Building Trade Capacities for Africa's Transformation

A critical review of Aid for Trade

United Nations
Economic Commission for Africa

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Abbreviations

3ADI	African Agribusiness and Agro-Industry Development Initiative
AfDB	African Development Bank
AFESD	Arab Fund for Economic and Social Development
AfT	Aid for Trade
AIDA	Accelerated Industrial Development in Africa
APCI	African Productive Capacity Initiative
AUC	African Union Commission
CAADP	Comprehensive Africa Agriculture Development Programme
CEN-SAD	Community of Sahel-Saharan States
COMESA	Common Market for Eastern and Southern Africa
CRS	Creditor Reporting System
DAC	Development Assistance Committee
EAC	East African Community
ECA	Economic Commission for Africa
ECOWAS	Economic Community of West African States
GDP	Gross Domestic Product
ICT	Information and Communications Technologies
IDA	International Development Association
IDA	International Development Association
IEA	Intergovernmental Energy Agency
KFAED	Kuwait Fund for Arab Economic and Social Development
LDC	Least Developed Country
LLDC	Land-Locked Developing Country
MDG	Millennium Development Goal
ODA	Overseas Development Assistance
OECD	Organization for Economic Cooperation and Development
OFID	OPEC Fund for International Development
REC	Regional Economic Community
SADC	Southern African Development Community
SIDS	Small Island Developing State
TRIPS	Trade Related aspects of Intellectual Property Rights
UMA	Arab Maghreb Union
USD	United States Dollar
WTO	World Trade Organization

I. Introduction: Aid for Trade in a broader perspective

At a conceptual level, the notion of Aid for Trade can be traced to the debate surrounding the Millennium Development Goal (MDG) number 8 and the "global partnership for development".[1] In practical terms, however, Aid for Trade prominently enters into the development discourse with the 2005 Hong Kong Ministerial Declaration of the World Trade Organization (WTO), where it is initially conceived as a "valuable complement" to the Doha Development Round. Since then, the stalemate of the latter and the growing importance attached to the "trade dimension" of development strategies have gradually led to a "decoupling" of Aid for Trade from the Doha negotiations (see Hallaert, 2012). Given this trajectory, at the present juncture it is all the more important to go beyond a mere monitoring of Aid for Trade flows and frame the discussions arising from the Fourth Global Review of Aid for Trade into the broader development context. The terms of integration into the global market have been changing and, in this respect, three broad tendencies appear to be crucial for Africa as well as for other developing regions.

First, globalization has gradually modified the nature of international trade through the simultaneous effects of production fragmentation and declining transport and communication costs, which allow exploiting more efficiently different countries' comparative advantages along the value chain. Thanks to these trends, lead transnational corporations have been able to reorganize production around regional and international networks, retaining the most profitable phases of production along global value chains, and outsourcing the others (ECA and AUC, 2013).[2] This process, in turn, has resulted in the rapid surge of worldwide intra-industry trade in intermediate goods, which nowadays account for about half of international trade (OECD and WTO, 2013).

Second, over the last ten to fifteen years the world economy has witnessed a significant rebalancing, with a number of developing countries – most notably the so-called "BRICS", namely Brazil, Russian Federation, India, China and South Africa – acquiring a more prominent role in the world trade and financial arena (ECA 2013a). This "rise of the South", which has benefited to some extent from the emergence of global value chains, is changing the patterns of international economic relations, especially in a moment when a number of developed countries remain engulfed in economic downturn. For a continent like Africa, this broadens the array of potential partners, providing the opportunity to harness synergies and complementarities across them, in order to advance its structural transformation agenda. In this context, regional integrations acquires a two-fold importance: as a strategic choice to leverage the regional market as a springboard to exploit economies of scale, and as a way to join forces and engage traditional and emerging partners on a more equal footing (e.g. avoiding race to the bottom to attract FDI).

1 It is indeed in the context of MDG 8 that the target of developing "an open, rule-based, predictable, non-discriminatory trading and financial system" (target 8.A) is explicitly linked to indicator 8.9, namely "proportion of ODA provided to help build trade capacity". Underlying this idea is the recognition that developing countries (and especially Least Developed Countries and other geographically disadvantaged categories) may require the support of the international community, if they are to improve the terms of their integration into the global market, and reap full benefits from trade liberalization.

2 These phases are typically knowledge- and/or capital-intensive, and correspond to the phases of production where the bulk of value added is generated.

