructure (Cat. 3)	-	-	-	-	-	-
Building Productive Capacity (Cat. 4*)	-	-	-	-	-	225
Trade Related Adjustment (Cat. 5)	-	-	-	-	-	-
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-
Total AfT	**-**	**-**	**-**	**-**	**-**	**225**

* Category 4 accounts for all Building Productive Capacity (BPC) activities, including those with TD marker (Cat. 2).

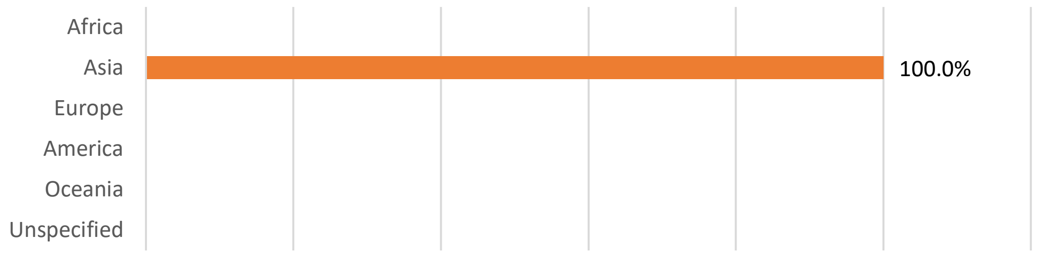
Trade Related Assistance[24] from Cyprus by category (in EUR thousand)

	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)						
Trade Development (Cat. 2*)						
Other Trade Related needs (Cat. 6)						
Total TRA						

* Cat 2: Trade Development (TD) is a sub-set of Cat 4: Building Productive Capacity (BPC) and is captured using the TD DAC marker.

Main recipients* of AfT from Cyprus in 2019 (in percentages)

AfT from Cyprus by continent in 2019 (in percentages)



[22] Bulgaria, Cyprus, and Malta have not reported to the OECD in the period under analysis in this report
[23] 'Total Aid for Trade' includes all AfT categories and represents the 'wider Aid for Trade agenda'
[24] 'Trade Related assistance (TRA)' is a subset of 'Total Aid for Trade' and represents the 'classical AfT' (which is narrower in types of support)

13.6 CZECH REPUBLIC

Total Aid for Trade[25] from Czech Republic by category (in EUR thousand)

	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	-	47	38	9	-	-
Trade Related Infrastructure (Cat. 3)	1 337	4 840	1 656	1 821	1 395	1 482
Building Productive Capacity (Cat. 4*)	5 224	5 968	4 979	6 890	6 626	6 334
Trade Related Adjustment (Cat. 5)	-	-	-	-	-	-
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-
Total AfT	**6 561**	**10 855**	**6 673**	**8 720**	**8 021**	**7 816**

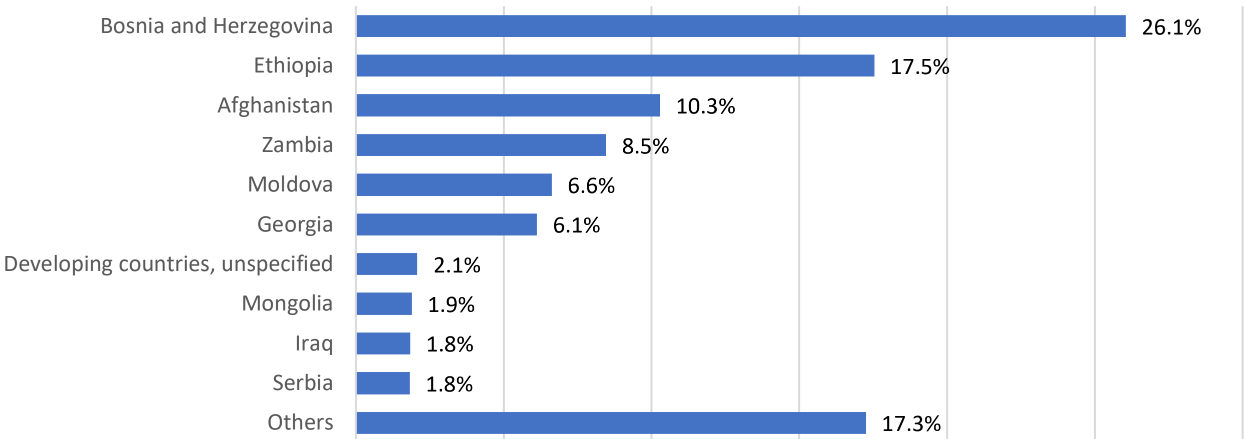
* Category 4 accounts for all Building Productive Capacity (BPC) activities, including those with TD marker (Cat. 2).

Trade Related Assistance[26] from Czech Republic by category (in EUR thousand)

	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	-	47	38	9	-	-
Trade Development (Cat. 2*)	3 286	825	1 243	1 484	2 377	3 494
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-
Total TRA	**3 286**	**871**	**1 282**	**1 493**	**2 377**	**3 494**

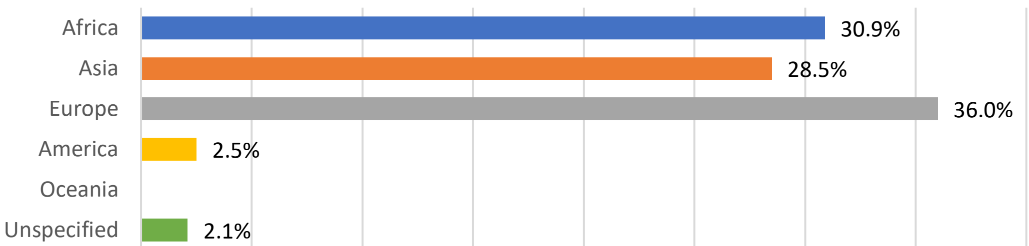
* Cat 2: Trade Development (TD) is a sub-set of Cat 4: Building Productive Capacity (BPC) and is captured using the TD DAC marker.

Main recipients* of AfT from Czech Republic in 2019 (in percentages)



* Regional recipients correspond to the regional distribution used by the OECD

AfT from Czech Republic by continent in 2019 (in percentages)



[25] 'Total Aid for Trade' includes all AfT categories and represents the 'wider Aid for Trade agenda'

[26] 'Trade Related assistance (TRA)' is a subset of 'Total Aid for Trade' and represents the 'classical AfT' (which is narrower in types of support)

13.7 DENMARK

Total Aid for Trade[27] from Denmark by category (in EUR thousand)

	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	9 693	1 881	5 780	8 091	2 801	8 167
Trade Related Infrastructure (Cat. 3)	61 354	7 047	21 332	38 331	74 179	112 935
Building Productive Capacity (Cat. 4*)	274 301	101 973	201 237	135 938	99 046	191 317
Trade Related Adjustment (Cat. 5)	-	-	-	-	-	-
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-
Total AfT	**345 348**	**110 901**	**228 349**	**182 360**	**176 025**	**312 419**

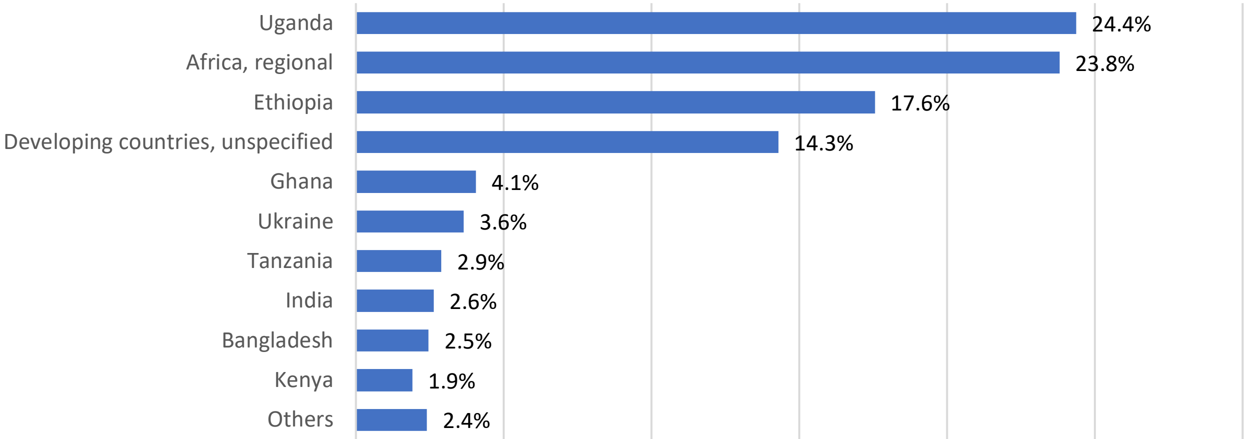
* Category 4 accounts for all Building Productive Capacity (BPC) activities, including those with TD marker (Cat. 2).

Trade Related Assistance[28] from Denmark by category (in EUR thousand)

	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	9 693	1 881	5 780	8 091	2 801	8 167
Trade Development (Cat. 2*)	161 709	68 898	68 877	49 768	55 203	58 616
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-
Total TRA	**171 401**	**70 779**	**74 657**	**57 860**	**58 003**	**66 782**

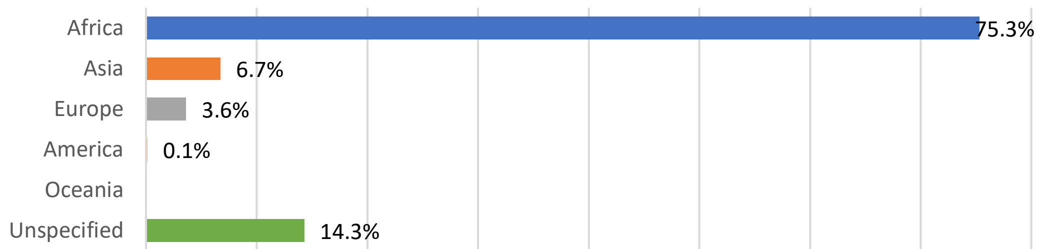
* Cat 2: Trade Development (TD) is a sub-set of Cat 4: Building Productive Capacity (BPC) and is captured using the TD DAC marker.

Main recipients* of AfT from Denmark in 2019 (in percentages)



* Regional recipients correspond to the regional distribution used by the OECD

AfT from Denmark by continent in 2019 (in percentages)



[27] 'Total Aid for Trade' includes all AfT categories and represents the 'wider Aid for Trade agenda'
[28] 'Trade Related assistance (TRA)' is a subset of 'Total Aid for Trade' and represents the 'classical AfT' (which is narrower in types of support)

13.8 ESTONIA

Total Aid for Trade[29] from Estonia by category (in EUR thousand)

	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	-	3	-	-	174	3
Trade Related Infrastructure (Cat. 3)	1 001	260	231	911	1 340	191
Building Productive Capacity (Cat. 4*)	945	889	1 741	994	1 063	476
Trade Related Adjustment (Cat. 5)	-	-	-	-	-	-
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-
Total AfT	**1 946**	**1 152**	**1 973**	**1 905**	**2 576**	**670**

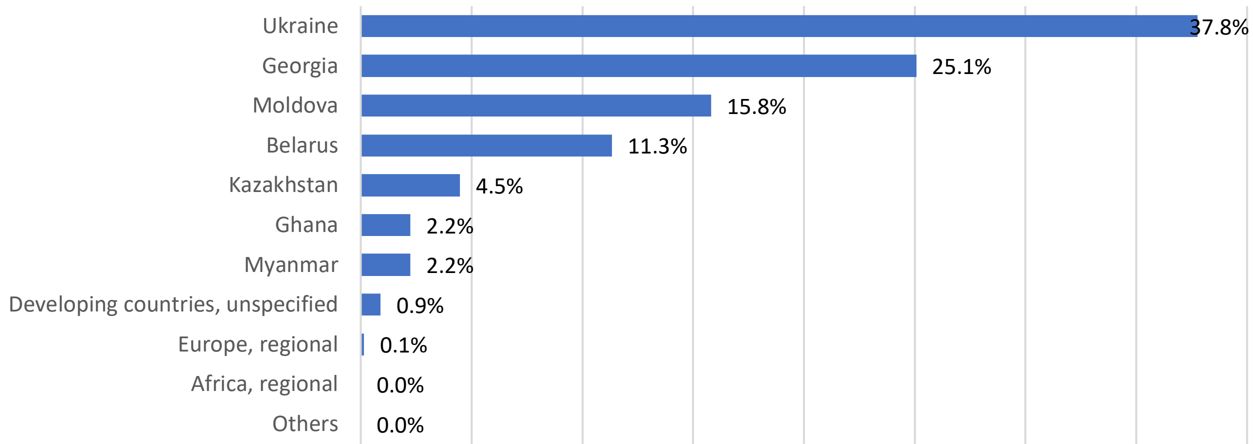
* Category 4 accounts for all Building Productive Capacity (BPC) activities, including those with TD marker (Cat. 2).

Trade Related Assistance[30] from Estonia by category (in EUR thousand)

	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	-	3	-	-	174	3
Trade Development (Cat. 2*)	715	569	1 367	513	877	291
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-
Total TRA	**715**	**573**	**1 367**	**513**	**1 051**	**294**

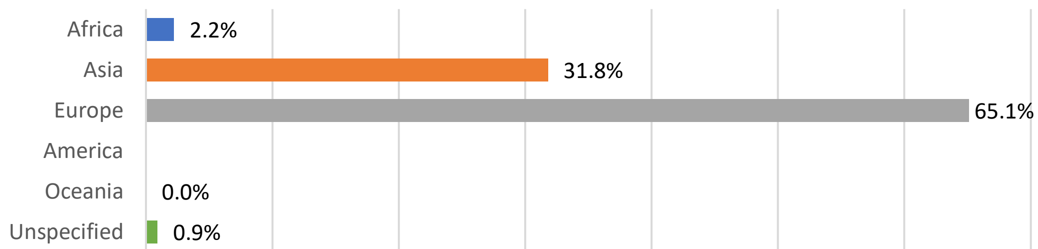
* Cat 2: Trade Development (TD) is a sub-set of Cat 4: Building Productive Capacity (BPC) and is captured using the TD DAC marker.

Main recipients* of AfT from Estonia in 2019 (in percentages)



* Regional recipients correspond to the regional distribution used by the OECD

AfT from Estonia by continent in 2019 (in percentages)



[29] 'Total Aid for Trade' includes all AfT categories and represents the 'wider Aid for Trade agenda'
[30] 'Trade Related assistance (TRA)' is a subset of 'Total Aid for Trade' and represents the 'classical AfT' (which is narrower in types of support)

13.9 FINLAND

Total Aid for Trade[31] from Finland by category (in EUR thousand)

	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	3 850	20 051	11 127	3 941	449	100
Trade Related Infrastructure (Cat. 3)	46 154	11 643	4 340	155 917	14 243	17 304
Building Productive Capacity (Cat. 4*)	83 491	52 242	49 008	45 529	85 599	25 947
Trade Related Adjustment (Cat. 5)	-	-	-	-	-	12
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-
Total AfT	**133 494**	**83 937**	**64 475**	**205 386**	**100 291**	**43 363**

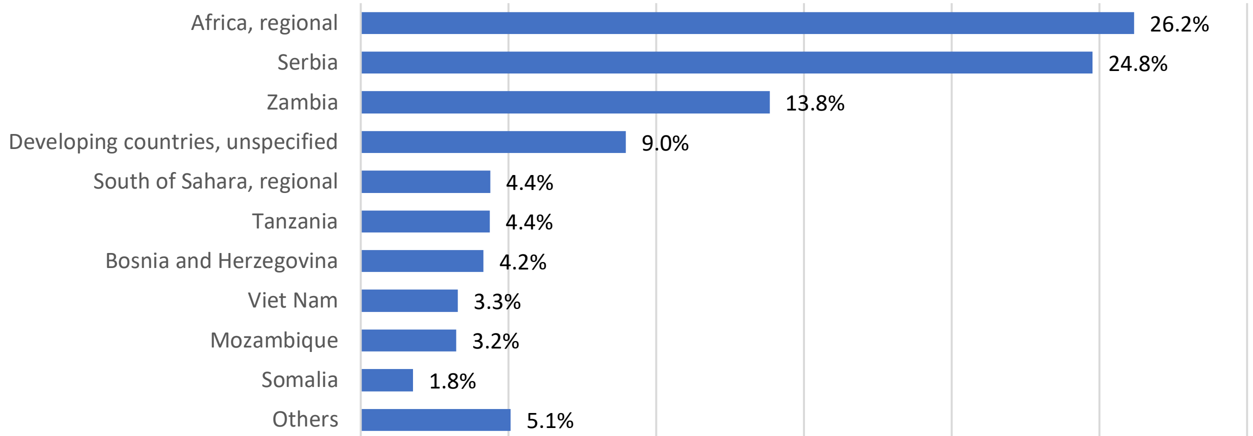
* Category 4 accounts for all Building Productive Capacity (BPC) activities, including those with TD marker (Cat. 2).

Trade Related Assistance[32] from Finland by category (in EUR thousand)

	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	3 850	20 051	11 127	3 941	449	100
Trade Development (Cat. 2*)	29 216	9 753	14 934	20 304	24 622	2 531
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-
Total TRA	**33 065**	**29 805**	**26 061**	**24 245**	**25 070**	**2 631**

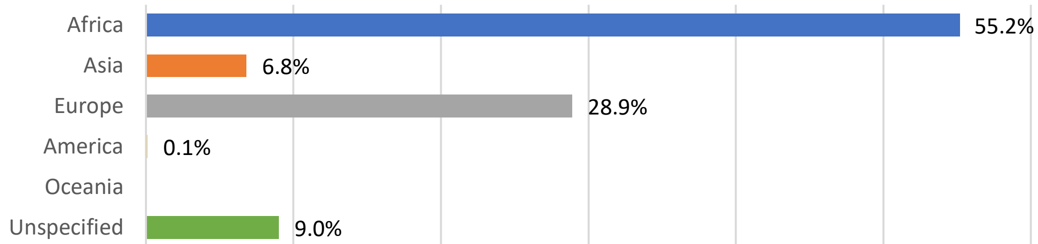
* Cat 2: Trade Development (TD) is a sub-set of Cat 4: Building Productive Capacity (BPC) and is captured using the TD DAC marker.

Main recipients* of AfT from Finland in 2019 (in percentages)



* Regional recipients correspond to the regional distribution used by the OECD

AfT from Finland by continent in 2019 (in percentages)



[31] 'Total Aid for Trade' includes all AfT categories and represents the 'wider Aid for Trade agenda'
[32] 'Trade Related assistance (TRA)' is a subset of 'Total Aid for Trade' and represents the 'classical AfT' (which is narrower in types of support)

13.10 FRANCE

Total Aid for Trade[33] from France by category (in EUR thousand)

	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	2 506	9 042	3	3 072	176 146	3 349
Trade Related Infrastructure (Cat. 3)	1 644 461	1 923 801	1 266 334	2 012 560	786 065	2 421 110
Building Productive Capacity (Cat. 4*)	400 285	713 601	1 004 217	907 907	829 954	1 378 664
Trade Related Adjustment (Cat. 5)	-	-	2 055	-	-	-
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-
Total AfT	**2 047 252**	**2 646 443**	**2 272 609**	**2 923 540**	**1 792 165**	**3 803 123**

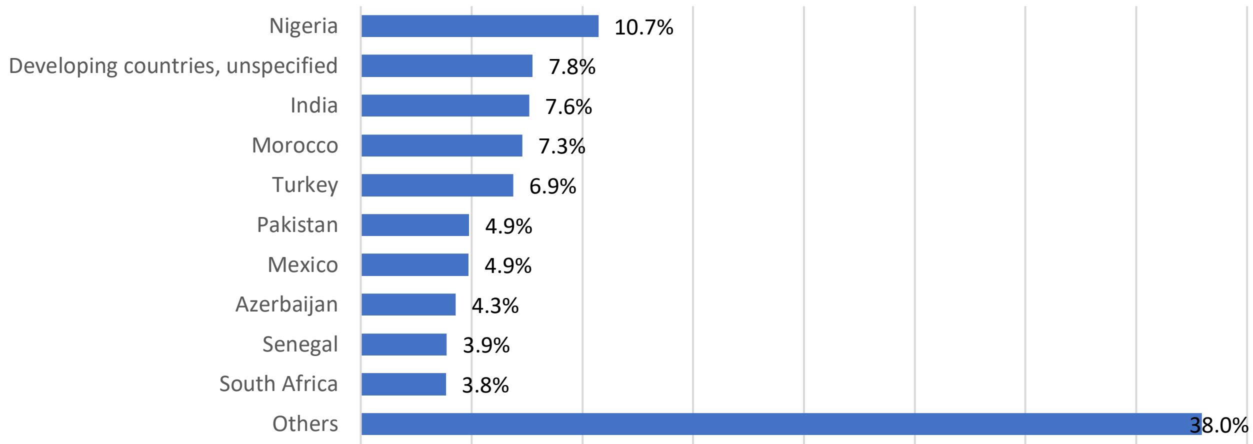
* Category 4 accounts for all Building Productive Capacity (BPC) activities, including those with TD marker (Cat. 2).

Trade Related Assistance[34] from France by category (in EUR thousand)

	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	2 506	9 042	3	3 072	176 146	3 349
Trade Development (Cat. 2*)	5 678	35 116	684	1 722	826 856	981 662
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-
Total TRA	**8 185**	**44 157**	**687**	**4 794**	**1 003 002**	**985 012**

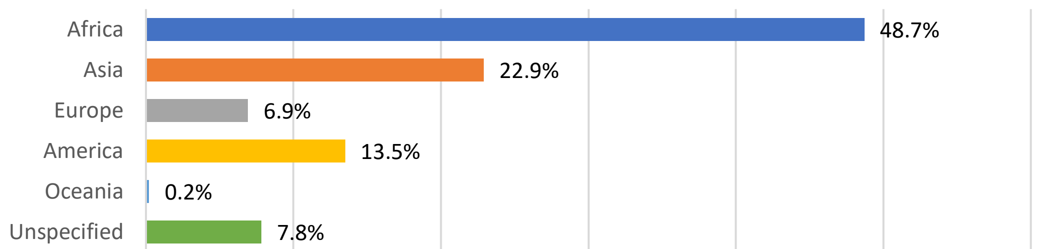
* Cat 2: Trade Development (TD) is a sub-set of Cat 4: Building Productive Capacity (BPC) and is captured using the TD DAC marker.

Main recipients* of AfT from France in 2019 (in percentages)



* Regional recipients correspond to the regional distribution used by the OECD

AfT from France by continent in 2019 (in percentages)



[33] 'Total Aid for Trade' includes all AfT categories and represents the 'wider Aid for Trade agenda'
[34] 'Trade Related assistance (TRA)' is a subset of 'Total Aid for Trade' and represents the 'classical AfT' (which is narrower in types of support)

13.11 GERMANY

Total Aid for Trade[35] from Germany by category (in EUR thousand)

	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	45 859	39 790	75 536	277 469	285 992	73 382
Trade Related Infrastructure (Cat. 3)	3 442 340	2 878 271	3 466 591	2 729 876	3 061 391	2 862 661
Building Productive Capacity (Cat. 4*)	2 819 211	2 496 897	2 064 107	2 242 924	1 913 030	3 127 596
Trade Related Adjustment (Cat. 5)	22	21	-	227	-	-
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-
Total AfT	**6 307 431**	**5 414 979**	**5 606 235**	**5 250 497**	**5 260 413**	**6 063 639**

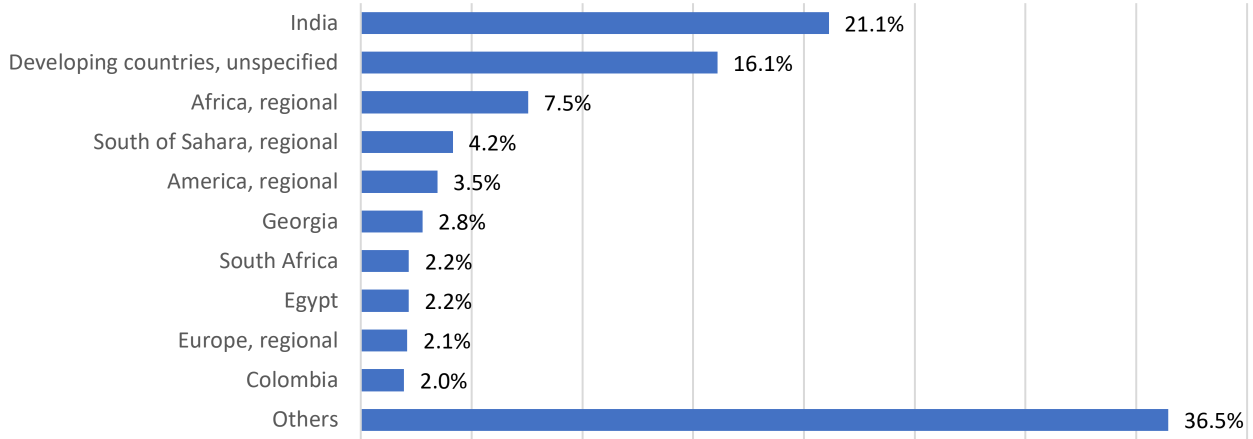
* Category 4 accounts for all Building Productive Capacity (BPC) activities, including those with TD marker (Cat. 2).

Trade Related Assistance[36] from Germany by category (in EUR thousand)

	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	45 859	39 790	75 536	277 469	285 992	73 382
Trade Development (Cat. 2*)	765 621	636 232	857 195	948 272	956 968	1 293 257
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-
Total TRA	**811 479**	**676 021**	**932 731**	**1 225 741**	**1 242 960**	**1 366 638**

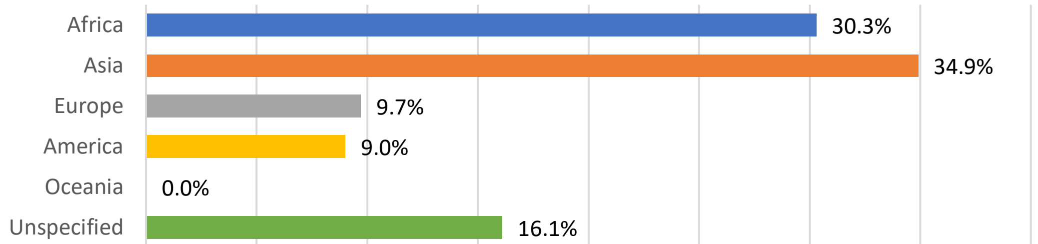
* Cat 2: Trade Development (TD) is a sub-set of Cat 4: Building Productive Capacity (BPC) and is captured using the TD DAC marker.

Main recipients* of AfT from Germany in 2019 (in percentages)



* Regional recipients correspond to the regional distribution used by the OECD

AfT from Germany by continent in 2019 (in percentages)



35 'Total Aid for Trade' includes all AfT categories and represents the 'wider Aid for Trade agenda'
36 'Trade Related assistance (TRA)' is a subset of 'Total Aid for Trade' and represents the 'classical AfT' (which is narrower in types of support)

13.12 GREECE

Total Aid for Trade[37] from Greece by category (in EUR thousand)

	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	-	-	-	-	-	-
Trade Related Infrastructure (Cat. 3)	13	4	1	1	1	1
Building Productive Capacity (Cat. 4*)	-	-	-	-	-	-
Trade Related Adjustment (Cat. 5)	-	-	-	-	-	-
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-
Total AfT	**12.5**	**4.4**	**0.9**	**0.5**	**0.6**	**0.7**

* Category 4 accounts for all Building Productive Capacity (BPC) activities, including those with TD marker (Cat. 2).

Trade Related Assistance[38] from Greece by category (in EUR thousand)

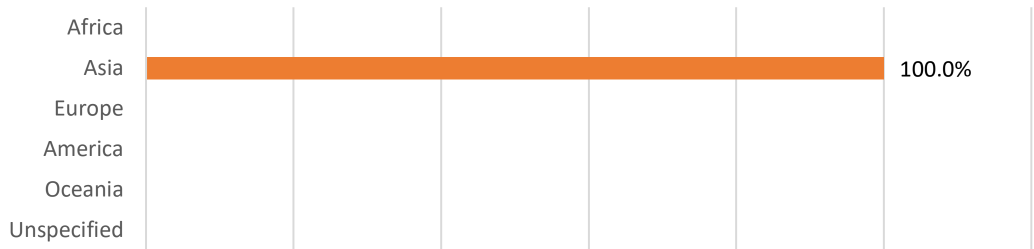
	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	-	-	-	-	-	-
Trade Development (Cat. 2*)	-	-	-	-	-	-
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-
Total TRA	**-**	**-**	**-**	**-**	**-**	**-**

* Cat 2: Trade Development (TD) is a sub-set of Cat 4: Building Productive Capacity (BPC) and is captured using the TD DAC marker.

