

# Project Eligibility Criteria

- **Impact on poverty reduction.**
- **Innovation and generation of lessons learned.**
- **Value against resources committed.**
- **Sustainability of expected impact.**
- **Potential for replication.**
- **Contribution to the strengthening of regional institutions.**
- **Focus on multi-stakeholders alliances.**
- **Potential for leverage/coordination of resources, including ordinary capital of the IDB.**

The comparative advantage of the Bank in the delivery of Aid for Trade (AFT) stems from its position as the main source of multilateral funds to Latin America and Caribbean countries, its technical knowledge of the region and its long standing track record in providing trade-related assistance to LAC. The IDB is also fully engaged in coordinating its activities with the World Trade Organization (WTO) and with other regional and subregional institutions and bilateral donors.

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# THE AID FOR TRADE FUND



**The Aid for Trade Fund will strengthen Latin America and Caribbean (LAC) government's and private sector's capacity to integrate into the global economy and to benefit from liberalized trade and increased market access.**

**The Fund, which is consistent with the priorities of the Aid for Trade (AFT) initiative of the WTO, will also help to coordinate and mobilize multi-sectoral expertise across governments, non-governmental institutions and private sector, and to strengthen coordination and partnerships with multilateral and regional organizations and donor agencies.**

## Objectives of the Fund:

- ☐ **To enhance trade-related capacity and trade-related infrastructure.**
- ☐ **To facilitate trade reforms and economic integration.**
- ☐ **To foster business and private sector trade development.**

## Resources: Multidonor Fund

## Projects Financed

The Fund will support activities falling within the following four main areas:

**1. Trade policy and regulations:** building capacity to formulate trade policies, participate in negotiations and implement commitments stemming from international trade and investment agreements.

The Fund will support activities such as:

- Training of public officials and private sector.
- Generation of impact evaluations at the sectoral and social level.
- Technical and financial support to institutional reforms to upgrade regulatory frameworks, including areas such as government procurement, SPS and TBT measures, intellectual property, labor and environmental standards.

**2. Trade facilitation and private sector development:** strengthening government's ability to develop business, promote exports and attract investments, and private sector's capacity to increase competitiveness in export markets.

The Fund will support activities such as:

- Development of trade finance instruments.
- Customs modernization and logistics systems upgrade.
- Trade and investment promotion support.
- Provision of strategic market analysis and intelligence.
- Support to regional clusters and export value chains.
- Development of e-commerce infrastructure and services.

**3. "Soft" trade-related infrastructure:** supporting soft infrastructure to reduce transport costs, enhancing trade competitiveness, promoting foreign investment attraction and efficiently delivering goods and services to the global marketplace.

The Fund will support activities such as:

- Technical support for cross-border harmonization of regulatory frameworks.
- Improvement of digital connectivity within countries and across borders.
- Generation of business initiatives around large physical infrastructure projects.
- Support for building consensus to enhance trade-related regional infrastructure corridors.

**4. Trade-related adjustment:** assisting countries and private sector in the transition to open trade and investment, ensuring an equitable distribution of benefits and opening opportunities across social sectors and regions.

The Fund will support activities such as:

- Design and implementation of compensatory mechanisms for vulnerable segments of the population, including women, indigenous groups, and other minorities.
- Vocational training services and support for the relocation of labor.
- Pilot initiatives aiming at expanding export opportunities for the poor and minorities.
- Support to trade related corporate social responsibility initiatives.