Third, the development finance landscape has undergone a deep evolution since the turning of the millennium (see ECA, 2013b). New actors, such as Southern development partners and private philanthropic foundations, have entered the arena, bringing in additional resources and new approaches to development cooperation. Innovative aid modalities and stronger public-private partnerships are also emerging, providing interesting insights on how to ensure greater value for money, and improve the overall effectiveness of aid. Overall, whilst traditional donors will continue to be critical for Africa, including through Aid for Trade, aid budgets are likely to come under increasing pressure over the medium term, making alternative sources of development finance as important as ever. Amongst the latter, domestic resource mobilization deserves growing attention as the key avenue to reduce aid dependency and take full ownership of development strategies.

Given these trends, it is important that the Fourth Global Review of Aid for Trade goes beyond a mere quantitative monitoring exercise, to shed some light on how Aid for Trade modalities could best respond to the evolving reality on the ground. This report intends precisely to bridge the above elements in the African context, and is structured accordingly as follows. Section 2 provides a quantitative assessment of Aid for Trade flows to the region. Section 3 complements the analysis with "subjective" insights drawn from a questionnaire (targeted to African countries, Regional Economic Communities and donors) focusing on how Aid for Trade can best support Africa's regional integration agenda. Finally Section 4 looks more closely at the constraints faced by African firms in entering or moving up global value chains, drawing on the insights provided by sectoral case studies and a private sector survey of 140 African businesses.

II. Monitoring Aid for Trade Flows to Africa

This section presents the recent trends in Aid for Trade flows to the African region, tracking progress in the implementation and impacts of the Aid for Trade initiative.[3] Unless otherwise specified, the data presented here are drawn from the OECD-Creditor Reporting System (CRS) database. An important caveat is in order: to ensure consistency and comparability of data, the CRS database does not cover the support offered by a number of South-South partners – notably Brazil, India, and China – because of their distinct and often country-specific definition of what does and does not constitute "aid". Hence the OECD-DAC figures capture only partially the financial flows that address Africa's trade constraints. It is worth keeping in mind, that, even though accurate estimates of official flows from South-South partners are hard to get, there is no doubts that the latter do play a prominent role for Africa (ECA, 2013a). For instance, a recent report on the AidData Project reveals that since 2000 Chinese "aid commitments" to Africa totalled USD 75.4 billion, a large part of which is devoted to infrastructures (Strange, et al., 2013).

Aid for Trade commitments to Africa suffered a severe slump in 2011, whilst disbursements proved somewhat more resilient

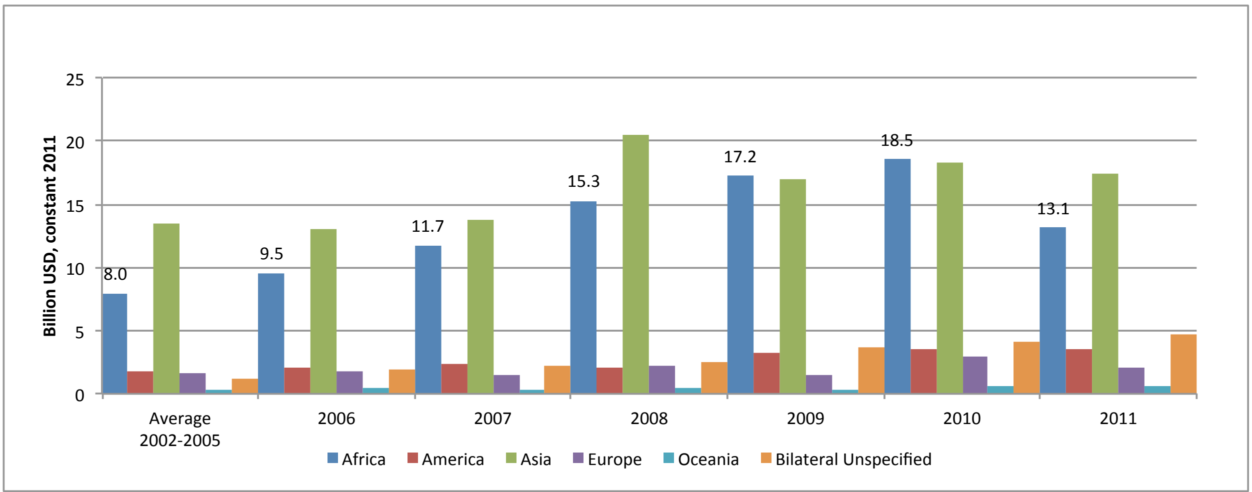
Though the last decade has certainly witnessed a marked increase of worldwide aid flows, the prolonged economic crisis is taking its toll on Official Development Assistance (ODA) and, after the levelling off in 2010, aid volumes suffered a significant decline in 2011. Aid for Trade financing has followed a similar trend, accounting for a fairly stable share of approximately 25% of total ODA commitments – 33% of sector-allocable ODA.