Main recipients* of AfT from Greece in 2019 (in percentages)

* Regional recipients correspond to the regional distribution used by the OECD

AfT from Greece by continent in 2019 (in percentages)



[37] 'Total Aid for Trade' includes all AfT categories and represents the 'wider Aid for Trade agenda'
[38] 'Trade Related assistance (TRA)' is a subset of 'Total Aid for Trade' and represents the 'classical AfT' (which is narrower in types of support)

13.13 HUNGARY

Total Aid for Trade[39] from Hungary by category (in EUR thousand)

	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	-	4	-	0	0	-
Trade Related Infrastructure (Cat. 3)	-	10	-	13	997	6 174
Building Productive Capacity (Cat. 4*)	-	378	3 657	2 228	9 824	5 428
Trade Related Adjustment (Cat. 5)	-	-	-	-	-	-
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-
Total AfT	**-**	**392**	**3 657**	**2 241**	**10 821**	**11 602**

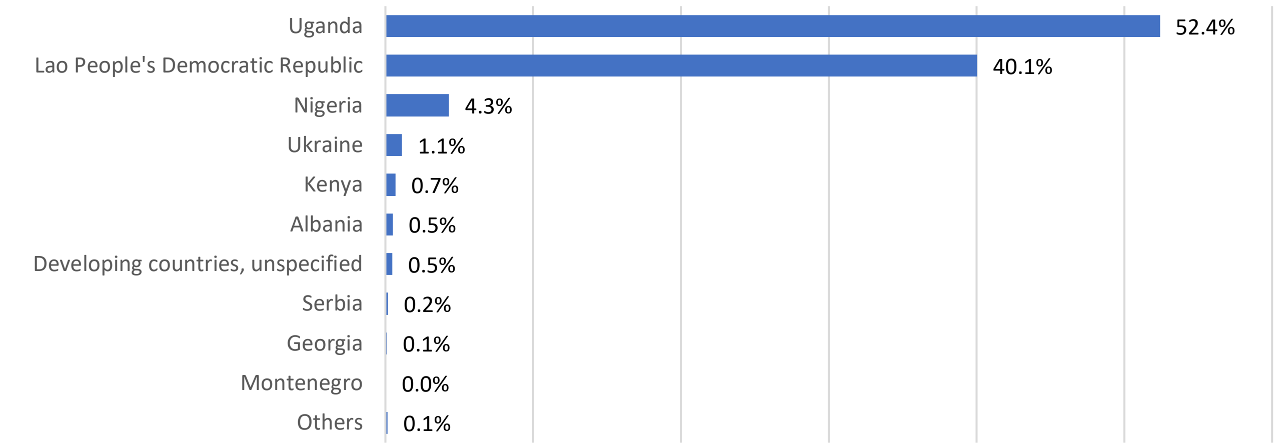
* Category 4 accounts for all Building Productive Capacity (BPC) activities, including those with TD marker (Cat. 2).

Trade Related Assistance[40] from Hungary by category (in EUR thousand)

	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	-	4	-	-	-	-
Trade Development (Cat. 2*)	-	-	125	172	220	92
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-
Total TRA	**-**	**4**	**125**	**172**	**220**	**92**

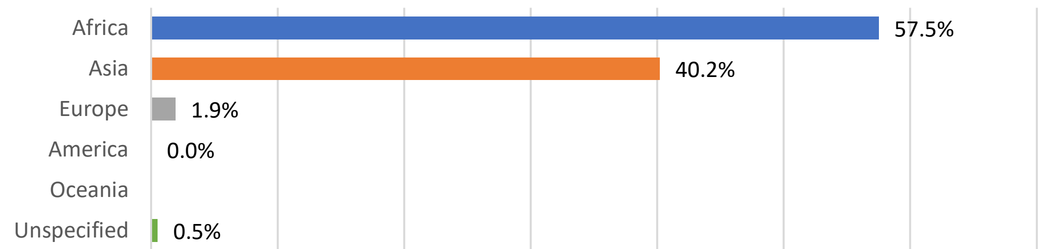
* Cat 2: Trade Development (TD) is a sub-set of Cat 4: Building Productive Capacity (BPC) and is captured using the TD DAC marker.

Main recipients* of AfT from Hungary in 2019 (in percentages)



* Regional recipients correspond to the regional distribution used by the OECD

AfT from Hungary by continent in 2019 (in percentages)



[39] 'Total Aid for Trade' includes all AfT categories and represents the 'wider Aid for Trade agenda'
[40] 'Trade Related assistance (TRA)' is a subset of 'Total Aid for Trade' and represents the 'classical AfT' (which is narrower in types of support)

13.14 IRELAND

Total Aid for Trade[41] from Ireland by category (in EUR thousand)

	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	787	585	553	546	1 852	2 153
Trade Related Infrastructure (Cat. 3)	483	24	147	152	147	5 177
Building Productive Capacity (Cat. 4*)	40 880	30 293	36 233	38 283	28 789	29 788
Trade Related Adjustment (Cat. 5)	-	-	-	-	-	-
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-
Total AfT	**42 150**	**30 902**	**36 933**	**38 981**	**30 787**	**37 119**

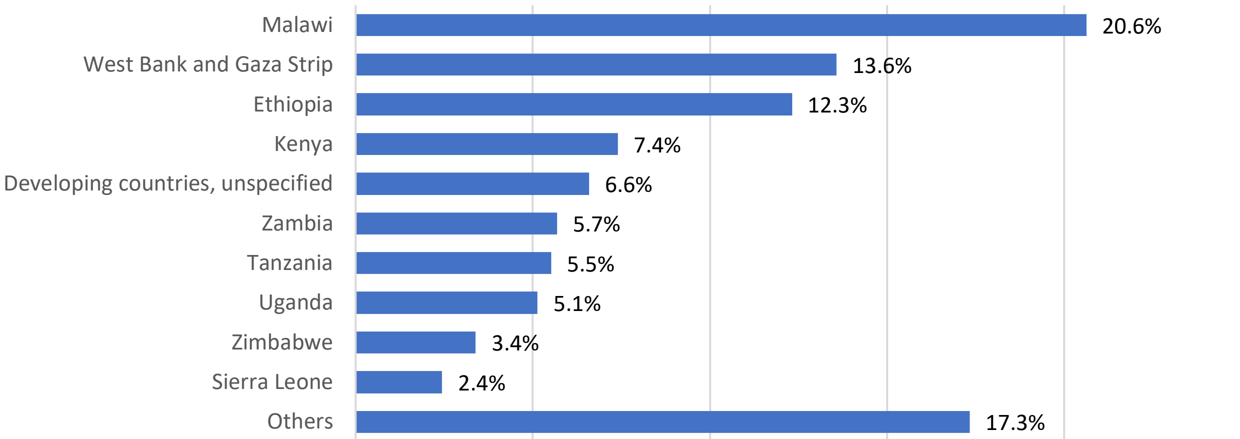
* Category 4 accounts for all Building Productive Capacity (BPC) activities, including those with TD marker (Cat. 2).

Trade Related Assistance[42] from Ireland by category (in EUR thousand)

	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	787	585	553	546	1 852	2 153
Trade Development (Cat. 2*)	40 608	29 552	31 799	18 484	7 386	10 030
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-
Total TRA	**41 395**	**30 137**	**32 351**	**19 030**	**9 237**	**12 184**

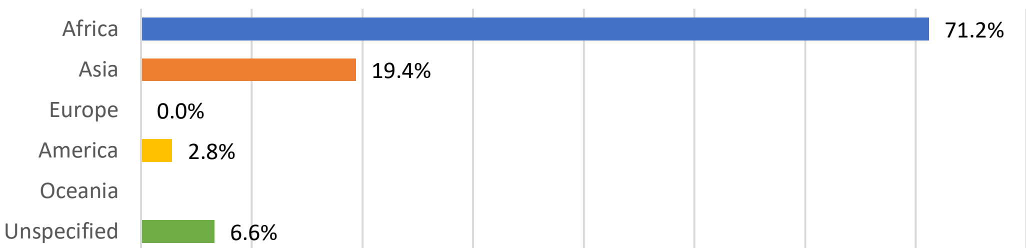
* Cat 2: Trade Development (TD) is a sub-set of Cat 4: Building Productive Capacity (BPC) and is captured using the TD DAC marker.

Main recipients* of AfT from Ireland in 2019 (in percentages)



* Regional recipients correspond to the regional distribution used by the OECD

AfT from Ireland by continent in 2019 (in percentages)



[41] 'Total Aid for Trade' includes all AfT categories and represents the 'wider Aid for Trade agenda'
[42] 'Trade Related assistance (TRA)' is a subset of 'Total Aid for Trade' and represents the 'classical AfT' (which is narrower in types of support)

13.15 ITALY

Total Aid for Trade[43] from Italy by category (in EUR thousand)

	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	143	173	204	236	56	430
Trade Related Infrastructure (Cat. 3)	43 842	55 883	26 683	243 956	13 347	121 707
Building Productive Capacity (Cat. 4*)	42 562	116 045	43 397	74 033	129 470	114 507
Trade Related Adjustment (Cat. 5)	-	-	-	-	-	-
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-
Total AfT	**86 547**	**172 101**	**70 284**	**318 226**	**142 873**	**236 644**

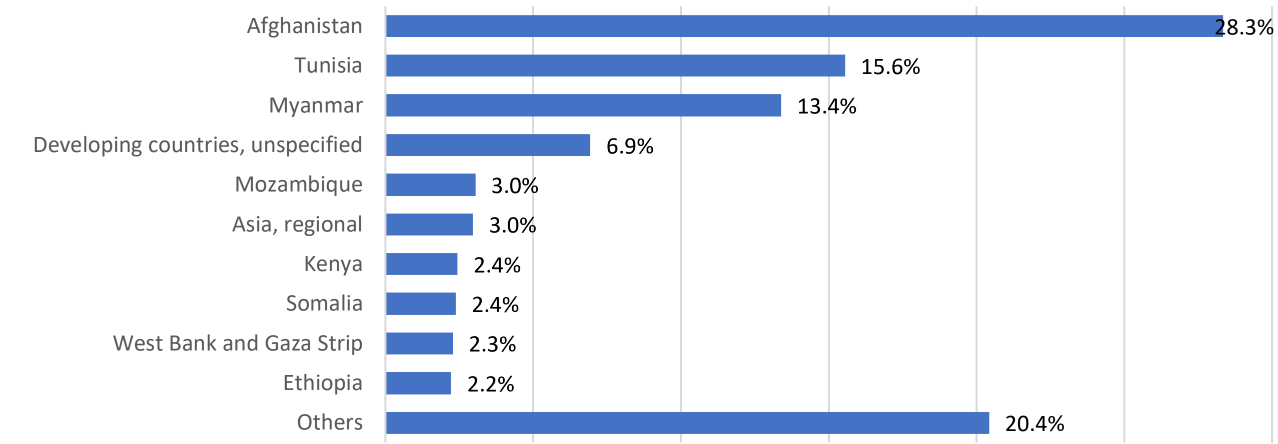
* Category 4 accounts for all Building Productive Capacity (BPC) activities, including those with TD marker (Cat. 2).

Trade Related Assistance[44] from Italy by category (in EUR thousand)

	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	143	173	204	236	56	430
Trade Development (Cat. 2*)	16 367	39 725	11 633	37 652	68 535	51 847
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-
Total TRA	**16 510**	**39 898**	**11 838**	**37 888**	**68 591**	**52 277**

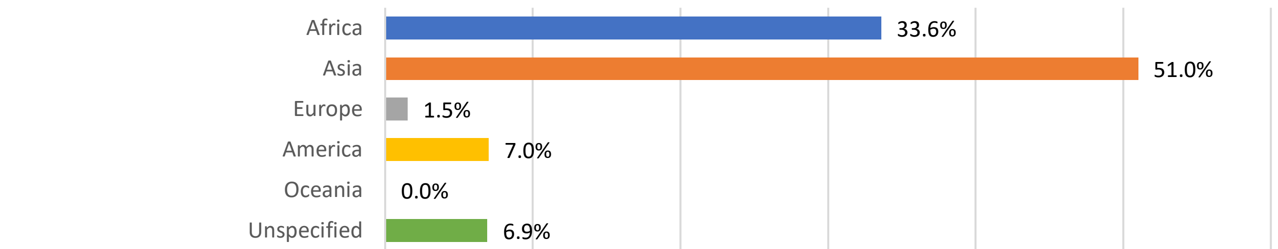
* Cat 2: Trade Development (TD) is a sub-set of Cat 4: Building Productive Capacity (BPC) and is captured using the TD DAC marker.

Main recipients* of AfT from Italy in 2019 (in percentages)



* Regional recipients correspond to the regional distribution used by the OECD

AfT from Italy by continent in 2019 (in percentages)



[43] 'Total Aid for Trade' includes all AfT categories and represents the 'wider Aid for Trade agenda'
[44] 'Trade Related assistance (TRA)' is a subset of 'Total Aid for Trade' and represents the 'classical AfT' (which is narrower in types of support)

13.16 LATVIA

Total Aid for Trade[45] from Latvia by category (in EUR thousand)

	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	-	-	-	-	11	-
Trade Related Infrastructure (Cat. 3)	-	-	-	-	-	-
Building Productive Capacity (Cat. 4*)	-	-	153	42	49	76
Trade Related Adjustment (Cat. 5)	-	-	-	-	-	-
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-
Total AfT	**-**	**-**	**153**	**42.2**	**60.7**	**76**

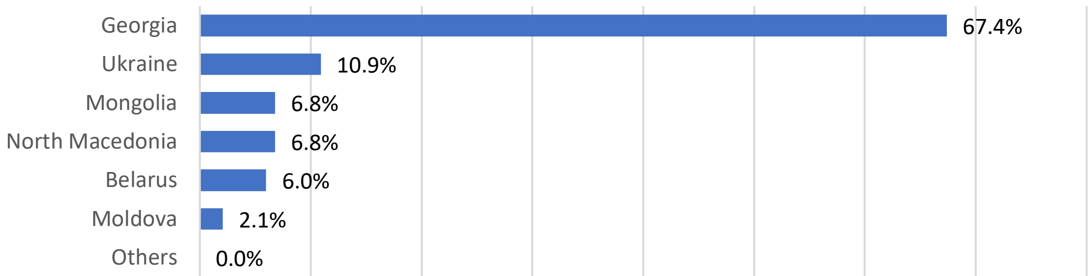
* Category 4 accounts for all Building Productive Capacity (BPC) activities, including those with TD marker (Cat. 2).

Trade Related Assistance[46] from Latvia by category (in EUR thousand)

	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	-	-	-	-	11	-
Trade Development (Cat. 2*)	-	-	-	25	46	-
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-
Total TRA	**-**	**-**	**-**	**25**	**58**	**-**

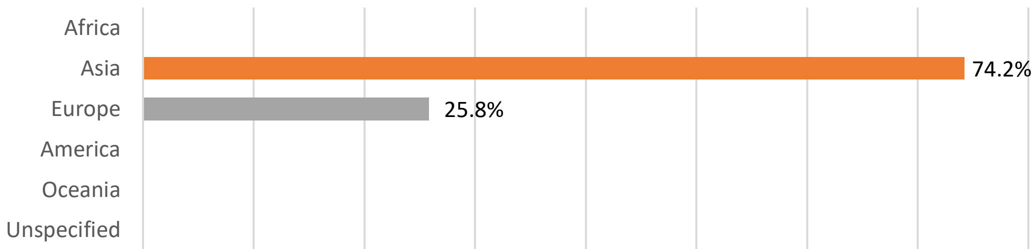
* Cat 2: Trade Development (TD) is a sub-set of Cat 4: Building Productive Capacity (BPC) and is captured using the TD DAC marker.

Main recipients* of AfT from Latvia in 2019 (in percentages)



* Regional recipients correspond to the regional distribution used by the OECD

AfT from Latvia by continent in 2019 (in percentages)



[45] 'Total Aid for Trade' includes all AfT categories and represents the 'wider Aid for Trade agenda'
[46] 'Trade Related assistance (TRA)' is a subset of 'Total Aid for Trade' and represents the 'classical AfT' (which is narrower in types of support)

13.17 LITHUANIA

Total Aid for Trade[47] from Lithuania by category (in EUR thousand)

	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	24	69	52	131	73	38
Trade Related Infrastructure (Cat. 3)	3	440	303	227	280	527
Building Productive Capacity (Cat. 4*)	113	170	115	129	135	170
Trade Related Adjustment (Cat. 5)	-	-	4	-	-	-
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-
Total AfT	**140**	**678**	**474**	**487**	**488**	**735**

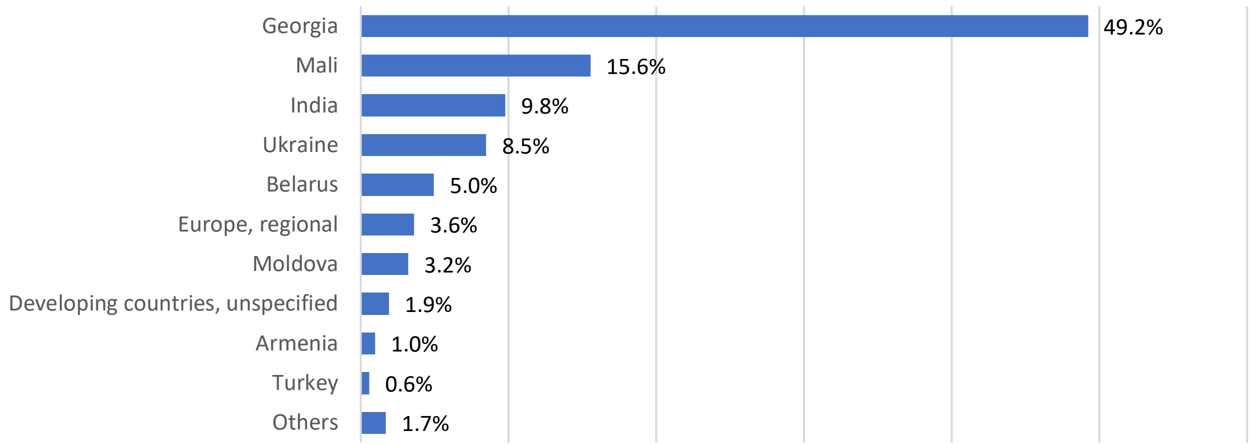
* Category 4 accounts for all Building Productive Capacity (BPC) activities, including those with TD marker (Cat. 2).

Trade Related Assistance[48] from Lithuania by category (in EUR thousand)

	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	24	69	52	131	73	38
Trade Development (Cat. 2*)	79	149	54	44	131	159
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-
Total TRA	**103**	**217**	**105**	**175**	**204**	**198**

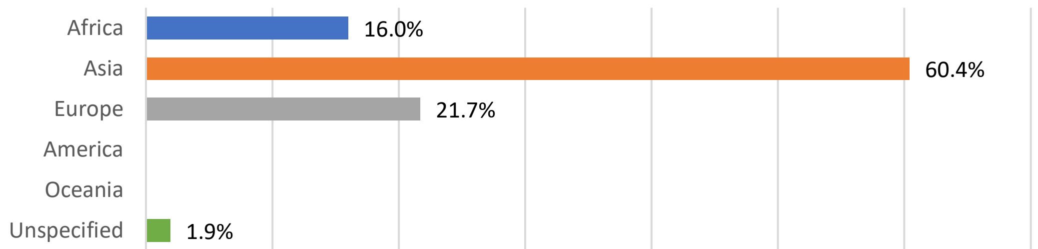
* Cat 2: Trade Development (TD) is a sub-set of Cat 4: Building Productive Capacity (BPC) and is captured using the TD DAC marker.

Main recipients* of AfT from Lithuania in 2019 (in percentages)



* Regional recipients correspond to the regional distribution used by the OECD

AfT from Lithuania by continent in 2019 (in percentages)



[47] 'Total Aid for Trade' includes all AfT categories and represents the 'wider Aid for Trade agenda'
[48] 'Trade Related assistance (TRA)' is a subset of 'Total Aid for Trade' and represents the 'classical AfT' (which is narrower in types of support)

13.18 LUXEMBOURG

Total Aid for Trade[49] from Luxembourg by category (in EUR thousand)

	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	-	-	2 156	73	1 621	1 516
Trade Related Infrastructure (Cat. 3)	6 478	2 479	719	10 844	6 231	4 766
Building Productive Capacity (Cat. 4*)	30 076	29 183	33 294	40 946	43 801	48 855
Trade Related Adjustment (Cat. 5)	-	-	-	-	-	-
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-
Total AfT	**36 555**	**31 662**	**36 169**	**51 863**	**51 653**	**55 138**

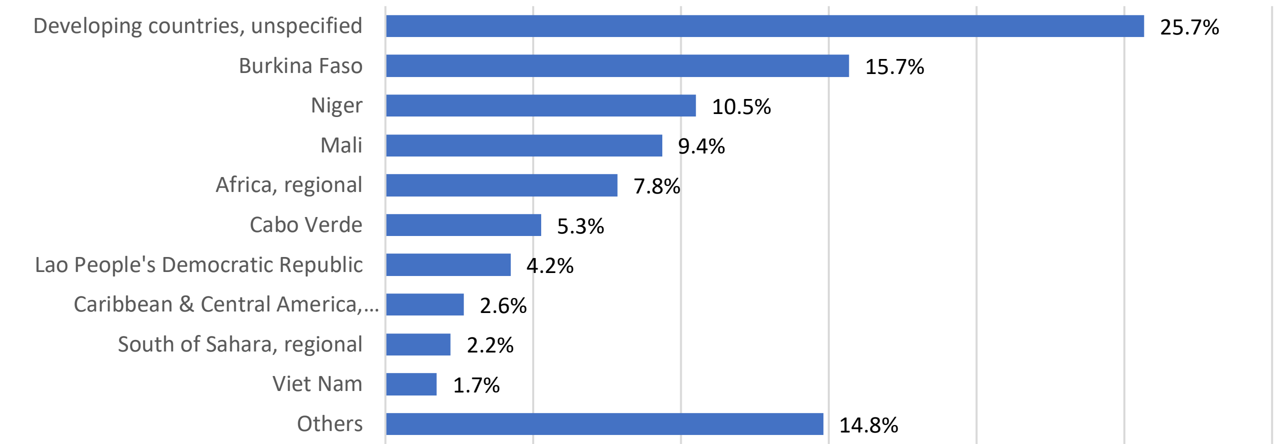
* Category 4 accounts for all Building Productive Capacity (BPC) activities, including those with TD marker (Cat. 2).

Trade Related Assistance[50] from Luxembourg by category (in EUR thousand)

	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	-	-	2 156	73	1 621	1 516
Trade Development (Cat. 2*)	-	760	764	-	15 651	17 141
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-
Total TRA	**-**	**760**	**2 919**	**73**	**17 272**	**18 657**

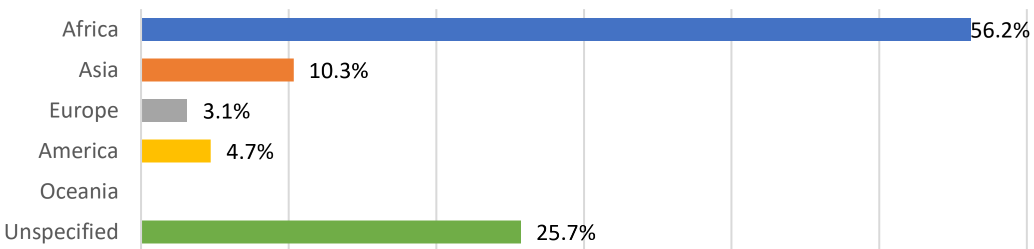
* Cat 2: Trade Development (TD) is a sub-set of Cat 4: Building Productive Capacity (BPC) and is captured using the TD DAC marker.

Main recipients* of AfT from Luxembourg in 2019 (in percentages)



* Regional recipients correspond to the regional distribution used by the OECD

AfT from Luxembourg by continent in 2019 (in percentages)



[49] 'Total Aid for Trade' includes all AfT categories and represents the 'wider Aid for Trade agenda'
[50] 'Trade Related assistance (TRA)' is a subset of 'Total Aid for Trade' and represents the 'classical AfT' (which is narrower in types of support)

13.19 MALTA[51]

Total Aid for Trade[52] from Malta by category (in EUR thousand)

	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	-	-	-	-	-	-
Trade Related Infrastructure (Cat. 3)	-	-	-	-	-	-
Building Productive Capacity (Cat. 4*)	-	-	-	-	-	-
Trade Related Adjustment (Cat. 5)	-	-	-	-	-	-
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-
Total AfT	-	-	-	-	-	-

* Category 4 accounts for all Building Productive Capacity (BPC) activities, including those with TD marker (Cat. 2).

Trade Related Assistance[53] from Malta by category (in EUR thousand)

	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	-	-	-	-	-	-
Trade Development (Cat. 2*)	-	-	-	-	-	-
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-
Total TRA	-	-	-	-	-	-

* Cat 2: Trade Development (TD) is a sub-set of Cat 4: Building Productive Capacity (BPC) and is captured using the TD DAC marker.

[51] Bulgaria and Malta have not reported to the OECD in the period under analysis in this report.
[52] 'Total Aid for Trade' includes all AfT categories and represents the 'wider Aid for Trade agenda'
[53] 'Trade Related assistance (TRA)' is a subset of 'Total Aid for Trade' and represents the 'classical AfT' (which is narrower in types of support)

13.20 NETHERLANDS

Total Aid for Trade[54] from Netherlands by category (in EUR thousand)

	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	68 770	122 323	55 368	56 510	47 560	23 079
Trade Related Infrastructure (Cat. 3)	21 622	50 057	44 260	44 398	58 204	65 672
Building Productive Capacity (Cat. 4*)	772 262	396 581	379 500	511 832	512 324	761 221
Trade Related Adjustment (Cat. 5)	-	-	-	-	-	-
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-
Total AfT	**862 654**	**568 961**	**479 128**	**612 740**	**618 087**	**849 971**

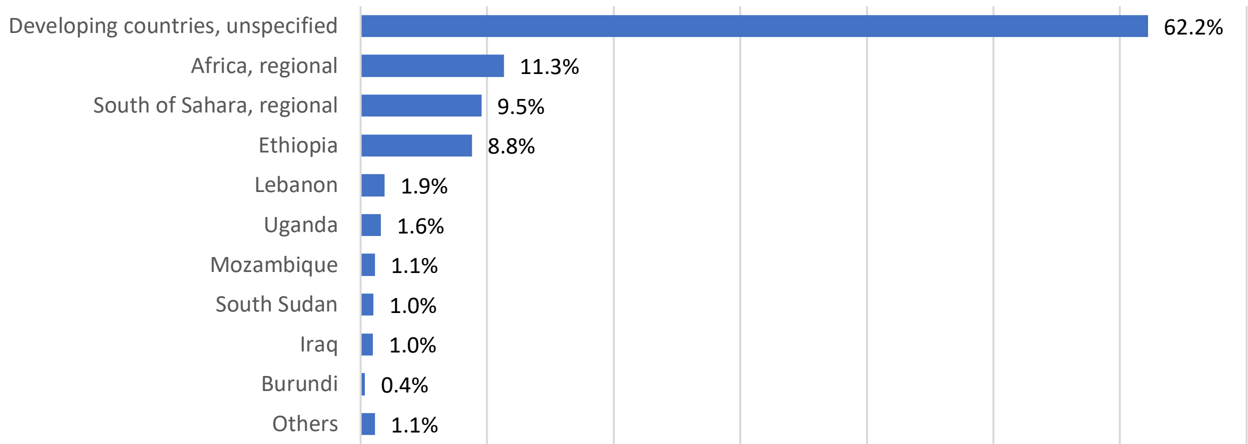
* Category 4 accounts for all Building Productive Capacity (BPC) activities, including those with TD marker (Cat. 2).

Trade Related Assistance[55] from Netherlands by category (in EUR thousand)

	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	68 770	122 323	55 368	56 510	47 560	23 079
Trade Development (Cat. 2*)	772 262	396 581	379 500	511 832	512 324	752 868
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-
Total TRA	**841 032**	**518 904**	**434 868**	**568 342**	**559 883**	**775 947**

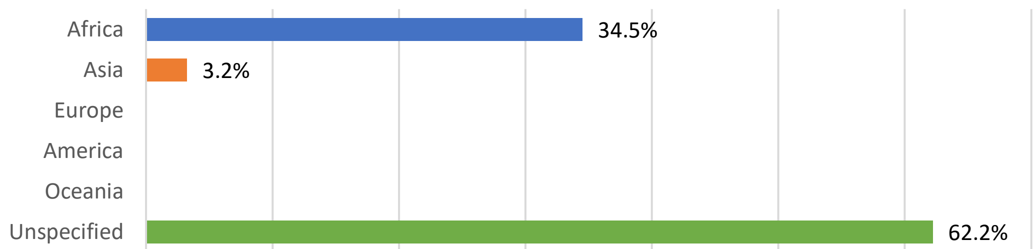
* Cat 2: Trade Development (TD) is a sub-set of Cat 4: Building Productive Capacity (BPC) and is captured using the TD DAC marker.

