Aid for Trade (AfT) aims to help developing countries maximise their trade opportunities and represent their interests in trade negotiations. According to research reviewing the lessons learnt from previous aid initiatives, AfT can help meet sustainable development goals if developing nations are involved in setting standards.

AfT builds on the increasing recognition that trade and the environment cannot be considered as separate policy issues. Environmental policy has important trade implications and trade policy forms a significant part of international environmental policy. For example, to manage endangered species, products derived from rare species must be regulated. A number of environmental issues, such as global waste trade, resource use efficiency and organic agriculture, are also significant trade issues. Trade agreements and policies can also support certain goods and services that help protect the environment, whilst providing income to developing countries, such as for fair trade goods.

Three key priorities for effective AfT initiatives were developed from lessons learnt generally in aid provision. Firstly, if assistance is offered in one area, it should not be at the expense of assistance provided in another area. For example, new trade rules can remove existing preferential treatment enjoyed by developing countries and the impact of this can be significant to their economies. Alongside this, investments should be long-term and predictable.

Secondly, trade policy tends to be ‘rule-based’, with clear obligations and penalties. Developing countries may consider this as ‘conditionality’, which tends not to work in development assistance, because it is viewed as an imposition and often the countries themselves are not involved in setting these ‘conditions’. The author argues that AfT initiatives must therefore be careful that their obligations do not lead to conditionality. Clear goals, targets, timelines and monitoring systems can be set up but any suggestion of policy conditionality must be avoided. The development of these systems should also involve the developing nations themselves.

Lastly, the criteria for accessing aid must be clear and transparent, demonstrate relevance to trade goals and be needs-based.

Developing countries need a sound domestic analytical framework to assess the impact of trade agreements and policies and AfT could help build these capacities. The assessments should be integrated and bring together economic, social and environmental dimensions. For example, trade policy to encourage environmentally-friendly products would benefit the environment, poverty alleviation and trade, and its impact should be measured in all areas.

Trade policy should also be mainstreamed into development policy, and environmental policy should be mainstreamed into trade policy. This could be achieved through a set of trade policy impact assessments. For these recommendations to become actions there needs to be investment in international policy processes, domestic implementation capacities and stakeholder participation. Developing countries need to meaningfully participate in international standard-setting and must encourage more linkages between the environmental and trade-related agencies that implement national policy.


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