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## Introduction

Aid for Trade<sup>2</sup> has become an important issue for both donors and recipients, particularly since the Hong Kong Ministerial Meeting of the WTO in 2005. Donors are pledging support and recipients are anticipating an increase in AfT. Despite attempts to define and measure AfT, there remain significant problems in developing an agreed definition that is both measurable and comparable. AfT typically has several purposes and multiple outcomes, and hence is difficult to classify according to a specific focal area. Consistent reporting based on transparent and comprehensive monitoring is required to give credibility to donors' AfT policies, strategies and pledges. However, competitive pledging by donors and calls for additionality by recipients has led to the politicisation of the figures.

This paper aims to provide guidance on what constitutes AfT, explore how definitions have evolved over time and consider how it can be measured. Section 2 explores the origins and evolving definition of development assistance on trade, from trade-related technical assistance and capacity building to trade-related assistance to AfT, as well as changes in the definition of AfT over recent years. It also considers the ways in which flows are monitored and the problems of potentially re-labelling AfT or attempting to calculate the AfT component of aid activities. Section 3 provides brief details on global AfT flows. Section 4 examines data on AfT in Tanzania and compares data from a variety of sources. Section 5 suggests an alternative simple and practical methodology for identifying, classifying and quantifying AfT in-country. Section 6 sets out conclusions, policy implications and recommendations.