Main recipients* of AfT from Netherlands in 2019 (in percentages)



* Regional recipients correspond to the regional distribution used by the OECD

AfT from Netherlands by continent in 2019 (in percentages)



[54] 'Total Aid for Trade' includes all AfT categories and represents the 'wider Aid for Trade agenda'
[55] 'Trade Related assistance (TRA)' is a subset of 'Total Aid for Trade' and represents the 'classical AfT' (which is narrower in types of support)

13.21 POLAND

Total Aid for Trade[56] from Poland by category (in EUR thousand)

	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	-	-	11	-	-	-
Trade Related Infrastructure (Cat. 3)	745	1 963	405	328	263	4 745
Building Productive Capacity (Cat. 4*)	20 520	27 259	73 402	14 391	32 905	18 933
Trade Related Adjustment (Cat. 5)	-	-	-	-	-	-
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-
Total AfT	**21 266**	**29 222**	**73 819**	**14 718**	**33 168**	**23 678**

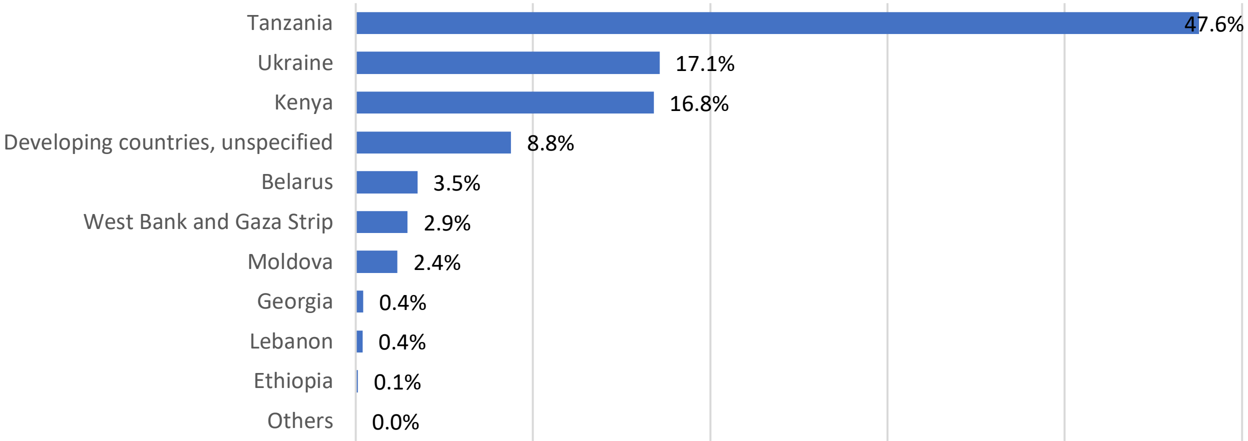
* Category 4 accounts for all Building Productive Capacity (BPC) activities, including those with TD marker (Cat. 2).

Trade Related Assistance[57] from Poland by category (in EUR thousand)

	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	-	-	11	-	-	-
Trade Development (Cat. 2*)	1 060	1 765	2 924	2 327	3 281	3 863
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-
Total TRA	**1 060**	**1 765**	**2 935**	**2 327**	**3 281**	**3 863**

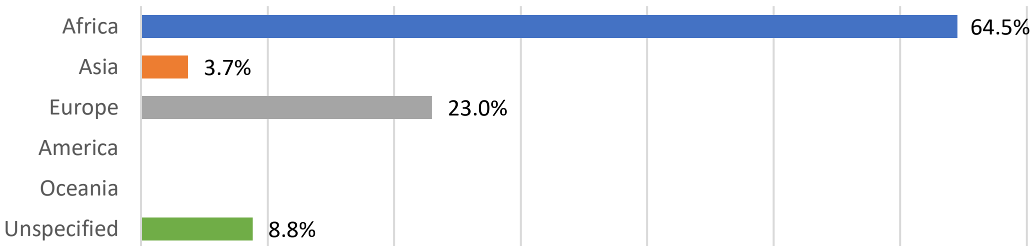
* Cat 2: Trade Development (TD) is a sub-set of Cat 4: Building Productive Capacity (BPC) and is captured using the TD DAC marker.

Main recipients* of AfT from Poland in 2019 (in percentages)



* Regional recipients correspond to the regional distribution used by the OECD

AfT from Poland by continent in 2019 (in percentages)



[56] 'Total Aid for Trade' includes all AfT categories and represents the 'wider Aid for Trade agenda'
[57] 'Trade Related assistance (TRA)' is a subset of 'Total Aid for Trade' and represents the 'classical AfT' (which is narrower in types of support)

13.22 PORTUGAL

Total Aid for Trade[58] from Portugal by category (in EUR thousand)

	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	-	-	699	58	68	42
Trade Related Infrastructure (Cat. 3)	37 095	20 322	1 319	858	2 034	1 887
Building Productive Capacity (Cat. 4*)	1 588	2 941	1 880	2 239	12 515	2 250
Trade Related Adjustment (Cat. 5)	-	-	-	-	-	-
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-
Total AfT	**38 683**	**23 263**	**3 897**	**3 155**	**14 616**	**4 179**

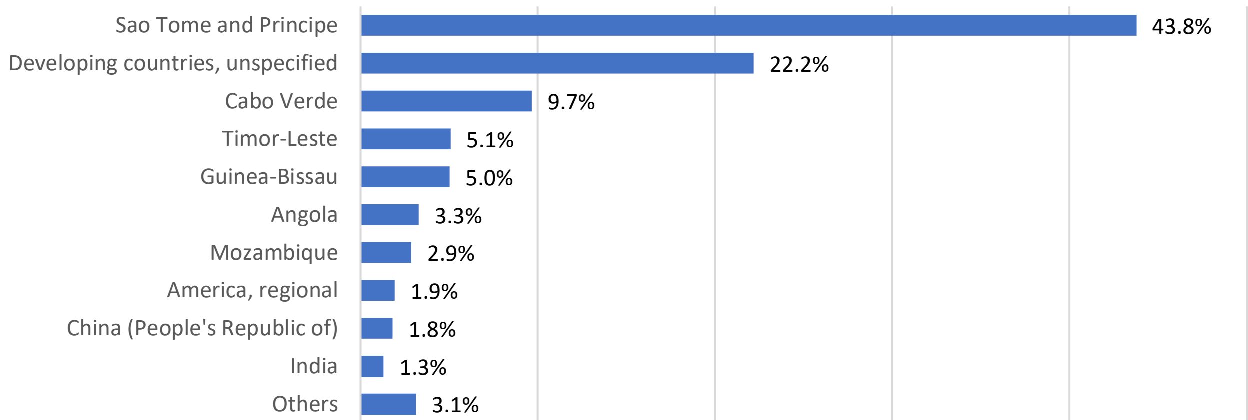
* Category 4 accounts for all Building Productive Capacity (BPC) activities, including those with TD marker (Cat. 2).

Trade Related Assistance[59] from Portugal by category (in EUR thousand)

	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	-	-	699	58	68	42
Trade Development (Cat. 2*)	1 467	1 244	1 331	1 212	12 309	2 150
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-
Total TRA	**1 467**	**1 244**	**2 030**	**1 270**	**12 377**	**2 192**

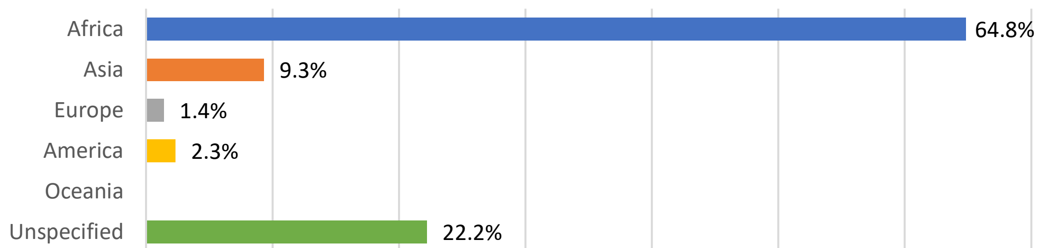
* Cat 2: Trade Development (TD) is a sub-set of Cat 4: Building Productive Capacity (BPC) and is captured using the TD DAC marker.

Main recipients* of AfT from Portugal in 2019 (in percentages)



* Regional recipients correspond to the regional distribution used by the OECD

AfT from Portugal by continent in 2019 (in percentages)



[58] 'Total Aid for Trade' includes all AfT categories and represents the 'wider Aid for Trade agenda'
[59] 'Trade Related assistance (TRA)' is a subset of 'Total Aid for Trade' and represents the 'classical AfT' (which is narrower in types of support)

13.23 ROMANIA

Total Aid for Trade[60] from Romania by category (in EUR thousand)

	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	-	-	3	-	-	-
Trade Related Infrastructure (Cat. 3)	-	-	1 002	-	290	79
Building Productive Capacity (Cat. 4*)	290	461	185	-	37	194
Trade Related Adjustment (Cat. 5)	-	-	-	-	-	-
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-
Total AfT	**290**	**461**	**1 191**	**-**	**327**	**273**

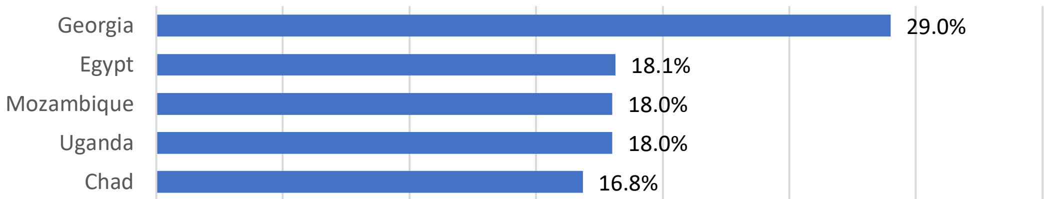
* Category 4 accounts for all Building Productive Capacity (BPC) activities, including those with TD marker (Cat. 2).

Trade Related Assistance[61] from Romania by category (in EUR thousand)

	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	-	-	3	-	-	-
Trade Development (Cat. 2*)	240	105	-	-	-	194
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-
Total TRA	**240**	**105**	**3**	**-**	**-**	**194**

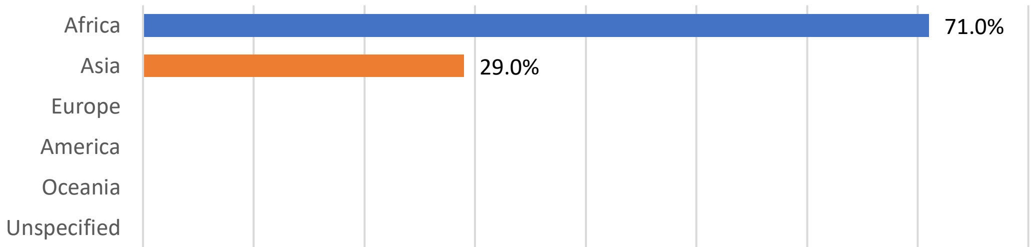
* Cat 2: Trade Development (TD) is a sub-set of Cat 4: Building Productive Capacity (BPC) and is captured using the TD DAC marker.

Main recipients* of AfT from Romania in 2019 (in percentages)



* Regional recipients correspond to the regional distribution used by the OECD

AfT from Romania by continent in 2019 (in percentages)



60 'Total Aid for Trade' includes all AfT categories and represents the 'wider Aid for Trade agenda'
61 'Trade Related assistance (TRA)' is a subset of 'Total Aid for Trade' and represents the 'classical AfT' (which is narrower in types of support)

13.24 SLOVAKIA

Total Aid for Trade[62] from Slovakia by category (in EUR thousand)

	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	-	6	2	5	15	2
Trade Related Infrastructure (Cat. 3)	145	187	185	161	156	413
Building Productive Capacity (Cat. 4*)	653	633	540	545	453	2 277
Trade Related Adjustment (Cat. 5)	-	-	-	-	-	-
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-
Total AfT	**799**	**826**	**727**	**711**	**624**	**2 692**

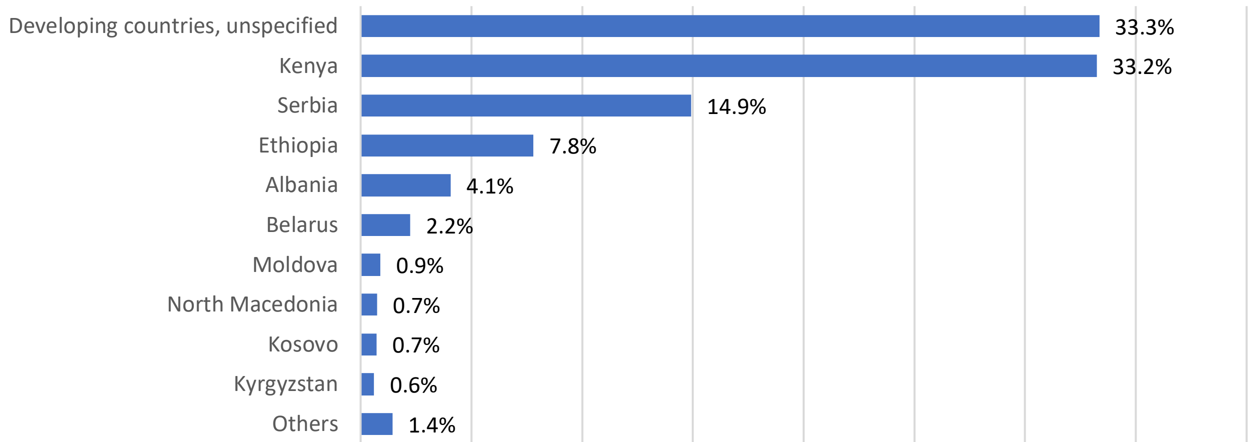
* Category 4 accounts for all Building Productive Capacity (BPC) activities, including those with TD marker (Cat. 2).

Trade Related Assistance[63] from Slovakia by category (in EUR thousand)

	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	-	6	2	5	15	2
Trade Development (Cat. 2*)	99	318	505	176	410	409
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-
Total TRA	**99**	**325**	**507**	**181**	**425**	**410**

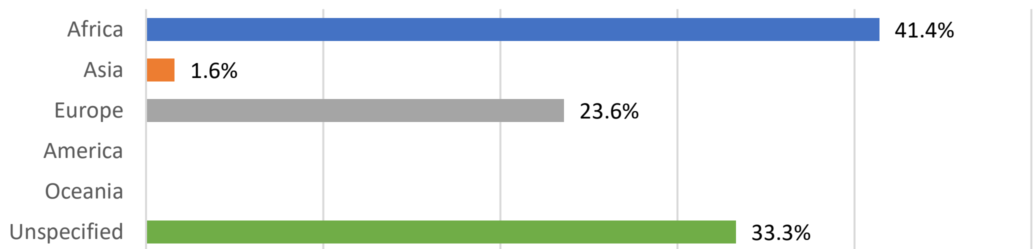
* Cat 2: Trade Development (TD) is a sub-set of Cat 4: Building Productive Capacity (BPC) and is captured using the TD DAC marker.

Main recipients* of AfT from Slovakia in 2019 (in percentages)



* Regional recipients correspond to the regional distribution used by the OECD

AfT from Slovakia by continent in 2019 (in percentages)



[62] 'Total Aid for Trade' includes all AfT categories and represents the 'wider Aid for Trade agenda'
[63] 'Trade Related assistance (TRA)' is a subset of 'Total Aid for Trade' and represents the 'classical AfT' (which is narrower in types of support)

13.25 SLOVENIA

Total Aid for Trade[64] from Slovenia by category (in EUR thousand)

	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	-	-	-	2	4	-
Trade Related Infrastructure (Cat. 3)	128	-58	128	405	4 948	154
Building Productive Capacity (Cat. 4*)	230	166	989	522	544	954
Trade Related Adjustment (Cat. 5)	-	-	-	-	-	-
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-
Total AfT	**358**	**108**	**1 116**	**928**	**5 496**	**1 108**

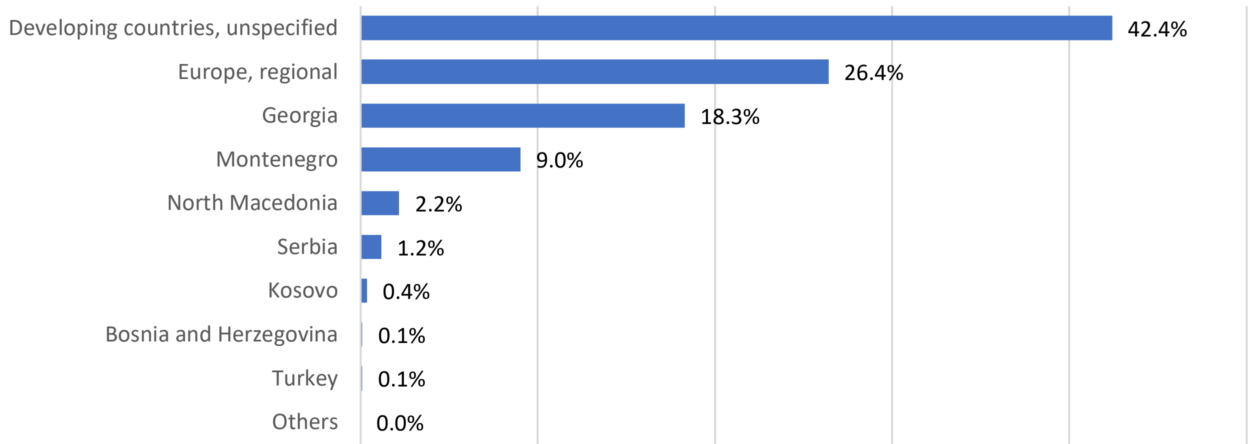
* Category 4 accounts for all Building Productive Capacity (BPC) activities, including those with TD marker (Cat. 2).

Trade Related Assistance[65] from Slovenia by category (in EUR thousand)

	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	-	-	-	2	4	-
Trade Development (Cat. 2*)	204	166	665	506	172	709
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-
Total TRA	**204**	**166**	**665**	**508**	**176**	**709**

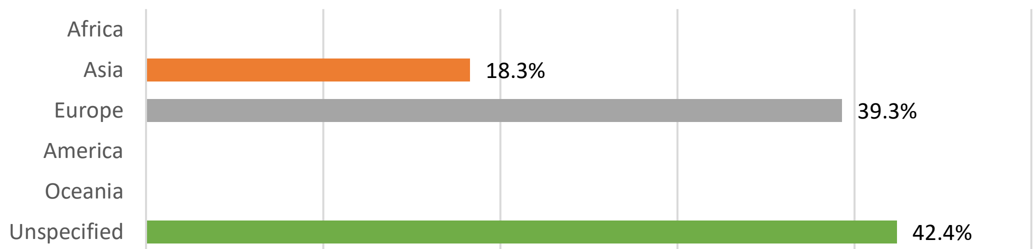
* Cat 2: Trade Development (TD) is a sub-set of Cat 4: Building Productive Capacity (BPC) and is captured using the TD DAC marker.

Main recipients* of AfT from Slovenia in 2019 (in percentages)



* Regional recipients correspond to the regional distribution used by the OECD

AfT from Slovenia by continent in 2019 (in percentages)



[64] 'Total Aid for Trade' includes all AfT categories and represents the 'wider Aid for Trade agenda'

[65] 'Trade Related assistance (TRA)' is a subset of 'Total Aid for Trade' and represents the 'classical AfT' (which is narrower in types of support)

13.26 SPAIN

Total Aid for Trade[66] from Spain by category (in EUR thousand)

	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	195	1	163	129	1 716	476
Trade Related Infrastructure (Cat. 3)	2 318	13 685	3 624	26 772	5 873	31 343
Building Productive Capacity (Cat. 4*)	97 856	33 709	35 284	69 185	73 799	59 610
Trade Related Adjustment (Cat. 5)	-	-	-	-	-	-
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-
Total AfT	**100 369**	**47 395**	**39 071**	**96 086**	**81 388**	**91 430**

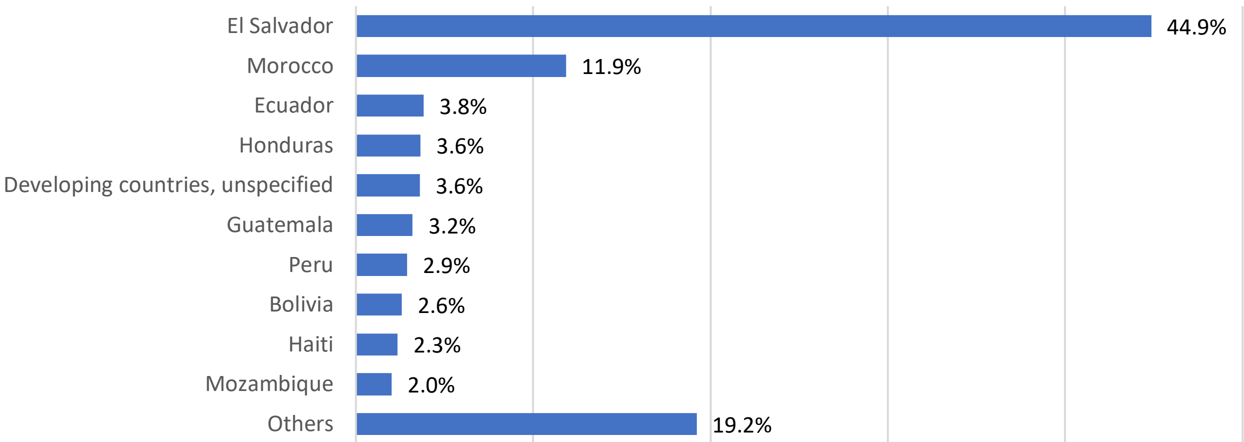
* Category 4 accounts for all Building Productive Capacity (BPC) activities, including those with TD marker (Cat. 2).

Trade Related Assistance[67] from Spain by category (in EUR thousand)

	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	195	1	163	129	1 716	476
Trade Development (Cat. 2*)	31 769	20 199	13 336	39 143	21 102	9 439
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-
Total TRA	**31 964**	**20 200**	**13 498**	**39 272**	**22 818**	**9 916**

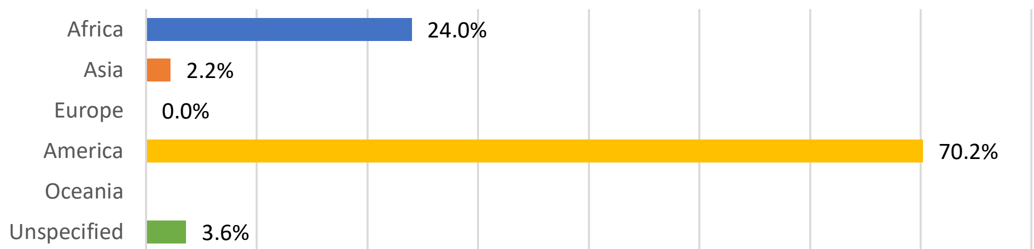
* Cat 2: Trade Development (TD) is a sub-set of Cat 4: Building Productive Capacity (BPC) and is captured using the TD DAC marker.

Main recipients* of AfT from Spain in 2019 (in percentages)



* Regional recipients correspond to the regional distribution used by the OECD

AfT from Spain by continent in 2019 (in percentages)



[66] 'Total Aid for Trade' includes all AfT categories and represents the 'wider Aid for Trade agenda'
[67] 'Trade Related assistance (TRA)' is a subset of 'Total Aid for Trade' and represents the 'classical AfT' (which is narrower in types of support)

13.27 SWEDEN

Total Aid for Trade[68] from Sweden by category (in EUR thousand)

	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	31 436	29 621	25 640	22 774	6 014	2 752
Trade Related Infrastructure (Cat. 3)	46 365	111 302	73 174	70 043	98 039	121 538
Building Productive Capacity (Cat. 4*)	244 287	104 899	194 200	231 607	354 123	287 110
Trade Related Adjustment (Cat. 5)	-	1 545	-	75	4 074	44
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-
Total AfT	**322 088**	**247 366**	**293 014**	**324 499**	**462 250**	**411 443**

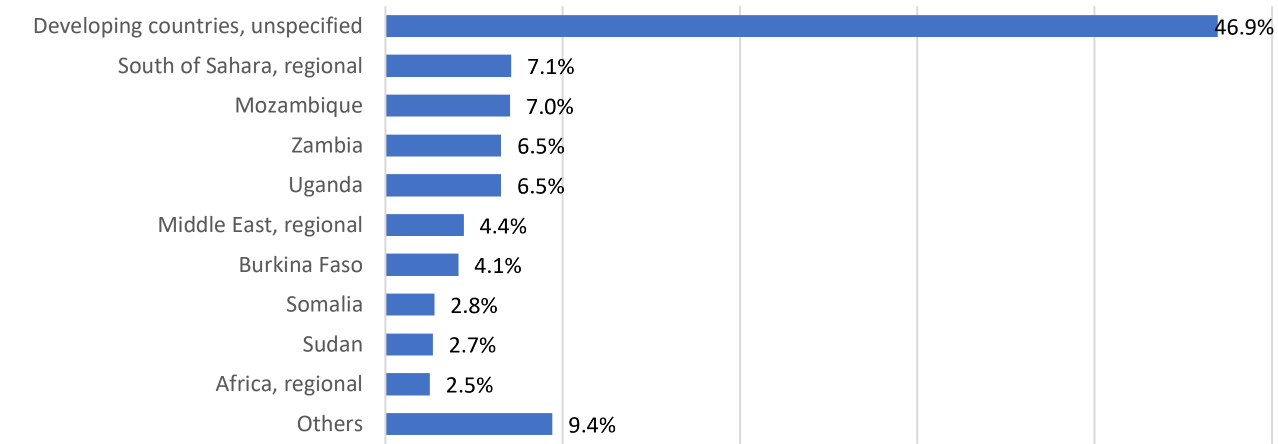
* Category 4 accounts for all Building Productive Capacity (BPC) activities, including those with TD marker (Cat. 2).

Trade Related Assistance[69] from Sweden by category (in EUR thousand)

	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	31 436	29 621	25 640	22 774	6 014	2 752
Trade Development (Cat. 2*)	186 853	81 174	145 335	202 288	197 279	117 580
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-
Total TRA	**218 289**	**110 795**	**170 974**	**225 063**	**203 293**	**120 332**

* Cat 2: Trade Development (TD) is a sub-set of Cat 4: Building Productive Capacity (BPC) and is captured using the TD DAC marker.

Main recipients* of AfT from Sweden in 2019 (in percentages)



* Regional recipients correspond to the regional distribution used by the OECD

AfT from Sweden by continent in 2019 (in percentages)

68 'Total Aid for Trade' includes all AfT categories and represents the 'wider Aid for Trade agenda'
69 'Trade Related assistance (TRA)' is a subset of 'Total Aid for Trade' and represents the 'classical AfT' (which is narrower in types of support)

13.28 EUROPEAN UNION[70]

Total Aid for Trade[71] from European Union by category (in EUR thousand)

	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	97 440	171 782	88 815	171 786	114 082	242 399
Trade Related Infrastructure (Cat. 3)	2 527 694	2 846 110	4 541 383	3 519 399	3 463 472	2 682 645
Building Productive Capacity (Cat. 4*)	3 394 411	3 348 738	3 497 281	3 955 291	3 449 578	2 705 616
Trade Related Adjustment (Cat. 5)	4	-	-	-	-	5 000
Other Trade Related needs (Cat. 6)	539 776	-	-	-	-	-
Total AfT	**6 559 326**	**6 366 629**	**8 127 479**	**7 646 476**	**7 027 132**	**5 635 659**

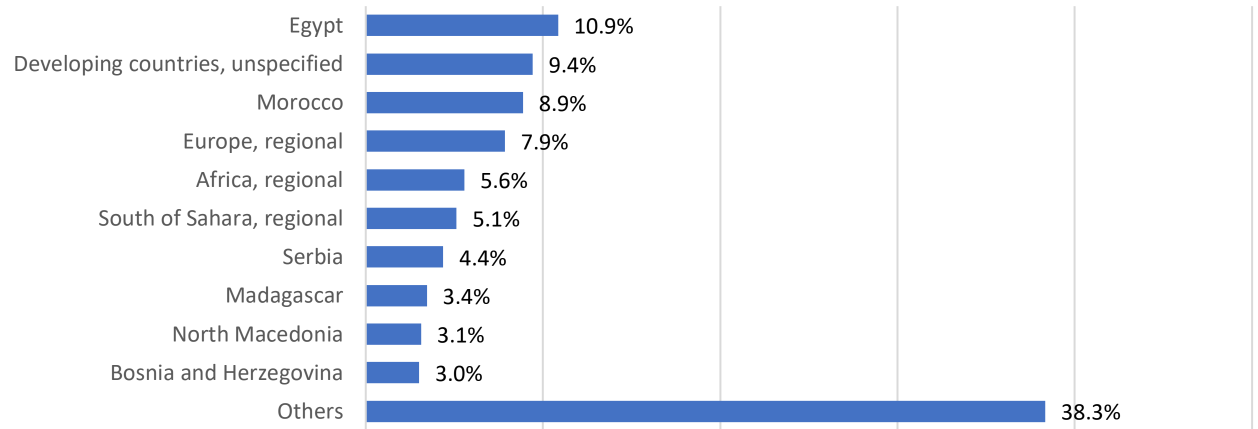
* Category 4 accounts for all Building Productive Capacity (BPC) activities, including those with TD marker (Cat. 2).

