



Regional: Subproject 2: Aid for Trade for Inclusive Growth, 2020-2022

Project Name	Subproject 2: Aid for Trade for Inclusive Growth, 2020-2022				
Project Number	52189-003				
Country	RegionalPapua New GuineaVanuatu				
Project Status	Proposed				
Project Type / Modality of Assistance	Technical Assistance				
Source of Funding / Amount	<table border="1"> <tr> <td>TA: Subproject 2: Aid for Trade for Inclusive Growth, 2020-2022</td> <td></td> </tr> <tr> <td>Technical Assistance Special Fund</td> <td>US\$ 125,000.00</td> </tr> </table>	TA: Subproject 2: Aid for Trade for Inclusive Growth, 2020-2022		Technical Assistance Special Fund	US\$ 125,000.00
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Technical Assistance Special Fund	US\$ 125,000.00				
Strategic Agendas	Inclusive economic growth Regional integration				
Drivers of Change	Knowledge solutions Partnerships Private sector development				
Sector / Subsector	Industry and trade - Small and medium enterprise development - Trade and services				
Gender Equity and Mainstreaming	Some gender elements				
Description	<p>ADB has been an active partner of and contributor to the World Trade Organization (WTO)-led Aid for Trade Global Review since its inception in 2005. ADB's main contribution consists of a research report, Aid for Trade in Asia and the Pacific, launched at the Aid for Trade Global Review, as well as organization of side events. The report provides an update on Aid for Trade trends and patterns in Asia and the Pacific. In addition, the report includes in-depth analyses on topical issues related to the inclusiveness and sustainability of trade growth, in the context of a biennial work program approved and circulated by WTO's Committee for Trade and Development. The TA subproject 2 will have the following outcome: DMCs' understanding of relevant trade opportunities, bottlenecks, and issues improved. The TA subproject 2 will contribute to the TA cluster's overall outcome by producing and disseminating the Aid for Trade Report 2021, organizing related knowledge sharing events, and publishing background papers as policy briefs and working papers.</p>				
Project Rationale and Linkage to Country/Regional Strategy	<p>International trade has been instrumental to rapid economic growth and poverty reduction in Asia and the Pacific and will continue to play a key role in meeting the Sustainable Development Goals. Empirical analysis further indicates that Aid for Trade has played an essential role in the region's positive trade performance in goods and services, and in generation of inclusive job opportunities. Still, many developing countries, particularly the least developed, face challenges in fully benefiting from trade liberalization because of obstacles, such as supply-side capacity and trade-related infrastructure, that constrain engagement in international trade. Moreover, the benefits of trade liberalization within countries are not always shared equitably among all segments of the economy, with micro, small, and medium-sized enterprises and women-led firms typically at a disadvantage. To fully realize potential trade outcomes for inclusive growth, developing countries should focus more on trade liberalization and policy adjustments, as well as on the investments necessary to address capacity and infrastructure constraints. These challenges are exacerbated by DMCs' lack of understanding of Aid for Trade-related issues, including how best to maximize the benefits of Aid for Trade to achieve inclusive trade-driven growth. The TA subproject 2 will address this knowledge gap on Aid for Trade's key role in helping DMCs address constraints to inclusive trade. It will also look into the impact of coronavirus disease (COVID-19) outbreak and pandemic on Aid-for-Trade efforts and trade facilitation and supply chains.</p> <p>The coronavirus disease (COVID-19) outbreak and pandemic in 2020 has impacted on trade and economic growth. Asian governments responded to the pandemic with a range of containment measures, which significantly reduced people's mobility and, along with precautionary behavior, cut into domestic economic activity. Regional and global trade plunged during the second quarter of 2020, with global trade down close to 20% year-on-year in April and May. Latest forecasts show that developing Asia's GDP will contract by 0.7% in 2020. This will be the first regional contraction since the early 1960s.</p> <p>The COVID-19 outbreak and pandemic call for critical assessment of its impact on trade and supply chains. ADB's 2021 Aid for Trade Report will therefore evaluate the impact of the COVID-19 pandemic on international trade and the implications for the Aid for Trade Initiative. It should be noted that the Aid-for-Trade Work Program for 2020-2021 was established before the pandemic. The focus of the work program is on the opportunities that digital connectivity and sustainability offer for economic and export diversification. Both digital connectivity and sustainability have received increased attention amid the COVID-19 pandemic. Digitalization of the economy has been accelerated and questions of how trade can contribute to sustainability are now asked from a different perspective. The pandemic has exposed some fault lines in global supply chains highlighting their vulnerability. As economies locked down, healthcare authorities and governments were left scrambling to find the products they needed. The report will assess the impact of the pandemic on international trade and what it means for the Aid for Trade agenda, in particular with regard to sustainability and digitalization. Trade has been crucial in fighting the pandemic; and looking ahead, it will be vital for economic recovery. The pandemic will have lasting impact on how economies trade and do business across borders. These elements will be considered in the research which should be evidence-based and policy-oriented.</p>				
Impact	Opportunities for further trade growth in Asia and the Pacific maximized DMCs' integration into the global economy heightened through increased trade openness				
Outcome	DMCs' understanding of relevant trade opportunities, bottlenecks, and issues improved.				
Outputs	Aid for Trade in Asia and the Pacific 2021 report published and disseminated Knowledge sharing events organized Background papers published				
Geographical Location	Papua New Guinea - Nation-wide; Vanuatu - Nation-wide				
Summary of Environmental and Social Aspects					
Environmental Aspects					
Involuntary Resettlement					

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design

During Project Implementation

Responsible ADB Officer	Kim, Kijin
Responsible ADB Department	Economic Research and Regional Cooperation Department
Responsible ADB Division	ERCI
Executing Agencies	Asian Development Bank 6 ADB Avenue, Mandaluyong City 1550, Philippines

Timetable

Concept Clearance	-
Fact Finding	12 Aug 2020 to 13 Oct 2020
MRM	-
Approval	-
Last Review Mission	-
Last PDS Update	22 Dec 2020

Project Page	https://www.adb.org/projects/52189-003/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=52189-003
Date Generated	30 December 2020

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