Trade Related Assistance[72] from European Union by category (in EUR thousand)

	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	97 440	171 782	88 815	171 786	114 082	242 399
Trade Development (Cat. 2*)	149 460	749 849	1 345 537	1 455 268	994 181	669 367
Other Trade Related needs (Cat. 6)	59 000	-	-	-	-	-
Total TRA	**305 900**	**921 630**	**1 434 352**	**1 627 053**	**1 108 263**	**911 766**

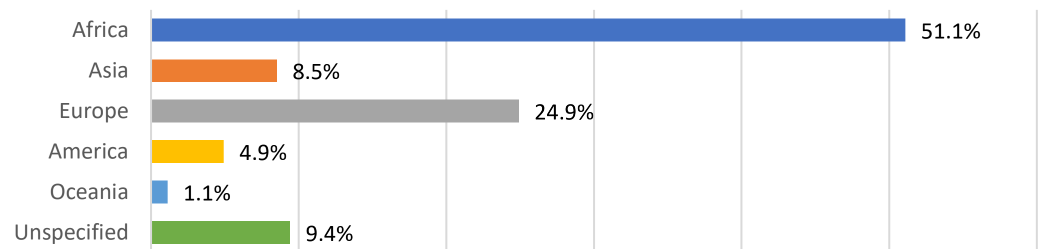
* Cat 2: Trade Development (TD) is a sub-set of Cat 4: Building Productive Capacity (BPC) and is captured using the TD DAC marker.

Main recipients* of AfT from European Union in 2019 (in percentages)



* Regional recipients correspond to the regional distribution used by the OECD

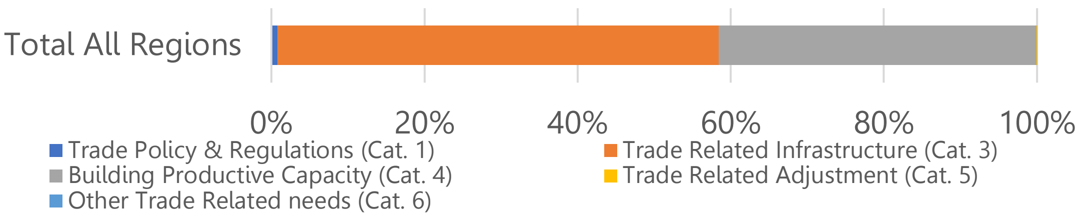
AfT from European Union by continent in 2019 (in percentages)



[70] 'European Union' represents the ´EU Institutions´ (EC+EIB).
[71] 'Total Aid for Trade' includes all AfT categories and represents the 'wider Aid for Trade agenda'
[72] 'Trade Related assistance (TRA)' is a subset of 'Total Aid for Trade' and represents the 'classical AfT' (which is narrower in types of support)

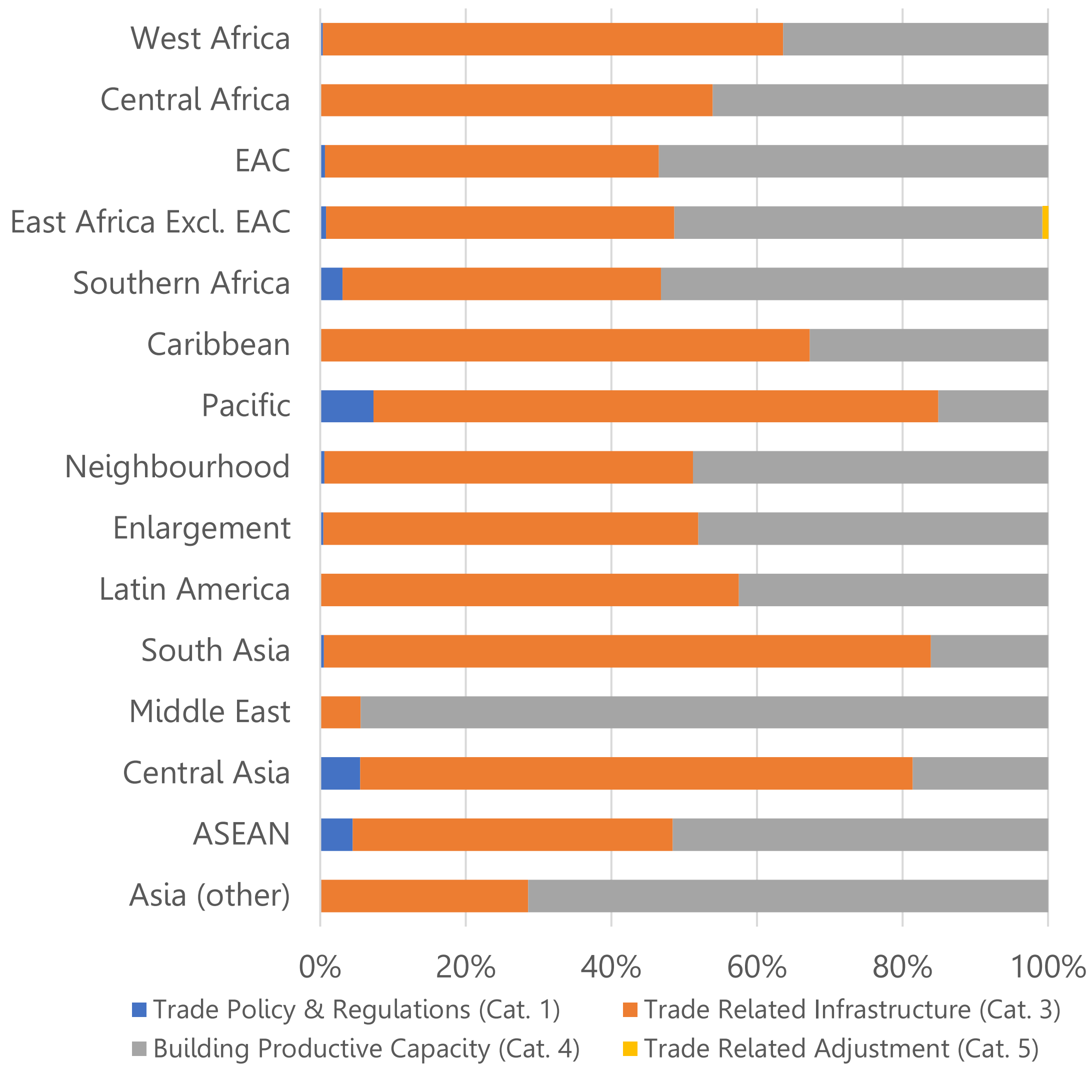
14 AID FOR TRADE BY REGION[73] - BILATERAL[74]

AfT EU & EU MS 27 to bilateral programmes by category all regions in 2019



* Category 4 accounts for all Building Productive Capacity (BPC) activities, including those with TD marker (Cat. 2).
** The EU is currently not collecting data on category 6 given that it is a manual collection and not extractable from the OECD CRS. Thus the data presented for Cat 6 in this report is historical data collected during previous exercises and covers the period 2010-2014.

AfT EU & EU MS 27 to bilateral programmes by category and region in 2019



[73] Regional groups presented in this section correspond to the regional distribution used by DG INTPA.
[74] This section only includes 'Bilateral' contributions to specific countries. Regional contributions are reported in the following section.

14.1 WEST AFRICA

Total Aid for Trade[75] EU & EU MS 27 to West Africa by category (in EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	24	12	0	0	1	5	10	6
Trade Related Infrastructure (Cat. 3)	306	650	463	373	550	593	519	1 039
Building Productive Capacity (Cat. 4*)	390	356	471	486	722	675	505	598
Trade Related Adjustment (Cat. 5)	-	-	-	-	-	0	-	-
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-	-	-
Total AfT	**719**	**1 018**	**934**	**859**	**1 272**	**1 273**	**1 034**	**1 642**

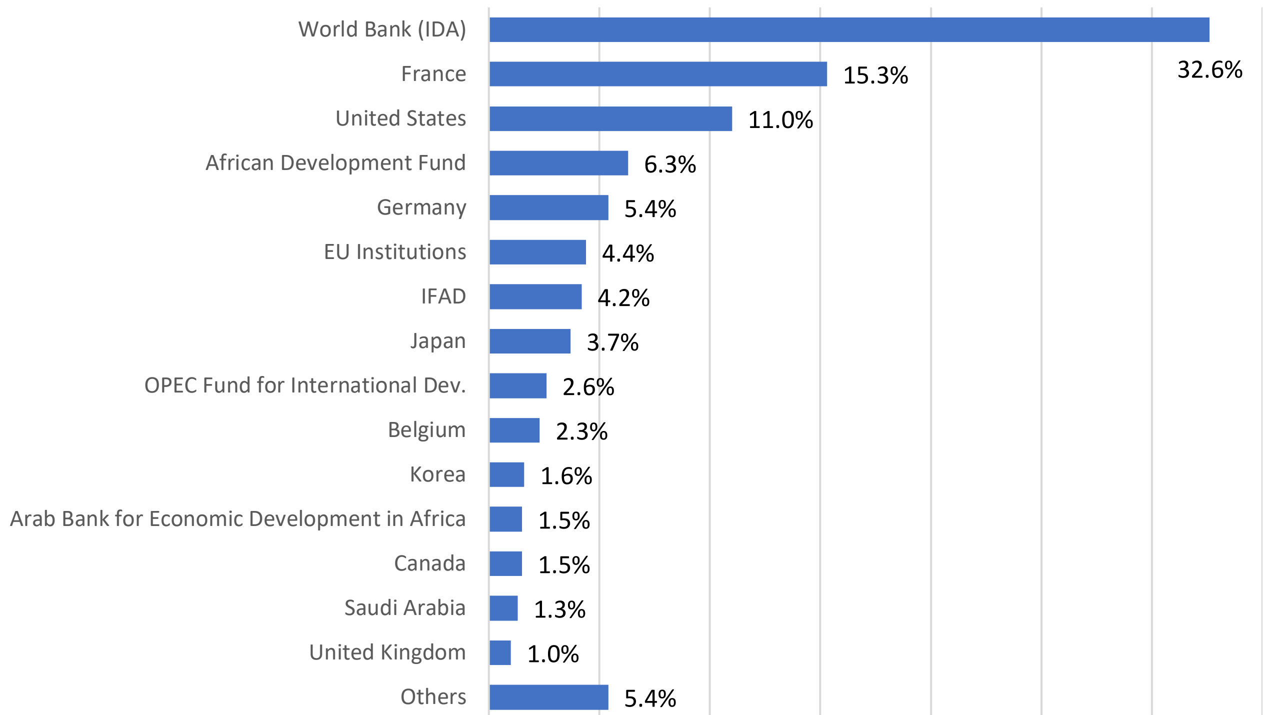
* Category 4 accounts for all Building Productive Capacity (BPC) activities, including those with TD marker (Cat. 2).

Trade Related Assistance[76] EU & EU MS 27 to West Africa by category (in EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	24	12	0	0	1	5	10	6
Trade Development (Cat. 2*)	114	168	106	230	225	429	250	372
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-	-	-
Total TRA	**138**	**180**	**106**	**230**	**226**	**435**	**260**	**377**

* Cat 2: Trade Development (TD) is a sub-set of Cat 4: Building Productive Capacity (BPC) and is captured using the TD DAC marker.

Main AfT donors to West Africa in 2019 (in percentages)



[75] 'Total Aid for Trade' includes all AfT categories and represents the 'wider Aid for Trade agenda'
[76] 'Trade Related assistance (TRA)' is a subset of 'Total Aid for Trade' and represents the 'classical AfT' (which is narrower in types of support)

AfT EU & EU MS 27 to West Africa per country (in EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Benin	26	72	46	114	8	194	67	100
Burkina Faso	116	122	75	42	170	77	96	129
Cabo Verde	15	14	44	35	7	6	3	43
Côte d'Ivoire	50	24	3	102	94	137	169	181
Gambia	8.6	12	0	0.2	0.2	54.7	43	0
Ghana	252	53	34	55	147	202	64	107
Guinea	7	90	1	2	37	23	39	98
Guinea-Bissau	1	12	2	1	2	2	9	2
Liberia	44	100	7	92	37	31	40	69
Mali	27	135	43	77	134	125	131	46
Mauritania	27	23	8	6	2	5	26	14
Niger	16	127	84	7	329	90	92	68
Nigeria	36	49	329	113	161	143	106	445
Senegal	86	63	227	154	42	166	99	295
Sierra Leone	3	112	2	49	60	6	6	40
Togo	5	11	30	11	42	10	45	5
Total	**719**	**1 018**	**934**	**859**	**1 272**	**1 273**	**1 034**	**1 642**

AfT EU to West Africa per country (in EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Benin	7	51	-	19	5	107	49	1
Burkina Faso	22	83	-	-	146	33	29	-
Cabo Verde	-	-	8	-	5	5	-	39
Côte d'Ivoire	49	14	-	74	92	12	19	20
Gambia	8	11	-	-	-	55	40	-
Ghana	8	11	-	-	35	140	13	-
Guinea	5	89	-	-	-	-	27	-
Guinea-Bissau	-	11	-	-	-	-	8	1
Liberia	9	65	-	58	31	-	15	48
Mali	-	64	-	21	115	21	36	7
Mauritania	7	-	2	-	-	-	4	-
Niger	-	72	-	-	305	46	-	2
Nigeria	21	29	-	-	54	111	32	-
Senegal	-	-	1	63	-	9	5	95
Sierra Leone	-	111	-	49	37	5	-	38
Togo	-	3	-	-	16	5	15	1
Total	**135**	**615**	**11**	**284**	**841**	**550**	**292**	**251**

14.2 CENTRAL AFRICA

Total Aid for Trade[77] EU & EU MS 27 to Central Africa by category (in EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	0.2	-	-		0.2	-	-	-
Trade Related Infrastructure (Cat. 3)	192	64	150	111	400	30	55	150
Building Productive Capacity (Cat. 4*)	133	63	48	84	90	191	103	128
Trade Related Adjustment (Cat. 5)	-	-	-	-	-	-	-	-
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-	-	-
Total AfT	**325**	**126**	**198**	**195**	**490**	**221**	**158**	**278**

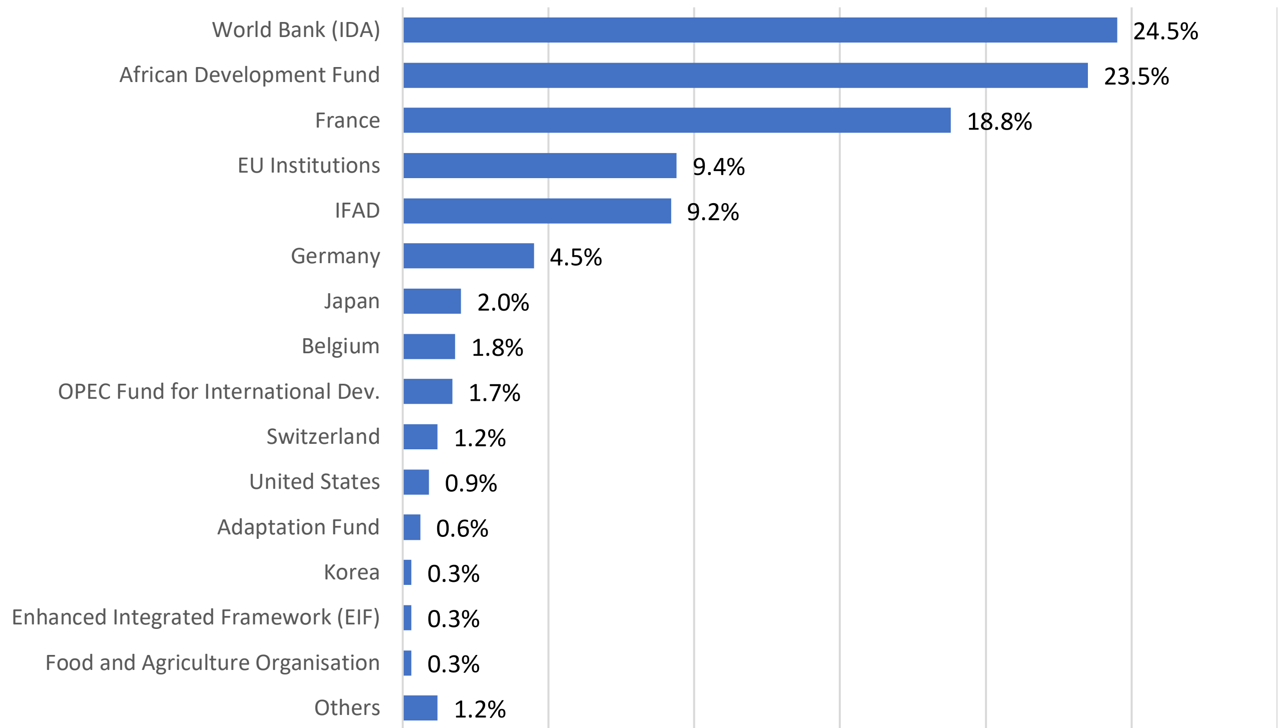
* Category 4 accounts for all Building Productive Capacity (BPC) activities, including those with TD marker (Cat. 2).

Trade Related Assistance[78] EU & EU MS 27 to Central Africa by category (EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	0.2	-	-	0	0.2	-	-	-
Trade Development (Cat. 2*)	29	28	11	17	43	28	27	36
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-	-	-
Total TRA	**29**	**28**	**11**	**17**	**43**	**28**	**27**	**36**

* Cat 2: Trade Development (TD) is a sub-set of Cat 4: Building Productive Capacity (BPC) and is captured using the TD DAC marker.

Main AfT donors to Central Africa in 2019 (in percentages)



[77] 'Total Aid for Trade' includes all AfT categories and represents the 'wider Aid for Trade agenda'
[78] 'Trade Related assistance (TRA)' is a subset of 'Total Aid for Trade' and represents the 'classical AfT' (which is narrower in types of support)

Total AfT EU & EU MS 27 to Central Africa per country (in EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Cameroon	241	22	56	32	133	158	55	206
Central African Republic	9	6	-	0	0.3	3.2	36	7
Chad	1	4	3	49	1	2	1	13
Congo	46	1	2	73	14	0	30.6	0
Democratic Republic of the Congo	28	89	80	28	228	57	34	25
Equatorial Guinea	-	-	0	-	-	-	-	-
Gabon	0.5	0	57.7	0	106.0	-	-	24
Sao Tome and Principe	0	3.8	0	13.5	8	0	1.6	2
Total	**325**	**126**	**198**	**195**	**490**	**221**	**158**	**278**

Total AfT EU to Central Africa per country (in EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Cameroon	79	11	32	-	10	105	33	68
Central African Republic	9	5	-	-	-	-	32	6
Chad	-	-	-	42	-	2	-	-
Congo	45	-	-	-	13	-	31	-
Democratic Republic of the Congo	-	22	11	-	156	12	5	-
Gabon	-	-	-	-	-	-	-	-
Sao Tome and Principe	-	4	-	-	7	-	-	-
Total	**132**	**42**	**43**	**42**	**187**	**119**	**100**	**74**

14.3 EAC

Total Aid for Trade[79] EU & EU MS 27 to EAC by category (in EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	23	8	11	0	-	6	1	5
Trade Related Infrastructure (Cat. 3)	541	514	339	454	430	461	201	347
Building Productive Capacity (Cat. 4*)	207	357	265	292	643	234	256	405
Trade Related Adjustment (Cat. 5)	-	-	-	-	-	-	-	-
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-	-	-
Total AfT	**771**	**878**	**616**	**747**	**1 074**	**702**	**458**	**756**

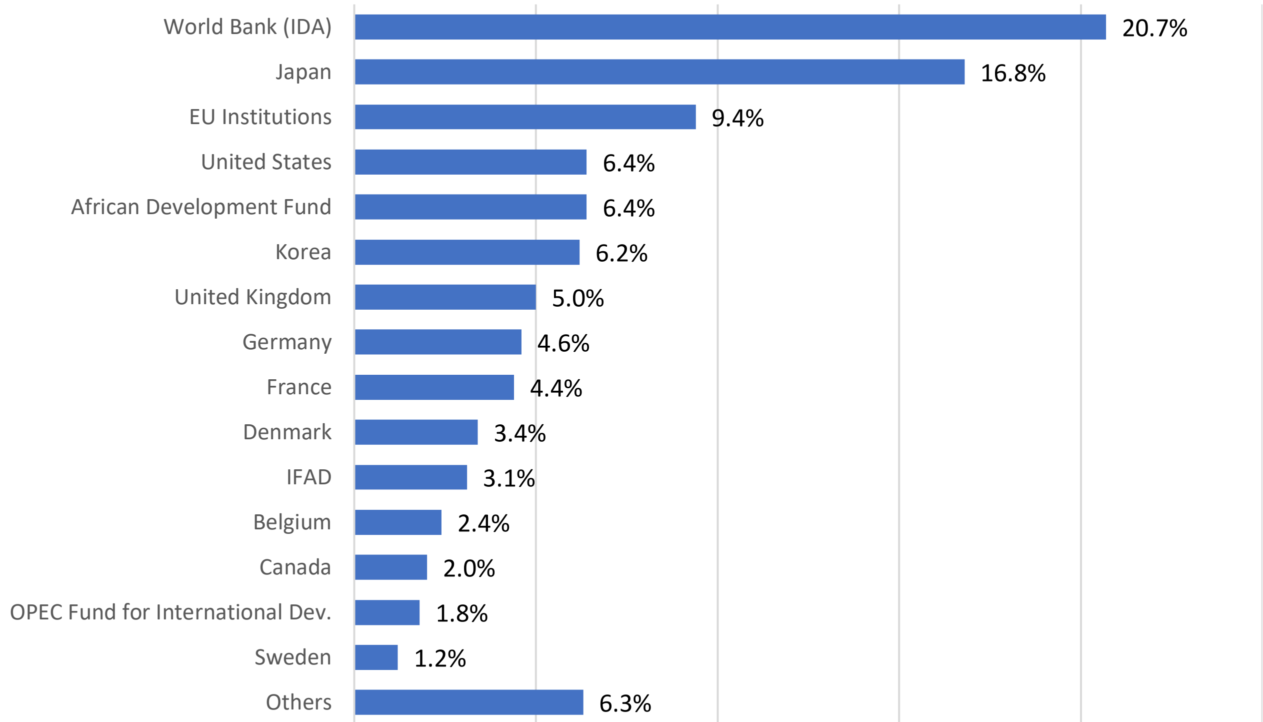
* Category 4 accounts for all Building Productive Capacity (BPC) activities, including those with TD marker (Cat. 2).

Trade Related Assistance[80] EU & EU MS 27 to EAC by category (in EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	23	8	11	0	-	6	1	5
Trade Development (Cat. 2*)	148	199	151	172	541	149	123	222
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-	-	-
Total TRA	**170**	**206**	**162**	**172**	**541**	**155**	**124**	**227**

* Cat 2: Trade Development (TD) is a sub-set of Cat 4: Building Productive Capacity (BPC) and is captured using the TD DAC marker.

Main AfT donors to EAC in 2019 (in percentages)



79 'Total Aid for Trade' includes all AfT categories and represents the 'wider Aid for Trade agenda'
80 'Trade Related assistance (TRA)' is a subset of 'Total Aid for Trade' and represents the 'classical AfT' (which is narrower in types of support)

Total AfT EU & EU MS 27 to EAC per country (in EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Burundi	46	88	68	54	20	37	45	86
Kenya	402	246	220	230	184	397	84	251
Rwanda	62	81	44	52	409	66	21	108
South Sudan	10	28	1	15	6	19	33	25
Tanzania	114	340	105	294	115	60	107	31
Uganda	138	96	178	101	340	123	169	255
Total	**771**	**878**	**616**	**747**	**1 074**	**702**	**458**	**756**

Total AfT EU to EAC per country (in EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Burundi	26	28	44	-	16	10	3	81
Kenya	190	47	53	59	52	51	28	93
Rwanda	22	54	9	24	393	4	-	10
South Sudan	-	-	-	-	-	-	-	2
Tanzania	80	184	4	68	53	24	61	-
Uganda	76	29	62	14	178	95	53	69
Total	**394**	**343**	**172**	**165**	**691**	**183**	**145**	**254**

14.4 EAST AFRICA EXCLUDING EAC

Total Aid for Trade[81] EU & EU MS 27 to East Africa by category (in EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	14	17	-	0	0	-	0	5
Trade Related Infrastructure (Cat. 3)	181	267	247	423	280	326	145	315
Building Productive Capacity (Cat. 4*)	443	279	194	386	188	527	504	333
Trade Related Adjustment (Cat. 5)	-	-	-	-	2	-	-	5
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-	-	-
Total AfT	**638**	**563**	**440**	**809**	**470**	**853**	**650**	**658**

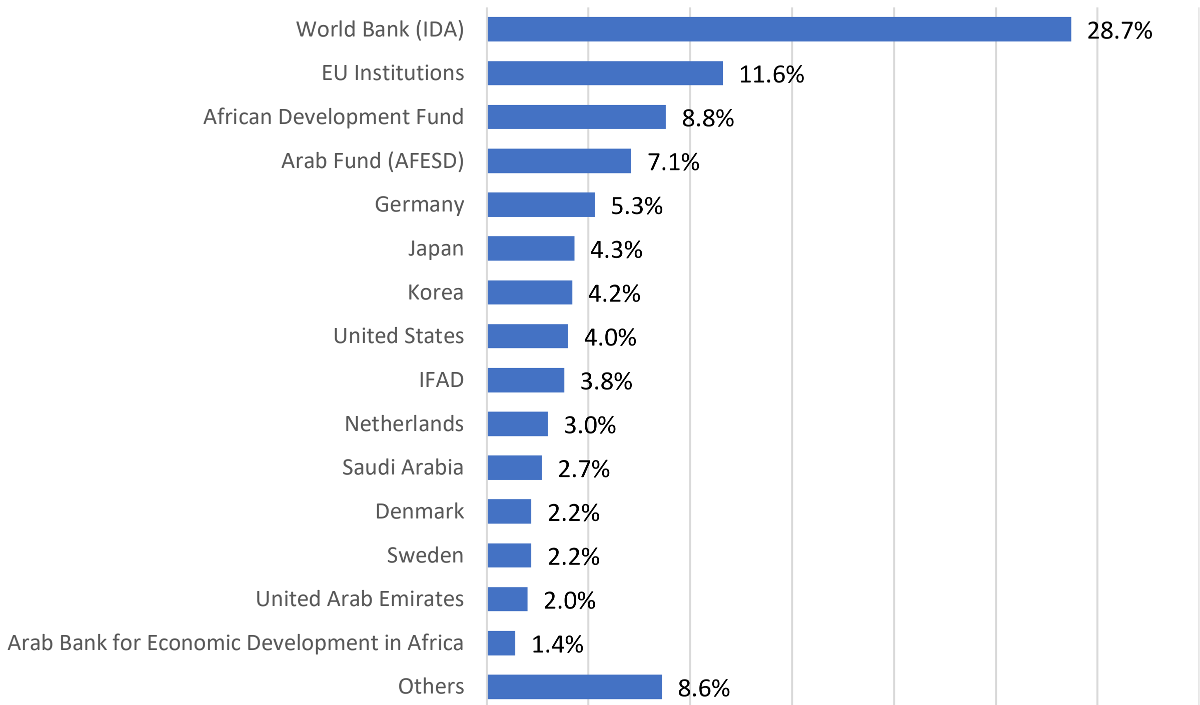
* Category 4 accounts for all Building Productive Capacity (BPC) activities, including those with TD marker (Cat. 2).

Trade Related Assistance[82] EU & EU MS 27 to East Africa by category (in EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	14	17	-	0	0	-	0	5
Trade Development (Cat. 2*)	184	50	72	180	65	340	267	163
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-	-	-
Total TRA	**198**	**67**	**72**	**180**	**65**	**340**	**267**	**168**

* Cat 2: Trade Development (TD) is a sub-set of Cat 4: Building Productive Capacity (BPC) and is captured using the TD DAC marker.

Main AfT donors to East Africa in 2019 (in percentages)



[81] 'Total Aid for Trade' includes all AfT categories and represents the 'wider Aid for Trade agenda'
[82] 'Trade Related assistance (TRA)' is a subset of 'Total Aid for Trade' and represents the 'classical AfT' (which is narrower in types of support)

Total AfT EU & EU MS 27 to East Africa per country (in EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Comoros	11	1	0	0.4	-	2	1	4
Djibouti	0	6.5	4	33	2	0	2.3	4
Eritrea	0.2	4.0	0	0.3	0.3	86.8	0	0.2
Ethiopia	133	162	92	460	184	295	238	225
Madagascar	98	109	13	27	35	176	35	216
Malawi	90	51	37	15	21	121	21	43
Mauritius	50	124	49	37	11	3	109	0
Seychelles	8.8	-	0	5.7	-	4	-	-
Somalia	75	37	2	20	5	15	62	31
Sudan	18	18	1	2	-	6	5	16
Zambia	104	26	223	139	202	128	162	112
Zimbabwe	50	26	20	71	12	17	13	8
Total	**638**	**563**	**440**	**809**	**470**	**853**	**650**	**658**

Total AfT EU to East Africa per country (in EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Comoros	11	-	-	-	-	-	-	1
Djibouti	-	7	-	-	-	-	1	4
Eritrea	-	4	-	-	-	76	-	-
Ethiopia	38	64	-	247	-	31	95	10
Madagascar	88	103	-	-	-	132	-	194
Malawi	73	39	16	-	-	106	2	22
Mauritius	-	68	-	8	10	3	-	-
Seychelles	9	-	-	5	-	3	-	-
Somalia	73	36	-	-	-	13	43	13
Sudan	-	16	-	-	-	-	-	-
Zambia	31	-	159	100	115	47	112	42
Zimbabwe	47	5	-	56	7	3	7	-
Total	**370**	**341**	**175**	**416**	**133**	**415**	**261**	**286**

14.5 SOUTHERN AFRICA

Total Aid for Trade[83] EU & EU MS 27 to Southern Africa by category (in EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	2	14	-	1	0	-	-	21
Trade Related Infrastructure (Cat. 3)	99	343	233	991	124	183	453	297
Building Productive Capacity (Cat. 4*)	100	69	105	101	177	240	297	361
Trade Related Adjustment (Cat. 5)	-	-	-	-	-	-	-	-
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-	-	-
Total AfT	**200**	**426**	**338**	**1 093**	**301**	**423**	**750**	**679**

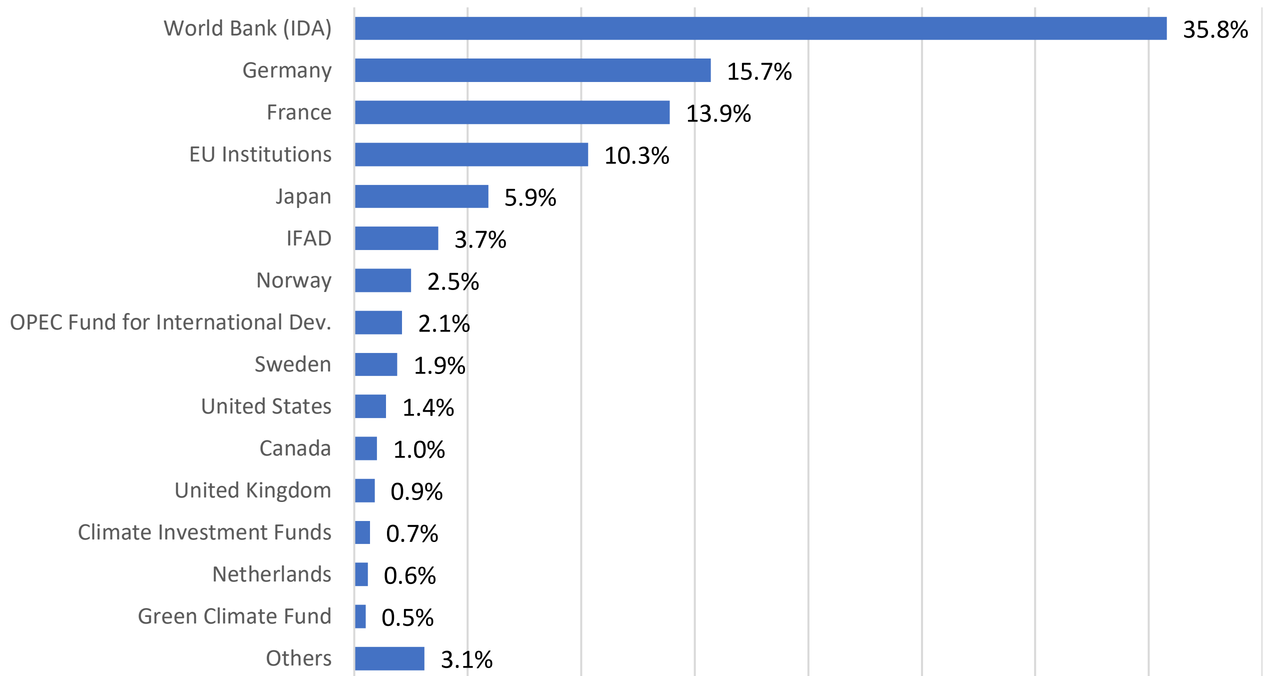
* Category 4 accounts for all Building Productive Capacity (BPC) activities, including those with TD marker (Cat. 2).

Trade Related Assistance[84] EU & EU MS 27 to Southern Africa by category (EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	2	14	-	1	0	-	-	21
Trade Development (Cat. 2*)	68	27	26	32	130	100	153	201
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-	-	-
Total TRA	**70**	**41**	**26**	**33**	**130**	**100**	**153**	**222**

* Cat 2: Trade Development (TD) is a sub-set of Cat 4: Building Productive Capacity (BPC) and is captured using the TD DAC marker.

Main AfT donors to Southern Africa in 2019 (in percentages)



[83] 'Total Aid for Trade' includes all AfT categories and represents the 'wider Aid for Trade agenda'
[84] 'Trade Related assistance (TRA)' is a subset of 'Total Aid for Trade' and represents the 'classical AfT' (which is narrower in types of support)

Total AfT EU & EU MS 27 to Southern Africa per country (in EUR million)

	2011	2012	2013	2014	2015	2016	2017	2018
Angola	2	15	1	0	5.8	1	82	8
Botswana	1	0	0.2	0.1	1.1	-	-	23
Eswatini	-	2	0	30	-	0	3.4	23
Lesotho	0	0.1	-	0.1	7	1	-	-
Mozambique	150	180	118	138	96	157	212	179
Namibia	29	30	19	82	42	91	23	50
Saint Helena	-	-	-	-	-	-	22	-
South Africa	19	198	200	842	149	173	408	396
Total	**200**	**426**	**338**	**1 093**	**301**	**423**	**750**	**679**

Total AfT EU to Southern Africa per country (in EUR million)

	2011	2012	2013	2014	2015	2016	2017	2018
Angola	-	13	-	-	-	-	-	6
Botswana	-	-	-	-	-	-	-	6
Eswatini	-	2	-	30	-	-	3	22
Lesotho	-	-	-	-	7	-	-	-
Mozambique	5	89	-	53	23	32	154	12
Namibia	2	-	-	-	21	-	1	-
Saint Helena	-	-	-	-	-	-	22	-
South Africa	1	1	107	117	54	52	88	115
Total	**8**	**105**	**107**	**200**	**105**	**83**	**268**	**161**

14.6 CARIBBEAN

Total Aid for Trade[85] EU & EU MS 27 to Caribbean by category (in EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	-	15	-	-	-	-	10	-
Trade Related Infrastructure (Cat. 3)	42	36	29	18	20	60	99	152
Building Productive Capacity (Cat. 4*)	157	99	20	21	20	70	15	74
Trade Related Adjustment (Cat. 5)	0	-	-	-	-	-	-	-
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-	-	-
Total AfT	**199**	**150**	**49**	**39**	**40**	**130**	**125**	**226**

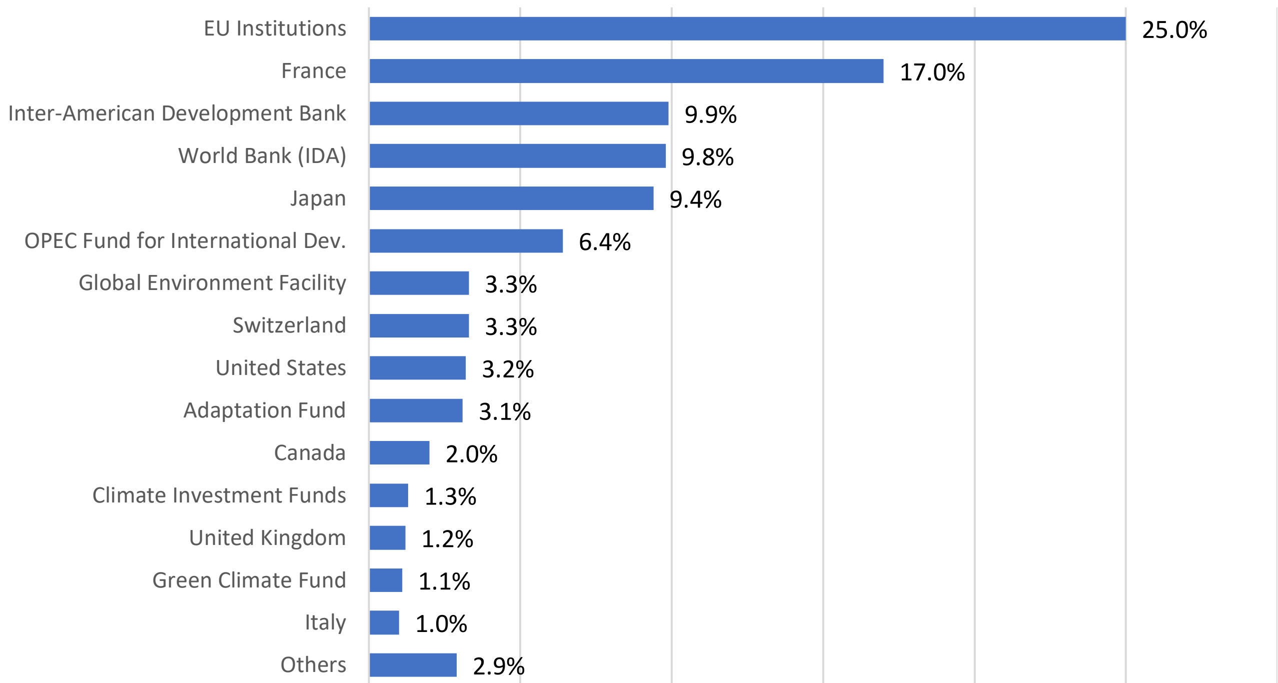
* Category 4 accounts for all Building Productive Capacity (BPC) activities, including those with TD marker (Cat. 2).

Trade Related Assistance[86] EU & EU MS 27 to Caribbean by category (in EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	-	15	-	-	-	-	10	-
Trade Development (Cat. 2*)	33	18	2	14	17	16	4	21
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-	-	-
Total TRA	**33**	**33**	**2**	**14**	**17**	**16**	**14**	**21**

* Cat 2: Trade Development (TD) is a sub-set of Cat 4: Building Productive Capacity (BPC) and is captured using the TD DAC marker.

Main AfT donors to Caribbean in 2019 (in percentages)



[85] 'Total Aid for Trade' includes all AfT categories and represents the 'wider Aid for Trade agenda'
[86] 'Trade Related assistance (TRA)' is a subset of 'Total Aid for Trade' and represents the 'classical AfT' (which is narrower in types of support)

Total AfT EU & EU MS 27 to Caribbean per country (in EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Antigua and Barbuda	-	-	-	6	-	-	-	-
Belize	28	21	-	-	0	-	14	-
Cuba	2	3	6	3	3	52	39	31
Dominica	27	14	-	-	-	-	3	0
Dominican Republic	26	7	30	13	19	16	1	159
Grenada	-	-	-	2	-	-	-	0
Guyana	26	26	-	-	-	-	-	-
Haiti	41	42	12	16	4	38	9	36
Jamaica	5	37	-	-	-	18	41	-
Montserrat	-	-	-	-	-	-	19	-
Saint Kitts and Nevis	-	-	-	-	-	-	-	-
Saint Lucia	22	-	-	-	-	-	-	-
Saint Vincent and the Grenadines	12.4	-	-	-	-	6	-	-
Suriname	10.1	-	-	0	13.6	-	-	-
Total	**199**	**150**	**49**	**39**	**40**	**130**	**125**	**226**

Total AfT EU to Caribbean per country (in EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Antigua and Barbuda	-	-	-	-	-	-	-	-
Belize	28	21	-	-	-	-	14	-
Cuba	-	-	-	-	-	20	4	24
Dominica	17	7	-	-	-	-	3	-
Dominican Republic	22	5	29	12	-	10	-	90
Grenada	-	-	-	-	-	-	-	-
Guyana	25	26	-	-	-	-	-	-
Haiti	26	20	5	-	-	28	-	14
Jamaica	5	37	-	-	-	17	-	-
Montserrat	-	-	-	-	-	-	19	-
Saint Kitts and Nevis	-	-	-	-	-	-	-	-
Saint Lucia	22	-	-	-	-	-	-	-
Saint Vincent and the Grenadines	12.4	-	-	-	-	6	-	-
Suriname	10.1	-	-	-	14	-	-	-
Total	**167**	**117**	**34**	**12**	**14**	**81**	**40**	**127**

14.7 PACIFIC

Total Aid for Trade[87] EU & EU MS 27 to Pacific by category (in EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	0	7	-	1	-	-	-	1
Trade Related Infrastructure (Cat. 3)	14	20	5	12	17	12	31	15
Building Productive Capacity (Cat. 4*)	21	38	6	11	6	2	109	3
Trade Related Adjustment (Cat. 5)	-	-	-	-	-	-	-	-
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-	-	-
Total AfT	**36**	**64**	**11**	**24**	**23**	**14**	**140**	**19**

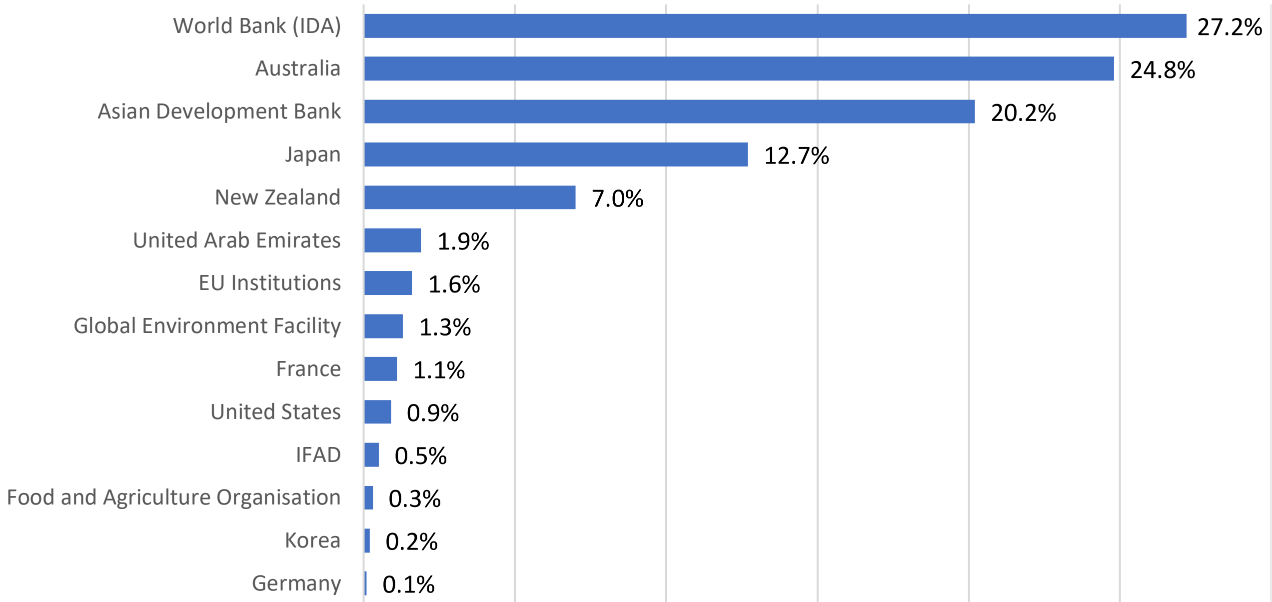
* Category 4 accounts for all Building Productive Capacity (BPC) activities, including those with TD marker (Cat. 2).

Trade Related Assistance[88] EU & EU MS 27 to Pacific by category (in EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	0	7	-	1	-	-	-	1
Trade Development (Cat. 2*)	-	2	1	11	-	-	27	2
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-	-	-
Total TRA	**0**	**9**	**1**	**12**	**-**	**-**	**27**	**3**

* Cat 2: Trade Development (TD) is a sub-set of Cat 4: Building Productive Capacity (BPC) and is captured using the TD DAC marker.

Main AfT donors to Pacific in 2019 (in percentages)



[87] 'Total Aid for Trade' includes all AfT categories and represents the 'wider Aid for Trade agenda'
[88] 'Trade Related assistance (TRA)' is a subset of 'Total Aid for Trade' and represents the 'classical AfT' (which is narrower in types of support)

Total AfT EU & EU MS 27 to Pacific per country (in EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Cook Islands	-	-	-	-	-	-	-	-
Fiji	11	33	0	0.7	-	-	1	-
Kiribati	-	-	0	-	-	-	1	-
Marshall Islands	-	1	-	-	10	10	-	-
Micronesia	-	0	-	-	-	-	-	11
Nauru	-	-	-	-	3	-	-	-
Niue	-	0	-	-	0	-	-	-
Palau	-	-	-	-	-	-	1	-
Papua New Guinea	8	7	2	-	4	-	87	1
Samoa	-	-	-	-	-	-	-	-
Solomon Islands	0	0	0	11	-	0.4	-	-
Tonga	7	-	1.1	11	0	-	2	-
Tuvalu	2	0	-	-	-	-	-	-
Vanuatu	3	1	1	0	0	0	27	1
Wallis and Futuna	4	22	7	1.8	7	3	23	6.6
Total	**36**	**64**	**11**	**24**	**23**	**14**	**140**	**19**

Total AfT EU to Pacific per country (in EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Cook Islands	-	-	-	-	-	-	-	-
Fiji	11	33	-	-	-	-	-	-
Kiribati	-	-	-	-	-	-	-	-
Marshall Islands	-	1	-	-	10	-	-	-
Micronesia	-	-	-	-	-	-	-	11
Nauru	-	-	-	-	3	-	-	-
Niue	-	0	-	-	0	-	-	-
Palau	-	-	-	-	-	-	1	-
Papua New Guinea	7	7	-	-	3	-	86	-
Samoa	-	-	-	-	-	-	-	-
Solomon Islands	-	-	-	11	-	-	-	-
Tonga	7	-	1	11	-	-	2	-
Tuvalu	2	-	-	-	-	-	-	-
Vanuatu	3	-	-	-	-	-	25	-
Wallis and Futuna	-	18	-	-	-	-	20	-
Total	**30**	**59**	**1**	**21**	**15**	**-**	**135**	**11**

14.8 NEIGHBOURHOOD

Total Aid for Trade[89] EU & EU MS 27 to Neighbourhood by category (in EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	30	60	80	111	3	13	1	17
Trade Related Infrastructure (Cat. 3)	3 192	1 443	2 135	909	1 743	1 624	1 541	1 414
Building Productive Capacity (Cat. 4*)	1 329	808	951	1 071	708	1 127	803	1 362
Trade Related Adjustment (Cat. 5)	-	2	-	-	-	-	-	-
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-	-	-
Total AfT	**4 551**	**2 313**	**3 166**	**2 091**	**2 453**	**2 763**	**2 345**	**2 792**

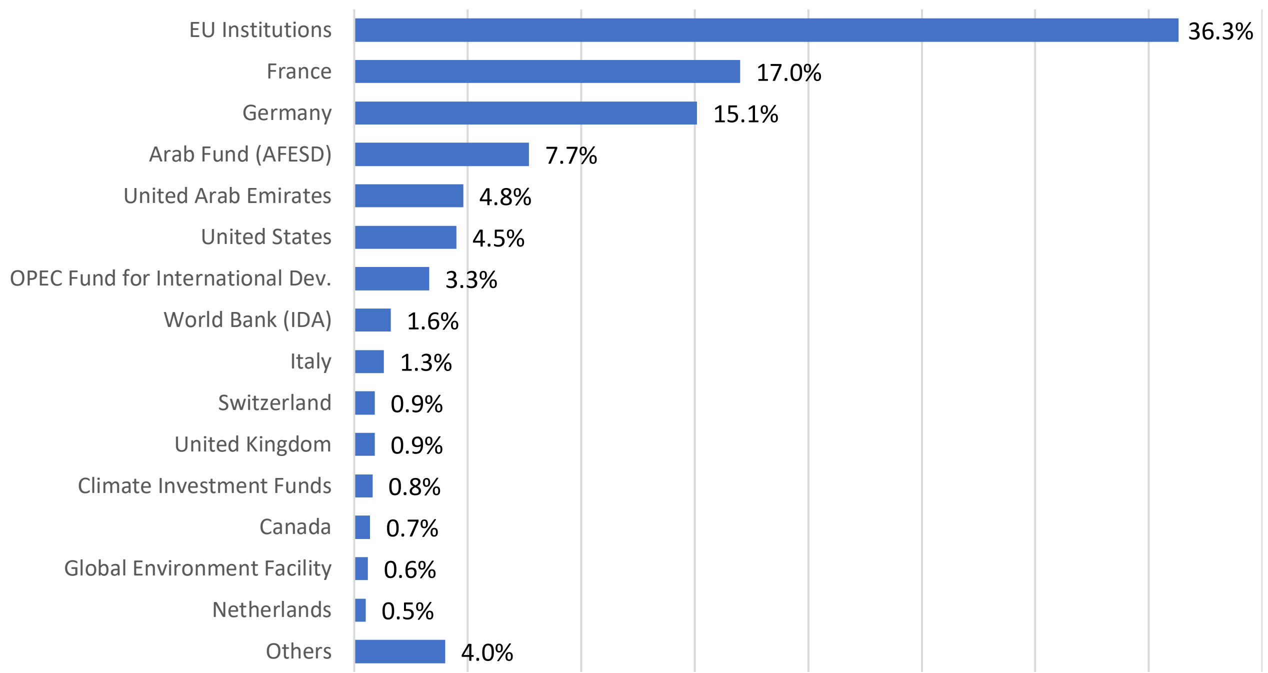
* Category 4 accounts for all Building Productive Capacity (BPC) activities, including those with TD marker (Cat. 2).

Trade Related Assistance[90] EU & EU MS 27 to Neighbourhood by category (EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	30	60	80	111	3	13	1	17
Trade Development (Cat. 2*)	206	94	102	302	215	292	177	310
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-	-	-
Total TRA	**235**	**154**	**181**	**414**	**218**	**305**	**178**	**327**

* Cat 2: Trade Development (TD) is a sub-set of Cat 4: Building Productive Capacity (BPC) and is captured using the TD DAC marker.

Main AfT donors to Neighbourhood in 2019 (in percentages)



[89] 'Total Aid for Trade' includes all AfT categories and represents the 'wider Aid for Trade agenda'
[90] 'Trade Related assistance (TRA)' is a subset of 'Total Aid for Trade' and represents the 'classical AfT' (which is narrower in types of support)

Total AfT EU & EU MS 27 to Neighbourhood per country (in EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Algeria	17	15	0	0	15	16	24	6
Armenia	93	70.7	179	213	179	112	11	78
Azerbaijan	0	-	28	14	1	129	2	165
Belarus	0	5	5	1	22	16	8	80
Egypt	845	306	500	593	226	313	308	746
Georgia	314	48	95	15	26	238	335	263
Jordan	182	74	80	167	118	61	37	98
Lebanon	13	9.0	3	19.4	15	8	19	32
Libya	0	11	0	1	-	7	7	4
Moldova	203	49	266	11	201	63	70	22
Morocco	1 696.0	794	1 075	489	666	792	851	829
Syrian Arab Republic	1	1	-	1	1	3	8	2
Tunisia	656	394	676	366	271	745	403	329
Ukraine	483	501	235	132	652	197	192	90
West Bank and Gaza Strip	48	35	22	66.6	61	63	72	48.4
Total	**4 551**	**2 313**	**3 166**	**2 091**	**2 453**	**2 763**	**2 345**	**2 792**

Total AfT EU to Neighbourhood per country (in EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Algeria	16	11	-	-	10	16	20	5
Armenia	27	65	8	122	58	67	6	8
Azerbaijan	-	-	-	14	-	14	-	0
Belarus	-	5	-	1	18	15	6	79
Egypt	410	280	139	240	219	112	214	612
Georgia	267	4	71	-	16	104	107	30
Jordan	16	55	57	95	58	10	31	44
Lebanon	13	8	-	16	-	-	16	9
Libya	-	11	-	-	-	-	7	4
Moldova	200	35	260	-	188	59	61	17
Morocco	912	286	298	228	302	412	131	500
Syrian Arab Republic	-	-	-	-	-	-	-	-
Tunisia	565	139	600	244	177	442	264	50
Ukraine	460	485	195	94	473	164	121	52
West Bank and Gaza Strip	17	12	-	12	21	10	13	3
Total	**2 905**	**1 394**	**1 627**	**1 066**	**1 538**	**1 425**	**995**	**1 412**

14.9 ENLARGEMENT

Total Aid for Trade[91] EU & EU MS 27 to Enlargement by category (in EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	7	18	2	-	-	0	3	7
Trade Related Infrastructure (Cat. 3)	1 652	2 430	888	564	1 171	1 106	940	796
Building Productive Capacity (Cat. 4*)	2 354	1 346	2 433	1 762	1 556	1 542	1 280	743
Trade Related Adjustment (Cat. 5)	-	-	-	-	-	-	-	-
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-	-	-
Total AfT	**4 013**	**3 794**	**3 323**	**2 326**	**2 726**	**2 648**	**2 222**	**1 546**

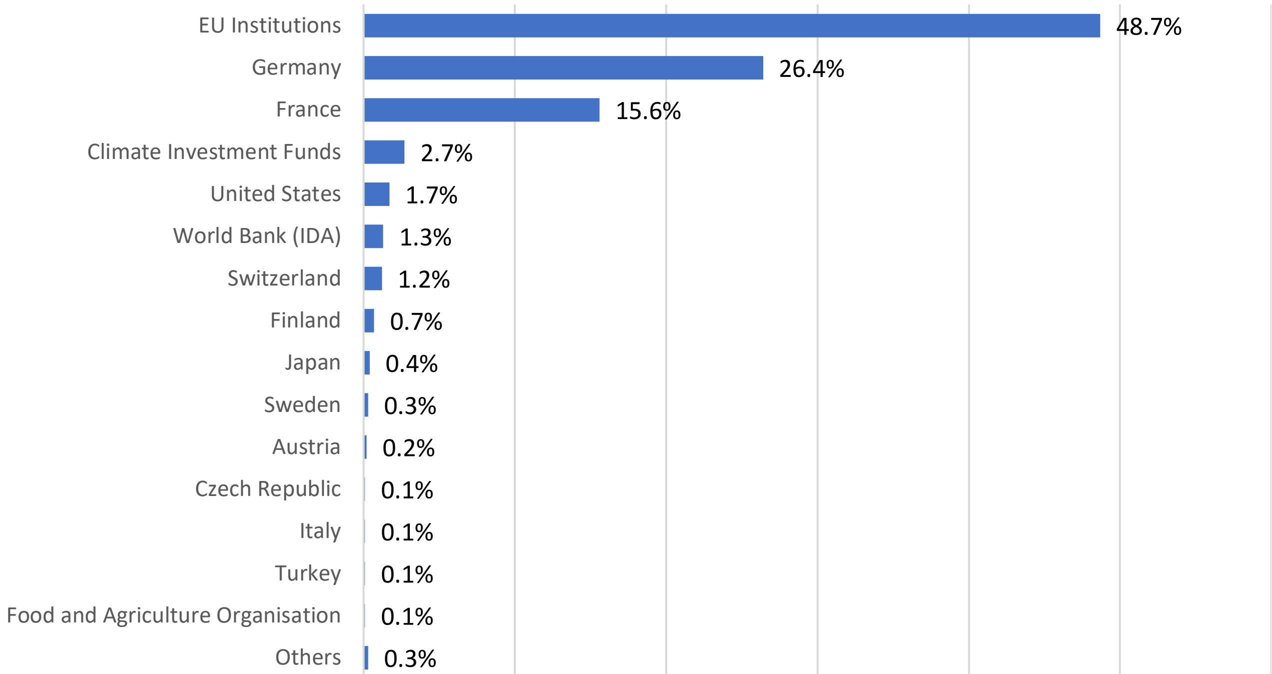
* Category 4 accounts for all Building Productive Capacity (BPC) activities, including those with TD marker (Cat. 2).

Trade Related Assistance[92] EU & EU MS 27 to Enlargement by category (in EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	7	18	2	-	-	0	3	7
Trade Development (Cat. 2*)	29	193	93	232	216	321	401	557
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-	-	-
Total TRA	**36**	**211**	**96**	**232**	**216**	**321**	**404**	**564**

* Cat 2: Trade Development (TD) is a sub-set of Cat 4: Building Productive Capacity (BPC) and is captured using the TD DAC marker.

Main AfT donors to Enlargement in 2019 (in percentages)



[91] 'Total Aid for Trade' includes all AfT categories and represents the 'wider Aid for Trade agenda'
[92] 'Trade Related assistance (TRA)' is a subset of 'Total Aid for Trade' and represents the 'classical AfT' (which is narrower in types of support)

Total AfT EU & EU MS 27 to Enlargement per country (in EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Albania	17	56	49	89	104	71	163	60
Bosnia and Herzegovina	139	305	404	55	25	160	104	213
Kosovo	21	52	31	58	21	36	16	94
Montenegro	19	94	87	79	44	91	129	103
North Macedonia	208	32	148	83	41	18	84	279
Serbia	851	760	191	492	188	557	559	354
Turkey	2 757	2 495	2 411	1 470.0	2 305	1 716	1 168	443.0
Total	**4 013**	**3 794**	**3 323**	**2 326**	**2 726**	**2 648**	**2 222**	**1 546**

Total AfT EU to Enlargement per country (in EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Albania	16	17	41	19	48	63	125	16
Bosnia and Herzegovina	132	213	254	40	16	91	76	170
Kosovo	17	20	20	47	10	16	3	80
Montenegro	17	65	63	79	44	91	109	25
North Macedonia	207	15	148	40	41	18	65	176
Serbia	729	736	101	436	156	311	431	246
Turkey	2 641	2 212	1 966	1 231	1 814	1 658	1 132	101
Total	**3 759**	**3 279**	**2 594**	**1 892**	**2 128**	**2 247**	**1 942**	**814**

14.10 LATIN AMERICA

Total Aid for Trade[93] EU & EU MS 27 to Latin America by category (in EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	15	0	1	0	21	0	2	0
Trade Related Infrastructure (Cat. 3)	1 116	588	1 105	1 024	980	1 160	727	492
Building Productive Capacity (Cat. 4*)	300	441	460	400	314	229	337	363
Trade Related Adjustment (Cat. 5)	-	-	-	-	-	-	-	-
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-	-	-
Total AfT	**1 430**	**1 029**	**1 566**	**1 424**	**1 315**	**1 390**	**1 066**	**855**

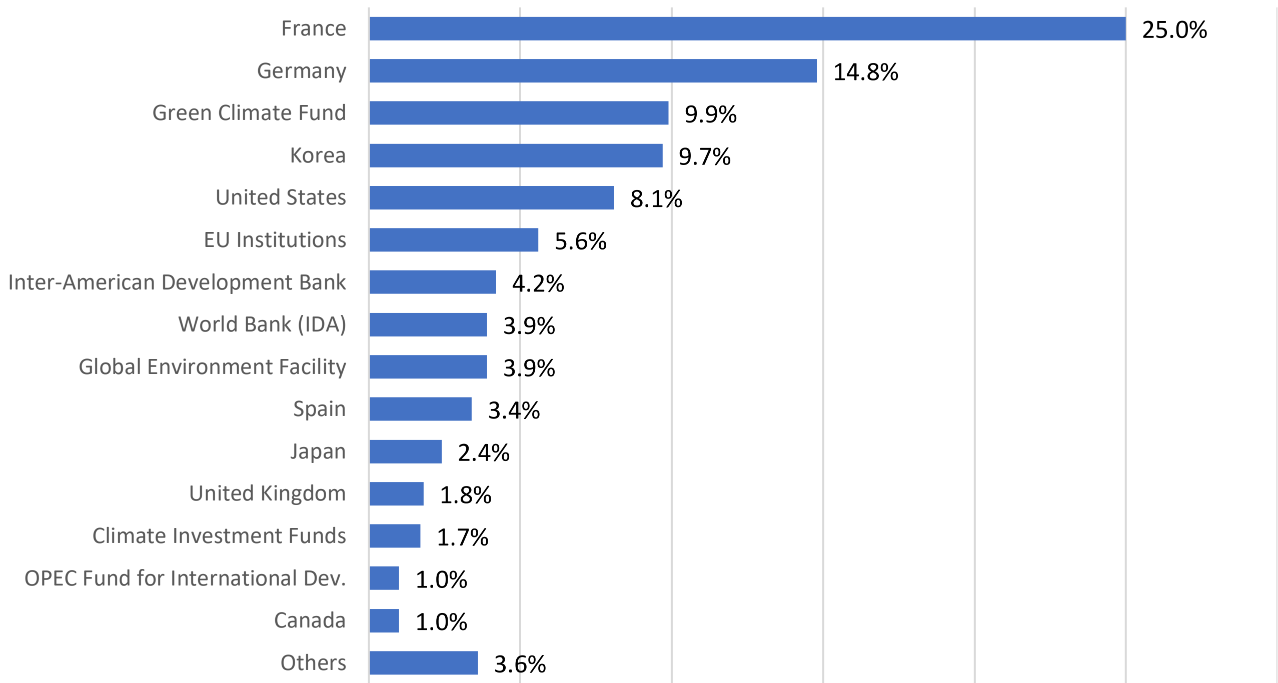
* Category 4 accounts for all Building Productive Capacity (BPC) activities, including those with TD marker (Cat. 2).

Trade Related Assistance[94] EU & EU MS 27 to Latin America by category (EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	15	0	1	0	21	0	2	0
Trade Development (Cat. 2*)	50	184	97	123	43	66	174	216
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-	-	-
Total TRA	**64**	**184**	**99**	**124**	**64**	**66**	**175**	**216**

* Cat 2: Trade Development (TD) is a sub-set of Cat 4: Building Productive Capacity (BPC) and is captured using the TD DAC marker.

Main AfT donors to Latin America in 2019 (in percentages)



[93] 'Total Aid for Trade' includes all AfT categories and represents the 'wider Aid for Trade agenda'
[94] 'Trade Related assistance (TRA)' is a subset of 'Total Aid for Trade' and represents the 'classical AfT' (which is narrower in types of support)

Total AfT EU & EU MS 27 to Latin America per country (in EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Argentina	84	3	1	1	1	3	65	92
Bolivia	15	73	83	34	78	80	19	100
Brazil	746	175	613	687	179	490	222	63
Chile	3	164	303	6	141	7	-	-
Colombia	10	43	95	47	15	99	20	123
Costa Rica	2	2	2	57	3	16	29	2
Ecuador	143	12	13	314	18	203	212	27
El Salvador	4	23	29	6	5	6	5	44
Guatemala	11	35	34	32	7	4	16	24
Honduras	35	200	50	36	3	37	77	8
Mexico	276	137	253	155	429	280	288	198
Nicaragua	20	31	7.4	36.2	28.3	13	17	4
Panama	4	0	0	0	0	0	1	36
Paraguay	2	1	4	1	88	53	32	38
Peru	74	69.8	14	12	320	98	63.0	94
Uruguay	0	59.9	65.2	1	0.5	0.1	-	-
Venezuela	0	0	-	0.3	-	-	-	-
Total	**1 430**	**1 029**	**1 566**	**1 424**	**1 315**	**1 390**	**1 066**	**855**

Total AfT EU to Latin America per country (in EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Argentina	83	-	-	-	-	-	62	91
Bolivia	-	26	-	21	-	-	-	-
Brazil	209	140	-	372	156	268	61	-
Chile	-	-	160	-	-	-	-	-
Colombia	-	23	2	33	-	-	0	-
Costa Rica	-	-	-	55	-	11	24	-
Ecuador	35	-	-	210	10	7	158	-
El Salvador	-	-	-	-	-	-	-	-
Guatemala	-	23	27	-	-	-	5	-
Honduras	-	188	32	32	0	31	42	3
Mexico	3	-	160	-	-	87	-	-
Nicaragua	9	24	-	21	21	-	11	-
Panama	-	-	-	-	-	-	-	-
Paraguay	-	-	2	-	86	28	31	-
Peru	14	-	-	-	-	87	43	0
Uruguay	0	-	-	-	-	-	-	-
Venezuela	-	-	-	-	-	-	-	-
Total	**353**	**424**	**382**	**744**	**274**	**519**	**438**	**95**

14.11 SOUTH ASIA

Total Aid for Trade[95] EU & EU MS 27 to South Asia by category (in EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	0	35	0	28	0	6	10	10
Trade Related Infrastructure (Cat. 3)	427	682	1 260	1 407	1 608	1 044	1 086	1 747
Building Productive Capacity (Cat. 4*)	566	599	648	597	141	396	146	338
Trade Related Adjustment (Cat. 5)	-	-	-	-	-	-	-	-
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-	-	-
Total AfT	**992**	**1 316**	**1 908**	**2 032**	**1 749**	**1 446**	**1 243**	**2 095**

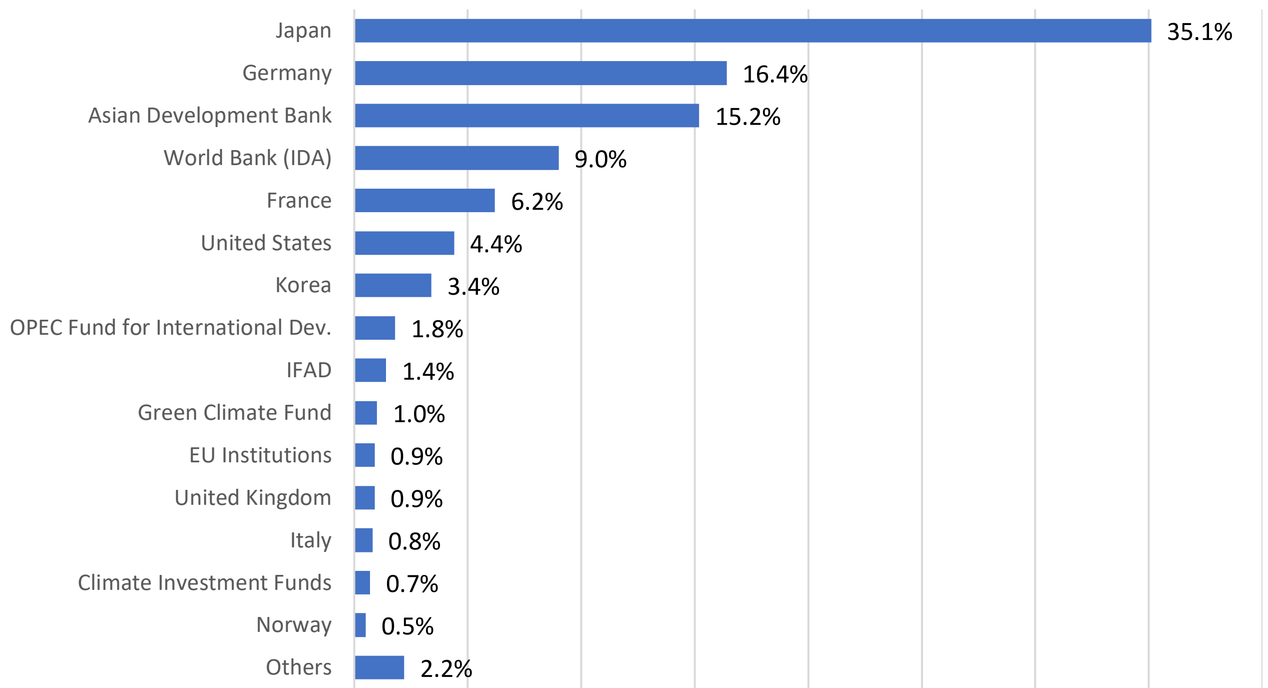
* Category 4 accounts for all Building Productive Capacity (BPC) activities, including those with TD marker (Cat. 2).

Trade Related Assistance[96] EU & EU MS 27 to South Asia by category (in EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	0	35	0	28	0	6	10	10
Trade Development (Cat. 2*)	74	94	65	26	49	183	98	99
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-	-	-
Total TRA	**74**	**129**	**65**	**54**	**50**	**189**	**108**	**109**

* Cat 2: Trade Development (TD) is a sub-set of Cat 4: Building Productive Capacity (BPC) and is captured using the TD DAC marker.

Main AfT donors to South Asia in 2019 (in percentages)



[95] 'Total Aid for Trade' includes all AfT categories and represents the 'wider Aid for Trade agenda'
[96] 'Trade Related assistance (TRA)' is a subset of 'Total Aid for Trade' and represents the 'classical AfT' (which is narrower in types of support)

Total AfT EU & EU MS 27 to South Asia per country (in EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Afghanistan	155	298	212	37	110	245	57	151
Bangladesh	129	22	86	120	296	69.2	172	42
Bhutan	-	8	2	2	0	5	1	2
India	663	882.0	1 411.0	1 685.0	1 182.0	953	906	1 603
Maldives	0	-	0	0	-	-	5	-
Nepal	32	74	23	26	124	54	60	37
Pakistan	13	26.9	75	99	29	86	9	239
Sri Lanka	0	4	99	63.5	7	35	34	20.9
Total	**992**	**1 316**	**1 908**	**2 032**	**1 749**	**1 446**	**1 243**	**2 095**

Total AfT EU to South Asia per country (in EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Afghanistan	65	67	109	5	31	-	-	30
Bangladesh	33	-	-	-	141	21	12	-
Bhutan	-	5	-	-	-	4	-	-
India	-	161	-	673	-	370	327	22
Maldives	-	-	-	-	-	-	5	-
Nepal	-	7	-	-	103	45	21	-
Pakistan	-	2	-	13	-	-	-	12
Sri Lanka	-	-	96	8	-	31	-	14
Total	**98**	**242**	**205**	**699**	**275**	**470**	**365**	**78**

14.12 MIDDLE EAST

Total Aid for Trade[97] EU & EU MS 27 to Middle East by category (in EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	-	-	-	-	-	-	-	-
Trade Related Infrastructure (Cat. 3)	4	-	2	0	5	105	24	6
Building Productive Capacity (Cat. 4*)	8	5	3	3	5	19	13	106
Trade Related Adjustment (Cat. 5)	-	-	-	-	-	-	-	-
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-	-	-
Total AfT	**12**	**5**	**5**	**3**	**10**	**124**	**38**	**112**

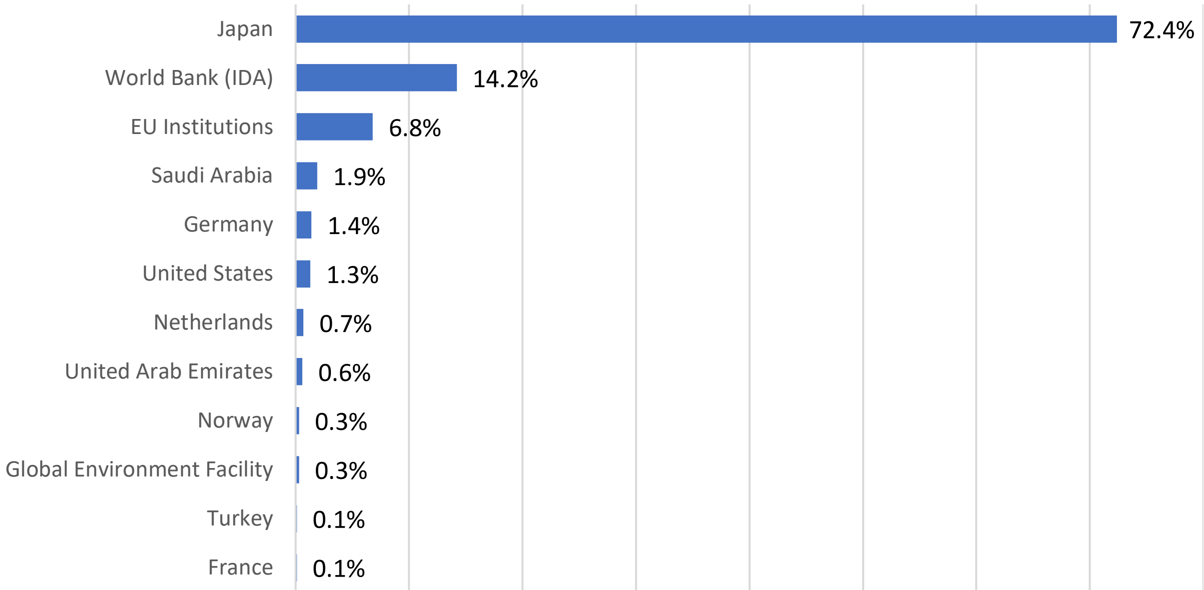
* Category 4 accounts for all Building Productive Capacity (BPC) activities, including those with TD marker (Cat. 2).

Trade Related Assistance[98] EU & EU MS 27 to Middle East by category (in EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	-	-	-	-	-	-	-	-
Trade Development (Cat. 2*)	1	5	1	3	2	17	5	23
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-	-	-
Total TRA	**1**	**5**	**1**	**3**	**2**	**17**	**5**	**23**

* Cat 2: Trade Development (TD) is a sub-set of Cat 4: Building Productive Capacity (BPC) and is captured using the TD DAC marker.

Main AfT donors to Middle East in 2019 (in percentages)



[97] 'Total Aid for Trade' includes all AfT categories and represents the 'wider Aid for Trade agenda'
[98] 'Trade Related assistance (TRA)' is a subset of 'Total Aid for Trade' and represents the 'classical AfT' (which is narrower in types of support)

Total AfT EU & EU MS 27 to Middle East per country (in EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Iran	-	-	0	0	5.5	4	23	7
Iraq	5	5	4	-	1	119	14	83
Yemen	7	0	0	3.2	4	-	-	23.1
Total	**12**	**5**	**5**	**3**	**10**	**124**	**38**	**112**

Total AfT EU to Middle East per country (in EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Iran	-	-	-	-	5	-	14	5
Iraq	4	-	2	-	-	-	14	62
Yemen	-	-	-	-	-	-	-	19
Total	**4**	**-**	**2**	**-**	**5**	**-**	**28**	**86**

14.13 CENTRAL ASIA

Total Aid for Trade[99] EU & EU MS 27 to Central Asia by category (in EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	-	-	-	-	-	-	-	7
Trade Related Infrastructure (Cat. 3)	2	6	0	0	8	8	10	91
Building Productive Capacity (Cat. 4*)	27	34	28	25	48	36	36	22
Trade Related Adjustment (Cat. 5)	-	-	-	-	-	-	-	-
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-	-	-
Total AfT	**29**	**40**	**28**	**26**	**56**	**43**	**46**	**120**

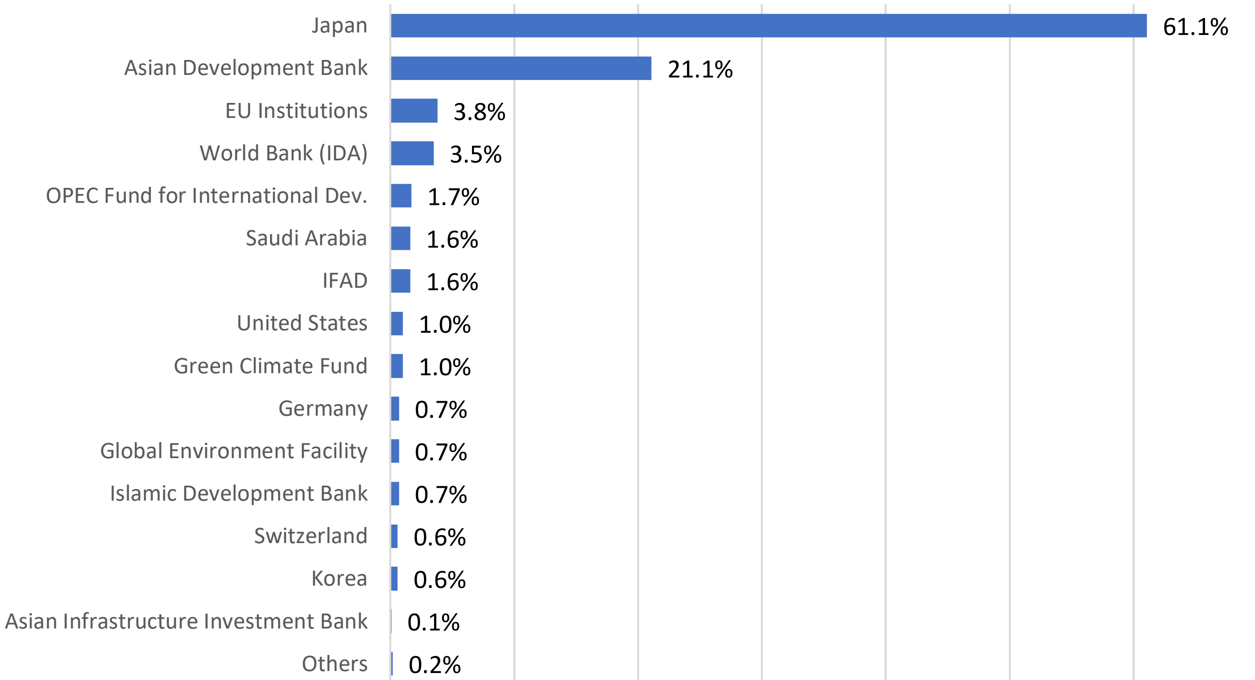
* Category 4 accounts for all Building Productive Capacity (BPC) activities, including those with TD marker (Cat. 2).

Trade Related Assistance[100] EU & EU MS 27 to Central Asia by category (in EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	-	-	-	-	-	-	-	7
Trade Development (Cat. 2*)	12	20	14	17	47	5	28	14
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-	-	-
Total TRA	**12**	**20**	**14**	**17**	**47**	**5**	**28**	**21**

* Cat 2: Trade Development (TD) is a sub-set of Cat 4: Building Productive Capacity (BPC) and is captured using the TD DAC marker.

Main AfT donors to Central Asia in 2019 (in percentages)



[99] 'Total Aid for Trade' includes all AfT categories and represents the 'wider Aid for Trade agenda'
[100] 'Trade Related assistance (TRA)' is a subset of 'Total Aid for Trade' and represents the 'classical AfT' (which is narrower in types of support)

Total AfT EU & EU MS 27 to Central Asia per country (in EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Kazakhstan	1	0	3	0	1	4	8	3.4
Kyrgyzstan	7	4	13	10	14	16	0	73
Tajikistan	1	33.2	11.1	10	18	7	18	33
Turkmenistan	0	0	0	-	-	-	-	-
Uzbekistan	20	3	0	5.4	23	16	19	11.6
Total	**29**	**40**	**28**	**26**	**56**	**43**	**46**	**120**

Total AfT EU to Central Asia per country (in EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Kazakhstan	-	-	-	-	-	-	-	-
Kyrgyzstan	2	-	-	-	10	0	-	70
Tajikistan	-	-	-	-	7	5	9	21
Turkmenistan	-	-	-	-	-	-	-	-
Uzbekistan	-	-	-	-	22	16	15	9
Total	**2**	**-**	**-**	**-**	**40**	**21**	**24**	**100**

14.14 ASEAN

Total Aid for Trade[101] EU & EU MS 27 to ASEAN by category (in EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	14	13	7	1	7	238	212	16
Trade Related Infrastructure (Cat. 3)	76	699	481	1 014	548	844	703	157
Building Productive Capacity (Cat. 4*)	173	119	189	136	169	139	210	184
Trade Related Adjustment (Cat. 5)	-	-	-	-	-	-	-	-
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-	-	-
Total AfT	**263**	**831**	**677**	**1 150**	**725**	**1 220**	**1 126**	**357**

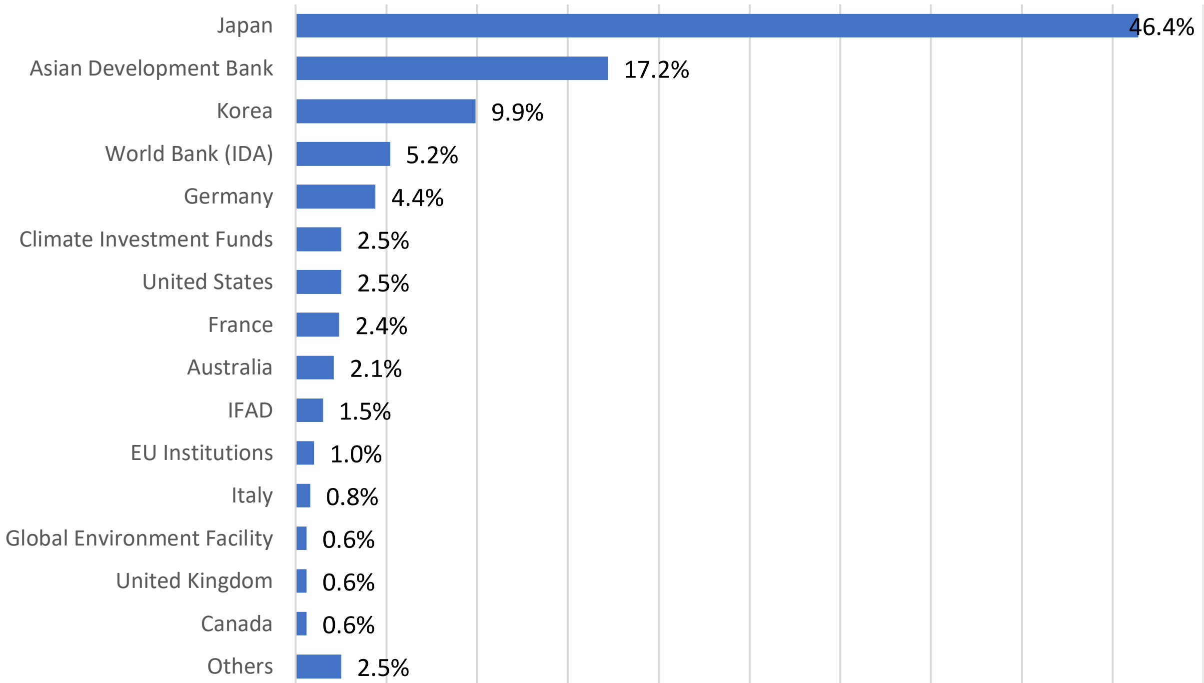
* Category 4 accounts for all Building Productive Capacity (BPC) activities, including those with TD marker (Cat. 2).

Trade Related Assistance[102] EU & EU MS 27 to ASEAN by category (in EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	14	13	7	1	7	238	212	16
Trade Development (Cat. 2*)	57	31	20	72	76	40	124	54
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-	-	-
Total TRA	**71**	**43**	**27**	**72**	**83**	**277**	**336**	**70**

* Cat 2: Trade Development (TD) is a sub-set of Cat 4: Building Productive Capacity (BPC) and is captured using the TD DAC marker.

Main AfT donors to ASEAN in 2019 (in percentages)



[101] 'Total Aid for Trade' includes all AfT categories and represents the 'wider Aid for Trade agenda'
[102] 'Trade Related assistance (TRA)' is a subset of 'Total Aid for Trade' and represents the 'classical AfT' (which is narrower in types of support)

Total AfT EU & EU MS 27 to ASEAN per country (in EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Cambodia	36	32	37	86	44	16	102	67
Indonesia	55	292	91	875	106	816	880	42
Lao People's Democratic Republic	35	12	22	3	10	29	28	29
Malaysia	7	1	1	3	2	1	1	3
Myanmar	15	31	17	50	70	108	62	55
Philippines	20	7	80	94	17	8	11	53
Thailand	8	11	2	3	4	23	3	19
Viet Nam	88	444	427	36.5	472	220	39	88.3
Total	**263**	**831**	**677**	**1 150**	**725**	**1 220**	**1 126**	**357**

Total AfT EU to ASEAN per country (in EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Cambodia	22	-	-	-	31	8	87	2
Indonesia	-	2	-	-	-	11	-	-
Lao People's Democratic Republic	4	-	-	-	-	-	5	-
Malaysia	7	-	-	0	-	-	-	3
Myanmar	-	11	-	21	-	-	8	3
Philippines	9	-	64	-	6	-	-	29
Thailand	-	2	-	-	-	-	-	3
Viet Nam	-	164	78	-	113	24	22	-
Total	**41**	**178**	**142**	**21**	**150**	**43**	**121**	**40**

14.15 ASIA (OTHER)

Total Aid for Trade[103] EU & EU MS 27 to Asia (other) by category (in EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	4	-	0.1	3.3	3	0	0	0.1
Trade Related Infrastructure (Cat. 3)	42	246	141	118	642	127	166	17
Building Productive Capacity (Cat. 4*)	200	51	10	307	79	109	83	42
Trade Related Adjustment (Cat. 5)	-	-	-	-	-	-	-	-
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-	-	-
Total AfT	**246**	**297**	**151**	**429**	**724**	**236**	**249**	**59**

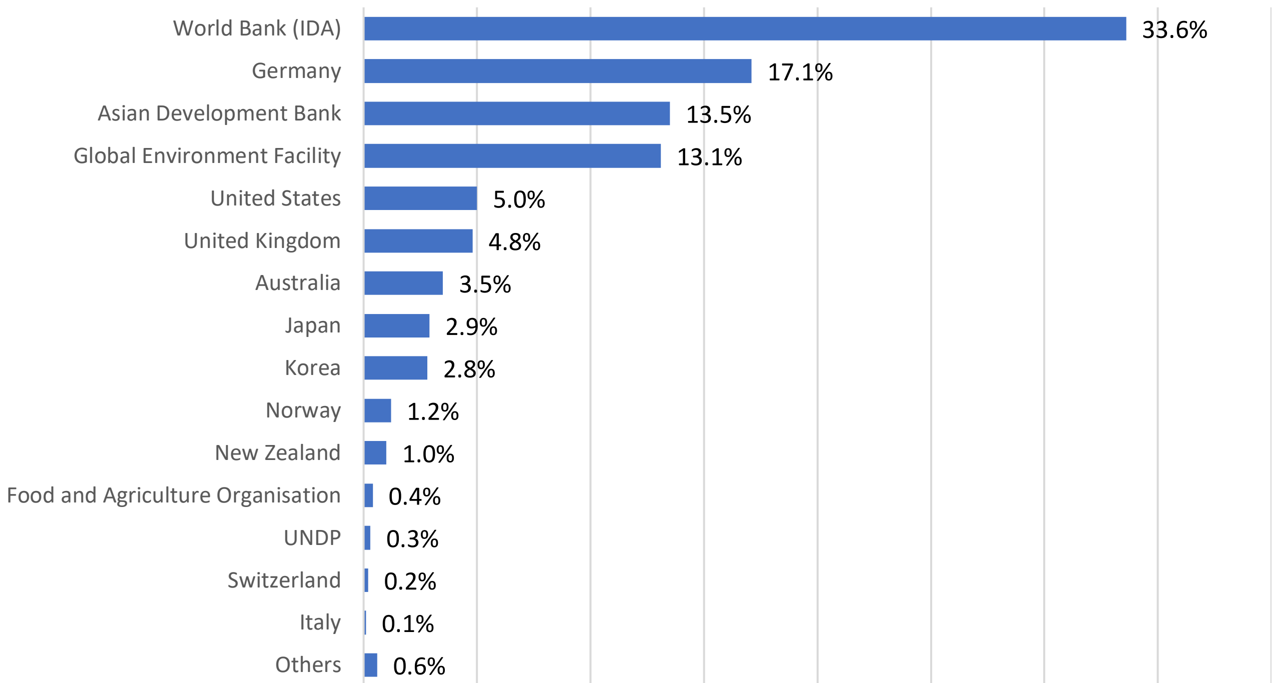
* Category 4 accounts for all Building Productive Capacity (BPC) activities, including those with TD marker (Cat. 2).

Trade Related Assistance[104] EU & EU MS 27 to Asia (other) by category (in EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	4	-	0.1	3.3	3	0	0	0.1
Trade Development (Cat. 2*)	7	11	2	10	31	7	9	20
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-	-	-
Total TRA	**11**	**11**	**2**	**14**	**34**	**7**	**9**	**20**

* Cat 2: Trade Development (TD) is a sub-set of Cat 4: Building Productive Capacity (BPC) and is captured using the TD DAC marker.

Main AfT donors to Asia (other) in 2019 (in percentages)



[103] 'Total Aid for Trade' includes all AfT categories and represents the 'wider Aid for Trade agenda'
[104] 'Trade Related assistance (TRA)' is a subset of 'Total Aid for Trade' and represents the 'classical AfT' (which is narrower in types of support)

Total AfT EU & EU MS 27 to Asia (other) per country (in EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
China (People's Republic of)	204	267	144	421	679	208.0	213	52
Democratic People's Republic of Korea	1	1	2	1	0	1	1	1
Mongolia	38	10	5	6.5	13	22	35	6.4
Timor-Leste	4	19	1	0.7	30	5	0	0.2
Total	**246**	**297**	**151**	**429**	**724**	**236**	**249**	**59**

Total AfT EU to Asia (other) per country (in EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
China (People's Republic of)	-	-	-	266	521	71	158	-
Democratic People's Republic of Korea	-	-	-	-	-	-	-	-
Mongolia	8	4	-	3	2	5	7	-
Timor-Leste	-	-	-	-	30	-	-	-
Total	**8**	**4**	**-**	**269**	**554**	**75**	**166**	**-**

15 AID FOR TRADE TO REGIONAL PROGRAMMES[105] [106]

Total AfT[107] from EU & EU MS 27 to regional programmes by category (in EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	137	409	177	249	232	281	398	264
Trade Related Infrastructure (Cat. 3)	937	781	491	576	987	1 255	927	1 458
Building Productive Capacity (Cat. 4*)	2 100	2 097	2 580	1 977	2 922	2 930	3 048	4 017
Trade Related Adjustment (Cat. 5)	-	-	-	2	-	0	4	-
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-	-	-
Total AfT	**3 175**	**3 288**	**3 248**	**2 804**	**4 140**	**4 466**	**4 377**	**5 739**

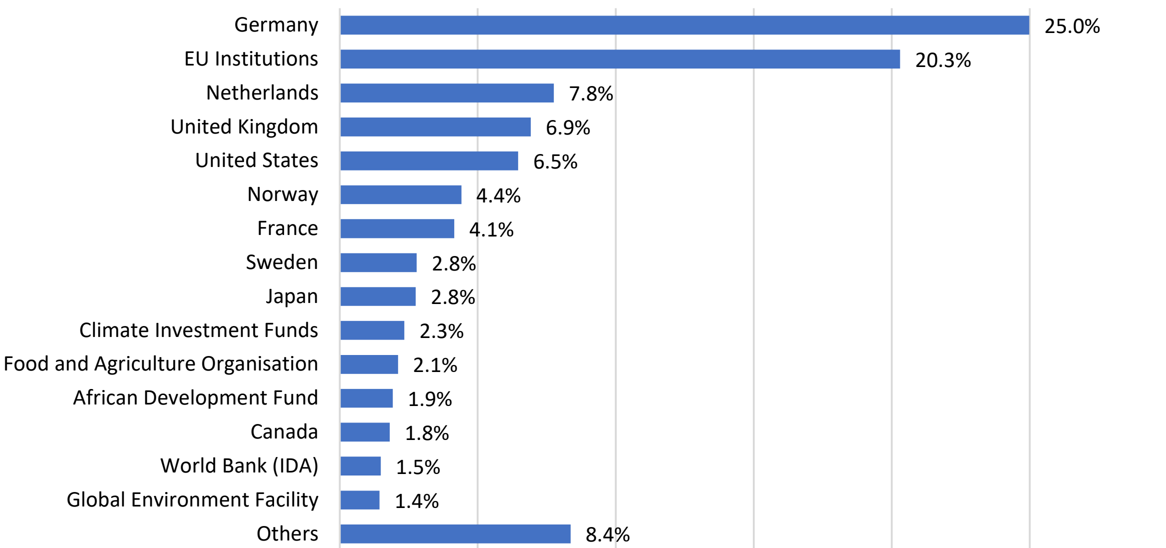
* Category 4 accounts for all Building Productive Capacity (BPC) activities, including those with TD marker (Cat. 2).

Trade Related Assistance[108] from EU & EU MS 27 to regional programmes by category (in EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Trade Policy & Regulations (Cat. 1)	137	409	177	249	232	281	398	264
Trade Development (Cat. 2*)	968	849	1 503	793	1 285	1 404	1 888	1 871
Other Trade Related needs (Cat. 6)	-	-	-	-	-	-	-	-
Total TRA	**1 105**	**1 258**	**1 680**	**1 043**	**1 516**	**1 685**	**2 286**	**2 135**

* Cat 2: Trade Development (TD) is a sub-set of Cat 4: Building Productive Capacity (BPC) and is captured using the TD DAC marker.

Main donors to regional programmes in 2019 (in percentages)



[105] 'Regional programmes' here refer to multi-country activities that benefit several countries in the same region or activities with regional institutions (e.g. MERCOSUR).
[106] Regional groups presented in this section correspond to the regional distribution used by the OECD (not DG INTPA grouping as in the previous section)
[107] 'Total Aid for Trade' includes all AfT categories and represents the 'wider Aid for Trade agenda'
[108] 'Trade Related assistance (TRA)' is a subset of 'Total Aid for Trade' and represents the 'classical AfT' (which is narrower in types of support).

AfT from EU & EU MS 27 to regional programmes per region (in EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Africa	375	393	680	510	1 174	618	524	1 029
Africa - North of Sahara	5	21	24	21	17	30	231	62
Africa - South of Sahara	720	689	150	257	452	872	905	671
America	72	320	214	85	139	202	210	251
America - South America	12	10	41	6	197	8	9	18
Asia	151	90	160	167	131	89	157	134
Asia - Central	14	57	39	54	13	20	53	31
Asia - Far East	3	2	-	0	50	1	7	6
Asia - South	1	3	21	0	1.5	1	1	2
Asia - South & Central	4	0	2	0	18	-	4	1
Caribbean & Central America, regional	133	62	17.3	138	71.2	19	19	69
Caribbean, regional	19	4	-	-	41	21	72	17
Central America, regional	-	-	-	-	-	-	-	0
Eastern Africa, regional	-	-	-	-	-	-	-	12
Europe	112	26	105	187	146	329	240	576
Melanesia, regional	-	-	-	-	-	-	-	-
Middle Africa, regional	-	-	-	-	-	-	-	0
Middle East	4	51	20	4	38	15	13	92
Oceania	2	48	1	18	1	58	20	52
Southern Africa, regional	-	-	-	-	-	-	-	7
Western Africa, regional	-	-	-	-	-	-	-	29
Developing countries, unspecified	1 550	1 512	1 774	1 358	1 650	2 184	1 910	2 681
Total	**3 175**	**3 288**	**3 248**	**2 804**	**4 140**	**4 466**	**4 377**	**5 739**

AfT from EU to regional programmes per region (in EUR million)

	2012	2013	2014	2015	2016	2017	2018	2019
Africa	136	103	206	197	572	206	118	314
Africa - North of Sahara	-	10	6	-	0	6.4	17	54.7
Africa - South of Sahara	628	384	35	22	35	545	540	289
America	22	-	25	-	52	30	120	40
America - South America	-	0	27	1	8.3	-	-	0
Asia	31	8	24.2	2	56	1	49	35
Asia - Central	5	7	23	40	-	6	46	9
Asia - Far East	-	1	-	-	42	-	-	5
Asia - South	-	-	16	-	-	-	-	-
Asia - South & Central	-	-	-	-	18	-	3	1
Caribbean & Central America, regional	109	8	-	0	22	-	-	1
Caribbean, regional	19	4	-	-	41	21	72	16
Europe	16	18	44	52	96	166	202	443
Middle East	-	-	-	-	5	-	-	34
Oceania	-	46	-	-	-	57	20	51
Southern Africa, regional	-	-	-	-	-	-	-	7
Western Africa, regional	-	-	-	-	-	-	-	21
Developing countries, unspecified	189	429	120	221	229	378	520	531
Total	**1 154**	**1 016**	**525**	**536**	**1 176**	**1 416**	**1 707**	**1 849**

ANNEXES

1 ANNEX – HISTORY OF AID FOR TRADE AND DEFINITIONS

1.1 HISTORICAL BACKGROUND AND DEVELOPMENT

Trade is essential for growth which can lift millions of people out of poverty. But developing countries and least developed countries in particular, face barriers that prevent them from taking part in the international rules-based trading system. For this reason Aid for Trade (AfT) has become one of the key pillars of EU development policy. Globally, the EU and its Member States are the biggest providers of AfT assistance in terms of volume and are also very active in AfT policy formulation. The EU's AfT complements and adds value to the European Commission's trade policy measures and agreements which favour developing countries.

1.1.1 HOW AFT STARTED

Trade as a means for development has been a prominent topic at the forum of the World Trade Organisation (WTO), the largest international economic organisation in the world. The WTO was officially established on 1st January 1995 under the Marrakesh Agreement and signed by 123 nations on 15th April 1994, replacing the General Agreement on Tariffs and Trade (GATT), which commenced in 1948.

The needs of the developing countries and their priorities featured high on the agenda after the 1986- 93 WTO Uruguay round of negotiations ended leaving the developing countries and LDCs under the impression that their needs were not adequately addressed. Following several rounds of meetings, pressure by developing countries mounted, claiming that the 1986-93 Uruguay Round[1] within the framework of the General Agreement on Tariffs and Trade (GATT) ended up hurting Less Developed Countries while offering little benefit to many Developed Countries.

The Doha Development Round (or Doha Development Agenda [DDA]), the multilateral trade negotiations (MTN) round of the WTO, commenced in November 2001. Its objective was to lower trade barriers around the world and thus facilitate increased global trade. The major topics discussed included trade facilitation, services, rules of origin and dispute settlement. Special and differential treatment for the developing countries were also a major concern. It was felt however that the Doha agenda, despite its merits, would not benefit Developing Countries as they lack the capacity to take advantage of trade opportunities. As a result, the call for Aid for Trade emerged at the WTO forum.

The Aid for Trade (AfT) initiative was launched at the sixth WTO Ministerial Conference[2] in Hong Kong in December 2005 (see Figure 1 for a chronology of events). Its objective was to enhance the role of trade in development and to mobilise resources for addressing trade-related constraints in developing and least-developed countries. In February 2006 the WTO established a taskforce for operationalising AfT. One aspect of its work was the creation of a monitoring body within the WTO that would undertake periodic global reviews, using reports from a variety of stakeholders.

The rounds of formal reviews undertaken to date have recorded a significant increase in financial resources for AfT, but also indicate that this trend is levelling out. The Organisation for Economic Co-operation and Development (OECD) and WTO's joint monitoring framework and exercise was formed to promote dialogue and encourage all key actors to honour commitments, meet local needs, improve effectiveness and reinforce mutual accountability.

1 The Uruguay Round was the 8th round of multilateral trade negotiations (MTN) conducted within the framework of the General Agreement on Tariffs and Trade (GATT), spanning from 1986 to 1993 and embracing 123 countries as "contracting parties". The Round led to the creation of the World Trade Organisation, with GATT remaining as an integral part of the WTO agreements. The broad mandate of the Round had been to extend GATT trade rules to areas previously exempted as too difficult to liberalise (agriculture, textiles) and increasingly important new areas previously not included (trade in services, intellectual property, investment policy trade distortions).The Round came into effect in 1995 with deadlines ending in 2000 (2004 in the case of developing country contracting parties) under the administrative direction of the newly created World Trade Organisation (WTO).

2 The topmost decision-making body of the WTO, which usually meets every two years. It brings together all members of the WTO, all of which are countries or customs unions. The Ministerial Conference can take decisions on all matters under any of the multilateral trade agreements. https://www.wto.org/english/thewto_e/minist_e/minist_e.htm

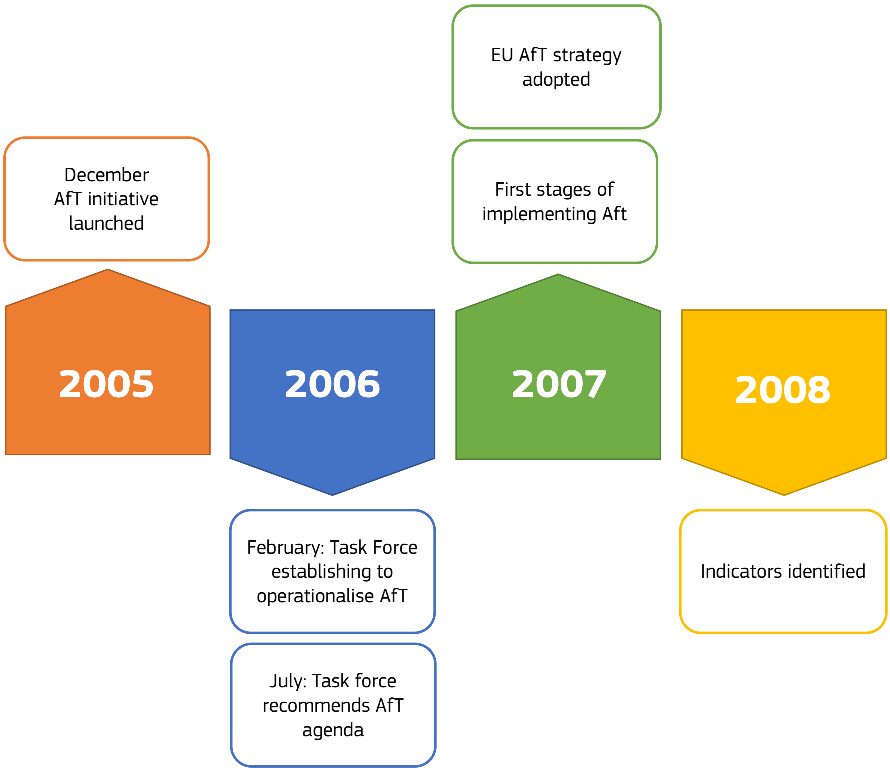


Figure A-1 – Chronology of the Aid for Trade Initiative

1.1.2 LAUNCH OF EU AID FOR TRADE

The EU's Aid for Trade (AfT) Strategy was adopted in October 2007[3] in response to the WTO-led AfT Initiative. It helped to link the EU's development and trade agendas - often perceived as incompatible. It also complemented and supported the EU's preferential trade schemes for developing countries. Its stated aim was to help developing countries better integrate into the international trading system and take greater advantage of the poverty-reducing benefits of economic openness and enhanced trade efficiency.

The WTO held a symposium on Identifying Indicators for Monitoring Aid for Trade in September 2008[4].

The EU's Aid for Trade (AfT) strategy was adopted for the first time in 2007, in response to the Aid for Trade initiative launched by the World Trade Organisation (WTO) in 2005, which encouraged developing countries to recognise the role trade can play in their sustainable development. The EU's AfT strategy helps partner countries better integrate into the global trading system and take greater advantage of the poverty-reducing benefits of economic openness and enhanced trade efficiency.

The EU AfT strategy now also follows a broader approach, in line with the UN's 2030 Agenda, considering the interlinkages that exist between investment and trade which need to be fully exploited to achieve the Sustainable Development Goals (SDGs).

1.1.3 AID FOR TRADE WTO WORK PROGRAMMES

WTO activities under the Aid for Trade initiative are carried out on the basis of a biennial work programme. These work programmes promote deeper coherence among Aid for Trade partners and an on-going focus on Aid for Trade among the trade and development community, with the emphasis on achieving concrete results. Work programmes have generated impetus for Aid for Trade activities on the ground.

3 "Towards an EU Aid for Trade strategy – the Commission's contribution" Communication, COM(2007) 163 final, 4.04.2007

4 https://www.wto.org/english/tratop_e/devel_e/a4t_e/symp_sept08_presentations_e.htm

The WTO Aid for Trade work programme for 2018-2019 was issued on 7 May 2018. Under the theme of “Supporting Economic Diversification and Empowerment for Inclusive, Sustainable Development through Aid for Trade”, the programme sought to further develop analysis of how Aid for Trade can contribute to economic diversification and empowerment, with a focus on eliminating extreme poverty, particularly through the effective participation of women and young people.

A new AfT work programme for 2020-2022[5] was approved by the WTO General Council of 3rd March 2020, building on the policy insights of the previous two work programmes. Against a background of dynamic change in the global economy and on-going efforts to achieve the 2030 Agenda, the new programme examines the opportunities that digital connectivity and sustainable development offer for economic and export diversification – and how Aid for Trade can help empower these outcomes[6]. While the context has changed, the rationale for Aid for Trade remains relevant, in particular as regards the supply-side capacity and trade-related infrastructure constraints that hamper participation in the global economy – and in particular the involvement of LDCs in global value chains.

1.1.4 AID FOR TRADE MONITORING & EVALUATION

On-going monitoring and evaluation of Aid for Trade performance is vital for the initiative’s effective implementation. Taking stock of AfT achievements on an annual basis allows its performance to be monitored and to make the necessary adjustments for the programme to continue its relevance in the changing trade and development landscape.

The WTO established a system of monitoring Aid for Trade at three levels:

- Global monitoring of overall Aid for Trade flows, based on work carried out by the OECD
- Monitoring the commitment of individual donors to provide additional Aid for Trade, including under Article 22 of the Trade Facilitation Agreement
- Monitoring how the needs of developing countries for additional Aid for Trade are being presented to, and met by, the international donor community, including the development banks.

The WTO’s monitoring framework allows a global level review of progress made locally and regionally. The monitoring exercise is based on self-assessments, data on aid for trade proxies extracted from the OECD Creditor Reporting System (CRS), and AfT country profiles that track performance between development finance inputs and trade and development results. This is buttressed by case stories and lessons learned, research from international governmental and non-governmental organisations, findings from independent evaluations and academic research.

Since the inception of the Aid for Trade initiative, eight WTO Global Review events have been undertaken on a biannual basis, each with greater complexity and depth. At each event, the WTO and OECD issue a joint flagship report on “Aid for Trade at a Glance”. The latest WTO Global Review of Aid for Trade took place virtually on 23-25 March 2021 to survey the trade impacts of the COVID-19 pandemic and make the case for the mobilization of Aid-for-Trade financing to support recovery and foster resilience.

1.1.5 AID FOR TRADE SURVEY & PROGRESS REPORT

The EU Aid for Trade Progress Report is aligned with the above-mentioned monitoring and evaluation mechanism of the WTO AfT initiative. Moreover, since the publication of the updated 2017 EU Joint Strategy on Aid for Trade[7], which called, among others, for an enhanced monitoring and reporting of the EU AfT, the report’s qualitative part (Part I) has been improved. This is in addition to the quantitative data reporting (Part II) long practiced by the EU. Part I also provides an interpretation of key trends emerging from the data presented in Part II.

5 https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/WT/COMTD/AFTW81R1.pdf&Open=True

6 The workplan was originally for 2020-2021, but the WTO Committee on Trade Development, 49th session on AfT on 7 July 2020, extended the WP till 2022 considering the impact of COVID-19 on its implementation.

7 For more information on the updated 2017 EU Joint Strategy on Aid for Trade, please refer to the specific section.

The qualitative information is derived from an annual survey sent to EU Delegations and EU Member States' field offices in countries receiving the EU and EU MS AfT. The survey complements the quantitative analysis of AfT figures with a more qualitative analysis and perceptions from the field. The findings from the questionnaire feed into the annual EU Aid for Trade Progress Reports.

1.2 DEFINITIONS AND CATEGORIES OF AID FOR TRADE

Trade is essential for sustained economic growth and development. However, the EU's partner countries often face internal constraints that prevent them from accessing the economic benefits of expanded trade. With Aid for Trade, the EU encourages developing countries' governments and donors to recognise the role that trade can play in development. It also encourages developing countries' governments to join relevant trade agreements in order to boost their trade. Donors ensure they give Aid for Trade recipients the support they need to overcome obstacles to trade and to use trade as a lever for their own sustainable development. Aid for Trade seeks to mobilise resources to address these trade-related constraints that are identified by both developing and least-developed countries.

Essentially, as defined by the WTO, Aid for Trade is about helping developing countries (especially the least developed) address their internal constraints to trade, such as cumbersome regulations, poor infrastructure and lack of workforce skills. Aid for Trade supports developing countries' efforts to better integrate into and benefit from the global rules-based trading system, implement domestic reform and make a real economic impact on the lives of their citizens. It is part of overall Official Development Assistance of grants and concessional loans that are targeted at trade-related programmes and projects.

Understanding AfT is critical for measuring its effectiveness and understanding its impact. According to the OECD and WTO, 'projects and programmes should be considered as AfT if these activities have been identified as trade-related development priorities in the recipient country's national development strategies, e.g. trade-related infrastructure, adjustment and technical assistance'[8]. In practice, the WTO taskforce on AfT left the exact definition to members of the Development Assistance Committee (DAC). Different organisations apply different definitions for AfT. The World Bank, for example, has chosen to define AfT more narrowly, excluding infrastructure projects. This complicates comparison and measurement.

1.2.1 EU DEFINITION OF AID FOR TRADE

The EU put forward a short definition of Aid for Trade in its 2017 updated Joint Strategy on Aid for Trade, which states: 'Aid for trade is assistance provided to support partner countries' efforts to develop economic capacities and expand their trade as leverage for growth and poverty reduction (…) It covers a wide range of areas including trade policy-making, trade-related regulations and standards, economic infrastructure (e.g. energy, transport, telecoms) and productive capacity building in export-oriented sectors such as agriculture, fisheries and manufacturing[9]''. Moreover, as the EU explains in that updated Strategy, the EU and its Members States provide Aid for Trade to: ''… help developing countries and particularly Least Developed Countries (LDCs) integrate into the rules-based global trading system and use trade more effectively to boost growth and reduce poverty''[10].

1.2.2 AID FOR TRADE CATEGORIES

Although there is no universal definition, a wide range of interventions can be summarised under the following Aid for Trade categories which were identified by the special WTO task force and build on the definitions used in the Joint WTO/OECD Database:

8 WTO (2006), Recommendations of the Task Force on Aid for Trade, available at http://docsonline.wto.org/imrd/directdoc.asp?DDFDocuments/t/WT/AFT/1.doc

9 The Aid for Trade scope includes nearly 100 OECD Development Assistance Committee (DAC) purpose codes, a 5-digit code used for recording information on the purpose (sector of destination) of individual aid activities. Purpose codes identify the specific area of the recipient's economic or social structure that the transfer is intended to foster. (http://www.oecd.org/dac/aft/ aid-for-tradestatisticalqueries.htm).

10 ''Achieving prosperity through trade and investment. Updating the 2007 Joint EU Strategy on Aid for Trade'' COM(2017) 667 final; 13.11.2017. https://ec.europa.eu/international-partnerships/system/files/com-2017-667-f1-communication-from-commission-to-inst-en-v3-p1-954389_en.pdf

Category 1 or 'Trade Policy and Regulations': trade policy and planning, trade facilitation, regional trade agreements, multilateral trade negotiations, multi-sector wholesale/retail trade and trade promotion. Includes training of trade officials, analysis of proposals and positions and their impact, support for national stakeholders to articulate commercial interests and identify trade-offs, dispute issues and institutional and technical support to facilitate implementation of trade agreements and to adapt to and comply with rules and standards.

Category 2 or 'Trade Development': includes all support aimed at stimulating trade by domestic firms and encouraging investment in trade-oriented industries, such as trade-related business development, as well as activities to improve the business climate, privatisation, assistance to banking and financial services, agriculture, forestry, fishing, industry, mineral resources and mining, tourism.

Category 3 or 'Trade-Related Infrastructure': physical infrastructure including transport and storage, communications, and energy generation and supply.

Category 4 or 'Building Productive Capacity'[11]: includes business development and activities to improve the business climate, privatisation, assistance to banking and financial services, agriculture, forestry, fishing, industry, mineral resources and mining, tourism. Includes trade- and non trade-related capacity building.

Category 5 or 'Trade-Related Adjustment': covers contributions to the government budget to assist with the implementation of recipients' own trade reforms and adjustments to trade policy measures taken by other countries; and assistance to manage balance of payments shortfalls due to changes in the world trading environment.

Category 6 or 'Other Trade-Related Needs': this category refers to EU programmes supporting trade in sectors not included in the other five categories, such as vocational training or public sector policy programmes.

1.3 THE 2017 EU AID FOR TRADE STRATEGY

The linkages between trade, trade policy and poverty are complex, and operate at both the macroeconomic and the microeconomic levels. Trade is essential for sustained economic growth and development and it has been observed that developing countries that have successfully integrated into the world economy have been amongst the most successful in alleviating poverty. However, EU partner countries often face internal constraints that prevent them from accessing the economic benefits of expanded trade. Aid for Trade brings them the support they need to overcome these obstacles and use trade for their own sustainable development.

Supporting the WTO's AfT initiative from the outset, the EU has over time become the leading provider of AfT. As of 2019 - the latest year for which the OECD CRS data was available for this report - the EU and its 27 Member States[12] remain the leading Aid for Trade donors in the world with EUR 17.9 billion (38% of global AfT). This percentage has increased compared with the previous year, when the EU and its Member States collectively provided EUR 16 billion (32% of Global AfT). It is normal for the levels of contributions to fluctuate and depend on programming priorities year by year and the share of AfT programmes in the total development aid commitments of the EU as well as its Member States.

The EU's AfT strategy was revised in 2017[13] to follow a broader approach, in line with the UN's 2030 Agenda, considering the interlinkages that exist between investment and trade which need to be fully exploited to achieve the Sustainable Development Goals (SDGs). It also reflected the need to increase levels of AfT, in line with the Strategy.

11 Category 2 is a sub-set of category 4 and is captured by the use of a 'Trade Development' marker in the DAC form. More- over, the narrower concept of Aid for Trade: ''Trade Related Assistance'' captures categories 1 and 2, but not 3-6 of the wider Aid for Trade concept.

12 'EU' or 'European Union' in the tables and charts in this section refers to the ´EU Institutions´ (European Commission and EIB), whereas ´EU MS´or 'EU Member States´ refers the 27 EU Member States. Despite the fact that the UK was still member of the EU in 2019 –the year the data is from– the amounts from the UK are not included in the EU MS, and this is applied retroactively for ease of comparison and reference.

13 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, Achieving Prosperity through Trade and Investment Updating the 2007 Joint EU Strategy on Aid for Trade Updating the 2007 Joint EU Strategy on Aid for Trade, COM/2017/0667 final

1.3.1 A NEW VISION FOR AFT

The objectives of the 2017 EU updated Strategy on Aid for Trade remain to:

- better align EU AfT interventions with market-driven opportunities and constraints
- focus more on least developed countries (LDCs) as they need the most support
- increase the contribution of AfT to SDGs while supporting a stronger participation of women in the economy

What has changed is the EU's vision on how to approach and deliver the high volumes of EU Aid for Trade in a way that is more effective, impactful and supportive of the social and environmental dimensions of sustainable development. The new strategy seeks to operationalise principles set in the new European Consensus on Development[14] and the EU Global Strategy, as well as to complement the Trade for All strategy from a development cooperation perspective. The principles include better combining the various policy tools at the EU´s disposal (Official Development Assistance, EU Free Trade Agreements, the Generalised System of Preferences, the External Investment Plan and blending facilities, etc.), while supporting social and environmental objectives.

The updated Strategy has set the EU and its Member States more ambitious goals as well as outlining how AfT should be delivered if it is to achieve better global results and impact. According to the EU's revised approach, the ambition must now be to support partner countries in their efforts to make progress on the SDGs and achieve sustainable prosperity through increases in volumes of both sustainable trade and investment. Sustainability implies respecting social and environmental considerations and ensuring that trade benefits local communities and profits stay local, allowing better living conditions.

Headlined "achieving prosperity through trade and investment" the Strategy sets out the future direction of AfT. It revises the existing EU AfT as delivered up to 2017 and proposes "a coherent and impactful way forward". It stresses that the ambition must be to support partner countries in their efforts to make progress on the SDGs and achieve sustainable prosperity through boosting trade, improving the business environment and investment flows (foreign and domestic).

1.3.2 FUNDAMENTAL CHANGES PROMOTED

The Strategy stresses that this requires the following fundamental changes compared to today's practices:

- Reduce current fragmentation and increase leverage of aid for trade through better informed and coordinated delivery.
- Scale up the impact of EU aid for trade by ensuring full coherence with and making the most of instruments across EU external policies, (in particular the new External Investment Plan), trade agreements and trade schemes.
- Stronger focus on the social and environmental dimensions of sustainability, together with inclusive economic growth.
- Better differentiation of countries, with increased focus on Least Developed Countries and situations of fragility.
- Improved monitoring and reporting

The Strategy underlines that, at that time, the spending on the EU's Aid for Trade was too decentralised and fragmented which made it challenging to ensure optimal coherence and effectiveness. It calls for a better combination of what it described as the "vast array" of development finance tools and aid modalities both at EU and Member State level.

14 Joint Statement by The Council and the Representatives of the Governments of the Member States meeting within the Council, The European Parliament and European Commission, The new European Consensus on Development: Our World, Our Dignity, Our Future, Official Journal of the European Union, C 210, 30 June 2017.

1.3.3 POLICY DIALOGUE

The Strategy requires an evidence-based approach which will allow for a sound understanding of value chains and downstream markets so as to enable a more informed policy dialogue with partner countries' governments, leading to better designed and impactful projects. Amongst other trends and issues it highlights digital innovation which has already demonstrated its potential to offer solutions to local problems, reduce trade costs and offer new business opportunities.

1.3.4 GENDER, ENVIRONMENT, WORKING CONDITIONS

EU Aid for Trade will help fulfil the EU's renewed and expanded commitment on gender equality and, in particular, women's economic empowerment and inclusiveness. These will be at the heart of EU Aid for Trade as a result of the EU's rights-based approach in development cooperation, which also promotes participation, non-discrimination, equality and equity, transparency and accountability.

The updated 2017 Strategy acknowledges global calls for enhanced action to counter climate change. It refers to the Paris Agreement on Climate Change[15] calling for structural changes to production and trading systems so that a new low-carbon and climate-resilient economy is created that can adapt to and mitigate climate change. It also refers to the circular economy transition which generates new innovation and economic opportunities that developing countries should further seize. The Strategy calls for environmental sustainability to be at the heart of Aid for Trade.

Working conditions are another cross-cutting theme tackled by the Strategy. As put forward in the updated Strategy, the EU Aid for Trade will take due account of the four pillars of the ILO Decent Work Agenda (standards and rights at work, employment creation and enterprise development, social protection and social dialogue). Therefore programming of EU Aid for Trade interventions should always take into account leveraging people's working conditions and the principles of fair trade and responsible business conduct.

1.3.5 FOCUSING ON LEAST DEVELOPED COUNTRIES

The Strategy calls on EU AfT interventions to be better tailored to different country contexts. This will help identify the determining factors and best triggers for sustainable development, and the best possible sequencing of reforms to target EU support accordingly. A greater proportion of EU Aid for Trade will be channelled to Least Developed Countries to help achieve the SDG target of doubling their share of global exports.

1.3.6 MONITORING

Finally and of especial relevance to this report, the Strategy calls for more comprehensive monitoring and reporting. Existing means of analysing and showcasing the impact of EU Aid for Trade interventions will be improved and reporting will be made more qualitative and results-driven with a reduced time-lag between aid for trade commitments and reporting actions. In particular, linking the EU AfT performance indicators to those of related instruments such as the External Investment Plan or trade agreements, will provide a greater sense of its overall impact.

The present report is the EU and its Member States' response to this particular task and it includes an enhanced qualitative reporting section focusing on results, with a relatively short timespan between reporting (one year). It also has a thorough quantitative analysis of Aid for Trade figures coming from the OECD - one of the leading organisations working in development and Aid for Trade.

1.3.7 WHAT HAS BEEN ACHIEVED

As stated by the WTO's Task Force on AfT:[16] "effective Aid for Trade should enhance growth prospects, reduce poverty, complement multilateral trade reforms, and distribute the global benefits of trade more equitably across and within developing countries".

15 Outcome of the Paris climate conference (COP21) as entered into force on 4 November 2016

16 World Trade Organisation (2006), Recommendations of the Task Force on Aid for Trade, WT/AFT/1, Geneva.

The significant amount of overseas development assistance spent to support developing countries in building their trade capacities has shown results. Empirical literature[17] confirms that Aid for Trade in general is effective at both the micro and macro level. The impacts, however, may vary considerably depending on the type of intervention, the income level, the sector at which the support is directed and the geographical region of the recipient country.

Trade liberalisation boosts income and thus reduces poverty, especially if it is linked to effective trade-related adjustment measures and policy reforms which diverge domestic revenues from customs tariffs to boosting other sectors where fiscal revenue can better be collected. When associated with improvements in trade performance, AfT can lead to reductions in poverty. Aid for trade has also proved effective in reducing trade costs, thanks to facilitated terms of trade.

1.3.8 CASE STORIES

The AfT Programme's case stories buttress this evidence. The sheer quantity of activities described in these illustrations suggest that Aid for Trade is becoming central to the implementation of development strategies in developing countries. Examples from around the world show tangible evidence of how AfT is helping countries build the human, institutional and infrastructural capacities, turn trade opportunities into sustainable trade flows and help men and women make a better living.

They also highlight the following benefits of Aid for Trade:

- Diversification of export markets,
- Increased foreign and domestic investment,
- A reported rise in per capita income,
- Increased employment and reduced poverty,
- Increased respect for decent work conditions and human rights as well as sustainable and traceable sourcing of trade inputs.
- Additionally, a common finding is that women workers gain from Aid for Trade programmes and trade liberalisation.

Developing countries, notably the least developed, are getting better at articulating, mainstreaming and communicating their trade-related objectives and strategies. However, their share of both trade and aid for trade remains too low.

The success of the AfT Initiative is attributed to the strong partnerships it has formed between the trade and development communities. It has brought together various groups of stakeholders, developing countries and donors in particular, with the common aim of making trade work for development.

1.3.9 LINKS TO CREDITOR REPORTING SYSTEM CODES

To increase transparency, the OECD/DAC has sought to streamline reporting on the AfT categories identified by the Task Force. In particular, it has endeavoured to link each AfT category to one or more specific codes in the general Creditor Reporting System (CRS), to which donors report on all their ODA. Table A-1 below details the CRS codes used to measure each one of the AfT categories.

Table A-1 - CRS codes used to measure each AfT category

Aid for Trade Categories	CRS Codes Included
Cat 1. Trade Policy and Regulations (TPR)	33110 - Trade policy and administrative management
	33120 - Trade facilitation
	33130 - Regional trade agreements (RTAs)
	33140 - Multilateral trade negotiations
	33181 - Trade education/training

17 Velde te D.W. (2013) "Future Directions of Aid for Trade" in Razzaque M., Velde te D.W. (eds.) Assessing Aid for Trade; Effectiveness, Current Issues and Future Directions, Commonwealth Secretariat – Overseas Development Institute, London.

Cat 2. Trade Development (TD)	All activities in Cat. 4 with the "Trade Development Marker"
Cat 3. Trade-Related Infrastructure (TRI)	21xxx - Transport 22xxx - Communications 23xxx - Energy
Cat 4. Building Productive Capacity (BPC)	240xx - Banking and financial services 25010 - Business support services and institutions 311xx - Agriculture 312xx - Forestry 313xx - Fishing 321xx - Industry 322xx - Mineral resources and mining 323xx - Construction 33210 - Tourism
Cat 5. Trade-Related Adjustment (TR Adj.)	33150 - Trade-related adjustment
Cat 6. Other Trade-Related Needs (EU Cat.6)	Not measured by the OECD/CRS. Data collection by the EU was discontinued from 2015 commitments.

Essentially aid for trade activities and results can be measured and analysed in two different dimensions: the 'wider aid for trade agenda', which includes all AfT categories and can be referred to simply as 'Aid for Trade'; and on the other hand, the ´classical´, narrower AfT sense, called 'trade-related assistance' (TRA), which is a subset of the first AfT dimension.

Aid for Trade in its classical, narrow sense of Trade Related Assistance (TRA) had been known to the international development community long before the WTO Hong Kong conference. TRA is still a term that is absolutely valid and often used when referring to support activities revolving around Categories 1 and 2 of the larger Aid for Trade concept.

This results in the following note that can be taken when applying the terms AfT and TRA without misunderstanding the taxonomy of the terms: provision of ODA aiming at trade-supporting activities can be called a TRA or AfT when activities stay within categories 1 and 2 as described above: It can be called AfT but not a TRA when activities go beyond categories 1 and 2 of the above described WTO Task Force on Aid for Trade taxonomy. Table 2 below shows the categories under each dimension.

Table A-2 – AfT categories included under each AfT dimension

AfT dimension	AfT Categories included
Total Aid for Trade (AfT)	Cat 1. Trade Policy and Regulations (TPR) Cat 3. Trade Related Infrastructure (TRI) Cat 4. Building Productive Capacity (BPC)[18] Cat 5. Trade Related Adjustment (TR Adj.) Cat 6. Other Trade-Related Needs (EU Cat.6)
Trade-Related Assistance (TRA)[19]	Cat 1. Trade Policy and Regulations (TPR) Cat 2. Trade Development (TD)[20] Cat 6. Other Trade-Related Needs (EU Cat.6)

18 Cat 4 counts for all BPC activities, including those with TD marker (Cat 2).

19 TRA is a subset of total Aid for Trade.

20 Cat 2 is a subset of Cat 4 and is captured using the TD DAC marker.

The OECD introduced the Trade Development marker (TD marker) to allow donors to identify which projects in the "Building Productive Capacity" category (Cat 4) are targeted for trade development. The TD marker can be assigned three different values:

0 – The activity is not targeted for trade development,

1 – Trade development is a significant objective,

2 – Trade development is the principal objective.

1.4 CONCLUSIONS

1.4.1 AN ONGOING PROCESS

Building trade capacities is an ongoing process. The continued need for the Aid for Trade Initiative has been proven and seems certain to continue. The year 2020 and the COVID-19 crisis in particular, which has, inter alia, reduced developing countries' merchandise exports to the EU by almost EUR 100 billion compared to 2019, have already shown that the global economy will need to catch up on the significant losses that the pandemic has caused in achieving the UN 2030 Agenda. The global rules-based trading system is currently under huge strain. Now more than ever the efforts of the whole global community are needed to limit the damage to global and regional value chains and trade terms, in addition to trying to move forward.

Tackling trade-related constraints requires persistent efforts in a globalised economy where connectivity is key for success. This is especially true with trade growing at a slower pace than before. Despite the significant achievements of AfT over the past 15 years, challenges remain as trade wars and crises occur and especially in 2020 as humanity copes with the global pandemic. Now, more than ever, the private sector and governments must work together to protect livelihoods and viable firms. Relevant measures include innovation, a focus on digitalisation and incentives.

Much progress has already been made in engaging the private sector. But its role should be further strengthened by involving the private sector in the different stages of the AfT project cycle and linking support to the investment climate and the use of financial instruments to Aid for Trade interventions.

1.4.2 ENHANCING EFFECTIVENESS

AfT effectiveness could be further enhanced by supporting regional cooperation and better donor coordination. This is even more relevant when having to counter the ripple effects of the pandemic and the economic crises that follow.

A stronger focus is needed on those sectors of developing countries' economies that are central to promoting sustainable development, such as agriculture, energy and transport. AfT will further support developing countries in moving to sustainable agriculture and a reduced dependency on food imports, building climate-resilient infrastructure, strengthening the supply chain of low-carbon technologies and environmental goods and services, thus helping them in achieving green growth.

1.4.3 GREEN DEAL

In addition, building on the recent Commission Communication: ''The European Green Deal''[21] (11th December 2019), EU Aid for Trade has to be seen through the prism of the goals set out in that Communication, so as to respond to climate and environment-related challenges through a comprehensive economic and societal transformation to a more sustainable path of economic development.

The Aid for Trade initiative takes into account the fundamental changes that are taking place in the trade and development landscape. In response to the changing nature of the world economy and its rising complexity,

21 ''The European Green Deal'' Communication, 11 December 2019 (COM(2019)640: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2019%3A640%3AFIN

new analytical approaches are needed to better understand the trade-offs and complementarities between policy objectives – e.g. between growth-promoting policies and environmental concerns. Addressing these concerns and dealing with the interlinkages requires an integrated approach.

1.4.4 INTEGRAL TO POLICY

The Aid for Trade Initiative ought to become an integral part of this new approach to policy if the Sustainable Development Goals are to be delivered by 2030. This is even more acutely important now and for the coming years as the global community has to face the effects of two crises simultaneously: climate change plus the global health and economic crisis caused by the COVID-19 pandemic.

2 ANNEX – TRADE AGREEMENTS

2.1 TRADE AGREEMENTS IN PLACE[22] – BY COUNTRY

Country (Region)	Agreement	Status
Albania (Western Balkans)	Stabilisation and Association Agreement	In force since 2009
Algeria	Association Agreement	In force since 2005
Andorra	Customs union	In force since 1991
Antigua and Barbuda (CARIFORUM)	Economic Partnership Agreement	Provisionally applied since 2008
Armenia	Comprehensive and Enhanced Partnership Agreement	Provisionally applies since June 2018
Azerbaijan	Partnership and Cooperation Agreement	In force since 1999, negotiations on modernisation began in 2017, on hold since 2019
Bahamas (CARIFORUM)	Economic Partnership Agreement	Provisionally applied since 2008
Barbados (CARIFORUM)	Economic Partnership Agreement	Provisionally applied since 2008
Belize (CARIFORUM)	Economic Partnership Agreement	Provisionally applied since 2008
Bosnia and Herzegovina (Western Balkans)	Stabilisation and Association Agreement	In force since 2015
Botswana (SADC)	Economic Partnership Agreement	Provisionnaly applied since 2016
Cameroon (Central Africa)	Interim Economic Partnership Agreement	Provisionally applied since 2014
Canada	Comprehensive Economic and Trade Agreement (CETA)	Provisionally applied since 2017
Chile	Association Agreement and Additional Protocol	In force since 2003, negotiations on modernisation began in 2017, on hold since 2019
Colombia (with Ecuador and Peru)	Trade Agreement	Provisionally applied since 2013
Comoros (ESA)	Interim Economic Partnership Agreement	Provisionally applied since 2019, negotiations on modernisation began in 2019
Costa Rica (Central America)	Association Agreement with a strong trade component	Provisionally applied since 2013
Côte d'Ivoire (West Africa)	Stepping stone Economic Partnership Agreement	Provisionally applied since 2016
Dominica (CARIFORUM)	Economic Partnership Agreement	Provisionally applied since 2008
Dominican Republic (CARIFORUM)	Economic Partnership Agreement	Provisionally applied since 2008
Ecuador (with Colombia and Peru)	Trade Agreement	Provisionally applied since 2013
Egypt	Association Agreement	In force since 2004
El Salvador (Central America)	Association Agreement with a strong trade component	Provisionally applied since 2013
Eswatini (SADC)	Economic Partnership Agreement	Provisionnaly applied since 2016
Faroe Islands	Agreement	In force since 1997
Fiji (Pacific)	Interim Partnership Agreement	Provisionally applied since 2014
Georgia	Association Agreement	In force since 2016
Ghana (West Africa)	Stepping stone Economic Partnership Agreement provisionally applied	Provisionally applied since 2016
Grenada (CARIFORUM)	Economic Partnership Agreement	Provisionally applied since 2008
Guatemala (Central America)	Association Agreement with a strong trade component	Provisionally applied since 2013
Guyana (CARIFORUM)	Economic Partnership Agreement	Provisionally applied since 2008
Honduras (Central America)	Association Agreement with a strong trade component	Provisionally applied since 2013
Iceland	Economic Area Agreement	In force since 1994
Israel	Association Agreement	In force since 2000
Iraq	Partnership and Cooperation Agreement	Provisionally applied since 2012
Jamaica (CARIFORUM)	Economic Partnership Agreement	Provisionally applied since 2008
Japan	Global agreement	In force since 2019

22 List of Agreements as of 22 January 2021. Source: https://ec.europa.eu/trade/policy/countries-and-regions/negotiations-and-agreements/

Country (Region)	Agreement	Status
Jordan	Association Agreement	In force since 2002
Kazakhstan	Enhanced Partnership and Cooperation Agreement	Provisionally applied since 2016
Kosovo *	Stabilisation and Association Agreement	In force since 2016
Lebanon	Association Agreement	In force since 2006
Lesotho (SADC)	Economic Partnership Agreement	Provisionnaly applied since 2016
Liechtenstein	Economic Area Agreement	In force since 1995
Madagascar (ESA)	Economic Partnership Agreement	Provisionally applied since 2012, negotiations on modernisation began in 2019
Mauritius (ESA)	Economic Partnership Agreement	Provisionally applied since 2012, negotiations on modernisation began in 2019
Mexico	Global Agreement	In force since 2000, negotiations on modernisation began in 2016, 'Agreement in principle' on the trade part reached in 2018
Moldova	Association Agreement	In force since 2016
Montenegro (Western Balkans)	Stabilisation and Association Agreement	In force since 2010
Morocco	Association Agreement	In force since 2000, negotiations on modernisation began in 2013, on hold since 2014
Mozambique (SADC)	Economic Partnership Agreement	Provisionnaly applied since 2016
Namibia (SADC)	Economic Partnership Agreement	Provisionnaly applied since 2016
Nicaragua (Central America)	Association Agreement with a strong trade component	Provisionally applied since 2013
North Macedonia (Western Balkans)	Stabilisation and Association Agreement	In force since 2004
Norway	Economic Area Agreement	In force since 1994
Palestinian Authority	Interim Association Agreement	In force since 1997
Panama (Central America)	Association Agreement with a strong trade component	Provisionally applied since 2013
Papua New Guinea (with Fiji)	Interim Partnership Agreement	Provisionally applied since 2013
Peru (with Colombia and Ecuador)	Trade Agreement	Provisionally applied since 2013
Samoa (Pacific)	Economic Partnership Agreement	Provisionally applied since 2018
San Marino	Customs union	In force since 1991
Serbia (Western Balkans)	Stabilisation and Association Agreement	In force since 2013
Seychelles (ESA)	Economic Partnership Agreement	Provisionally applied since 2012, negotiations on modernisation began in 2019
Singapore	Free Trade Agreement	In force since 2019
Solomon Islands (Pacific	Economic Partnership Agreement	Provisionally applied since 2020
South Africa	Economic Partnership Agreement	Provisionnaly applied since 2016
South Korea	Free Trade Agreement	In force since 2015
St Kitts and Nevis (CARIFORUM)	Economic Partnership Agreement	Provisionally applied since 2008
St Lucia (CARIFORUM)	Economic Partnership Agreement	Provisionally applied since 2008
St Vincent and the Grenadines (CARIFORUM)	Economic Partnership Agreement	Provisionally applied since 2008
Suriname (CARIFORUM)	Economic Partnership Agreement	Provisionally applied since 2008
Switzerland	Agreement	In force since 1973
Trinidad and Tobago (CARIFORUM)	Economic Partnership Agreement	Provisionally applied since 2008
Tunisia	Association Agreement	In force since 1998, negotiations on modernisation began in 2015, on hold since 2019
Turkey	Customs union	In force since 1995
Ukraine	Deep and Comprehensive Free Trade Agreement Association Agreement	Provisionally applied since 2016
Vietnam	Free Trade Agreement	In force since 2020
Zimbabwe (ESA)	Economic Partnership Agreement	Provisionally applied since 2012, negotiations on modernisation began in 2019

2.2 AGREEMENTS BEING ADOPTED OR RATIFIED[23]

Country (Region)	Agreement pending	Status
Argentina (Mercosur)	Mercosur Association Agreement	Negotiations concluded in June 2019
Benin (West Africa)	Economic partnership Agreement	Signed, awaiting signature from all parties
Brazil (Mercosur)	Mercosur Association Agreement	Negotiations concluded in June 2019
Burkina Faso (West Africa)	Economic partnership Agreement	Signed, awaiting signature from all parties
Burundi (EAC)	Economic partnership Agreement	Has not signed or ratified agreement
Cabo Verde (West Africa)	Economic partnership Agreement	Signed, awaiting signature from all parties
Gambia (West Africa)	Economic partnership Agreement	Signed, awaiting signature from all parties
Guinea (West Africa)	Economic partnership Agreement	Signed, awaiting signature from all parties
Guinea-Bisseau (West Africa)	Economic partnership Agreement	Signed, awaiting signature from all parties
Haiti (CARIFORUM)	Preferential trade agreement under adoption/ratification	Has not signed or ratified agreement
Kenya (EAC)	Economic partnership Agreement	Signed and ratified, provisional application when all EAC countries sign and ratify
Liberia (West Africa)	Economic partnership Agreement	Signed, awaiting signature from all parties
Mali (West Africa)	Economic partnership Agreement	Signed, awaiting signature from all parties
Mauritania (West Africa)	Economic partnership Agreement	Signed, awaiting signature from all parties
Niger (West Africa)	Economic partnership Agreement	Signed, awaiting signature from all parties
Nigeria (West Africa)	Economic partnership Agreement	Has not signed or ratified agreement
Paraguay (Mercosur)	Mercosur Association Agreement	Negotiations concluded in June 2019
Rwanda (EAC)	Economic partnership Agreement	Signed, provisional application when all EAC countries sign and ratify
Senegal (West Africa)	Economic partnership Agreement	Signed, awaiting signature from all parties
Sierra Leone (West Africa)	Economic partnership Agreement	Signed, awaiting signature from all parties
Tanzania (EAC)	Economic partnership Agreement	Has not signed or ratified agreement
Togo (West Africa)	Economic partnership Agreement	Signed, awaiting signature from all parties
Uganda (EAC)	Economic partnership Agreement	Has not signed or ratified agreement
Uruguay (Mercosur)	Mercosur Association Agreement	Negotiations concluded in June 2019

23 List of Agreements as of 22 January 2021. Source: https://ec.europa.eu/trade/policy/countries-and-regions/negotiations-and-agreements/

3 ANNEX 3 - LIST OF GSP BENEFICIARY COUNTRIES[24]

Standard GSP	GSP+	EBA
Congo	Armenia	Afghanistan
Cook Islands	Bolivia	Angola
India	Cape Verde	Bangladesh
Indonesia	Kyrgyzstan	Benin
Kenya	Mongolia	Bhutan
Micronesia	Pakistan	Burkina Faso
Nauru	Philippines	Burundi
Nigeria	Sri Lanka	Cambodia
Niue		Central African Rep.
Samoa		Chad
Syria		Comoros
Tajikistan		Congo (DRC)
Tonga		Djibouti
Uzbekistan		Equatorial Guinea
Vietnam		Eritrea
		Ethiopia
		Gambia
		Guinea
		Guinea-Bissau
		Haiti
		Kiribati
		Lao PDR
		Lesotho
		Liberia
		Madagascar
		Malawi
		Mali
		Mauritania
		Mozambique
		Myanmar/Burma
		Nepal
		Niger
		Rwanda
		Sao Tome & Principe
		Senegal
		Sierra Leone
		Solomon Islands
		Somalia
		South Sudan
		Sudan
		Tanzania
		Timor-Leste
		Togo
		Tuvalu
		Uganda
		Vanuatu
		Yemen
		Zambia

24 List of GSP beneficiary countries as of 01 January 2019. Source: https://trade.ec.europa.eu/doclib/docs/2019/may/tradoc_157889.pdf

4 ANNEX 4 - LIST OF ODA RECIPIENT COUNTRIES BY INCOME LEVEL

Source: OECD - DAC List of ODA Recipients Effective for reporting on aid in 2018 and 2019: http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/DAC-List-of-ODA-Recipients-for-reporting-2018-and-2019-flows.pdf

LDC (Least Developed Countries): Afghanistan, Angola, Bangladesh, Benin, Bhutan, Burkina Faso, Burundi, Cambodia, Central African Republic, Chad, Comoros, Democratic Republic of the Congo, Djibouti, Eritrea, Ethiopia, Gambia, Guinea, Guinea-Bissau, Haiti, Kiribati, Lao People's Democratic Republic, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Myanmar, Nepal, Niger, Rwanda, Sao Tome and Principe, Senegal, Sierra Leone, Solomon Islands, Somalia, South Sudan, Sudan, Tanzania, Timor-Leste, Togo, Tuvalu, Uganda, Vanuatu, Yemen, Zambia.

LMICs (Lower Middle Income Countries and Territories): Bolivia, Cabo Verde, Cameroon, Congo, Côte d'Ivoire, Egypt, El Salvador, Eswatini, Georgia, Ghana, Guatemala, Honduras, India, Indonesia, Jordan, Kenya, Kosovo*, Kyrgyzstan, Micronesia, Moldova, Mongolia, Morocco, Nicaragua, Nigeria, Pakistan, Papua New Guinea, Philippines, Sri Lanka, Syrian Arab Republic, Tajikistan, Tokelau, Tunisia, Ukraine, Uzbekistan, Viet Nam, West Bank and Gaza Strip.

Other LICs (Other Low Income Countries and Territories): Democratic People's Republic of Korea, Zimbabwe.

UMICs (Upper Middle Income Countries and Territories): Albania, Algeria, Antigua and Barbuda, Argentina, Armenia, Azerbaijan, Belarus, Belize, Bosnia and Herzegovina, Botswana, Brazil, Chile, China (People's Republic of), Colombia, Cook Islands, Costa Rica, Cuba, Dominica, Dominican Republic, Ecuador, Equatorial Guinea, Fiji, Gabon, Grenada, Guyana, Iran, Iraq, Jamaica, Kazakhstan, Lebanon, Libya, Malaysia, Maldives, Marshall Islands, Mauritius, Mexico, Montenegro, Montserrat, Namibia, Nauru, Niue, North Macedonia, Palau, Panama, Paraguay, Peru, Saint Helena, Saint Lucia, Saint Vincent and the Grenadines, Samoa, Serbia, Seychelles, South Africa, Suriname, Thailand, Tonga, Turkey, Turkmenistan, Uruguay, Venezuela, Wallis and Futuna.

Countries considered as "graduated" by the OECD DAC: the following countries are not included in the quantitative part of this report because they are not included in the OECD CRS database: Saudi Arabia, Turks and Caicos Islands, Barbados, Mayotte, Oman, Trinidad and Tobago, Anguilla, Saint Kitts and Nevis, Chile, Seychelles and Uruguay.[25]

*This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

25 More information on OECD DAC graduation can be found here: http://www.oecd.org/development/financing-sustainable-development/develop-ment-finance-standards/historyofdaclistsofaidrecipientcountries.htm

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