Whether in terms of commitments or disbursements, the African region is the second largest recipient of Aid for Trade after Asia and accounts for upwards of one third of global Aid for Trade financing (see Figure 1and Figure 2). Between 2009 and 2011, the continent accounted for Aid for Trade USD 16.3 billion of commitments and nearly USD 11.9 billion of disbursements, compared to USD 17.6 billion and USD 12.9 billion, respectively, in the case of Asia. In addition, 5 of the world top ten Aid for Trade recipients are African economies, namely Morocco, Ghana, Ethiopia, Egypt, and Tanzania. Aid for Trade actually plays a more prominent role relative to the size of the recipient economies in the African context than in other world regions (see Annex 1). Regardless of whether one measures aid in per capita terms or relative to the recipient region's GDP, Aid for Trade to Africa appears to be significantly higher than in other continents, with on average USD 11.26 per person or 0.65% of GDP between 2009 and 2011. The strong significance of Aid for Trade flows is confirmed for both commitments and disbursements.

3 Aid for Trade can be defined as a sub-set of the official development assistance provided for programmes and projects that are identified as trade-related priorities in recipient countries' development strategies. Only grants and concessional lending with a grant element of 25% or above are counted as Aid for Trade, thus excluding a large proportion of other trade-related official flows (WTO and OECD, 2011).

Notwithstanding the prominence of the African region as a recipient of Aid for Trade, after 7-8 years of steady expansion, Aid for Trade commitments have been slashed in 2011 by the protracted economic crisis engulfing key donor partners. After peaking at USD 18.5 billion in 2010, they scaled down in real terms by 29.2%, falling to USD 13.1 billion in the following year (see Figure 1). This was the most severe slump across world regions. Although there has been significant variability from one country to another, commitments have declined in 32 out of 54 African countries, and fell by 21% in the median African country.

Figure 1: AfT commitments by region



Interestingly, until 2011 Aid for Trade disbursements to the region have proved considerably more resilient than commitments, and Africa has actually been spared from a real-term decline in Aid for Trade financing, unlike other regions. In 2011 the continent received USD 12.3 billion, with a positive, albeit marginal, change compared to 2010 (see Figure 2). Yet, it remains as a fact that the prolonged downturn in key donor countries has triggered a slowdown in Aid for Trade disbursements to the continent. In 32 out of 54 African countries the real growth rate of Aid for Trade disbursements between 2009 and 2011 was lower than the one recorded in the period 2006-2008. Unlike in other regions, however, this rate typically remained positive in the overwhelming majority of cases.[4] Even in 2011, when the continent was suffering the world's most severe slump in terms of Aid for Trade commitments, Africa was the only region of the world experiencing a real increase – though as low as 3% – in corresponding disbursements.[5]

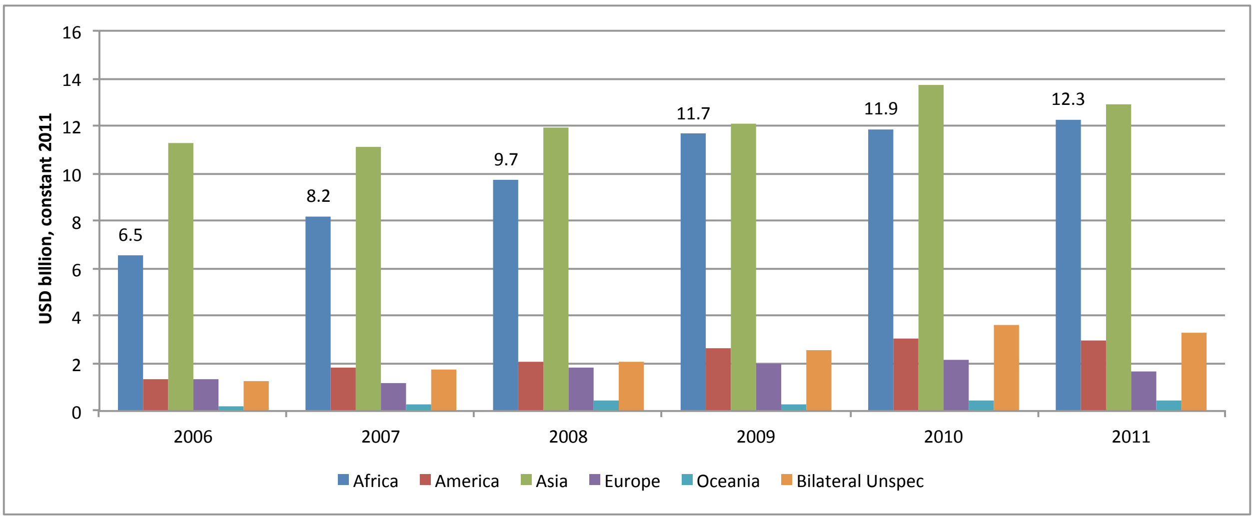
The fact that disbursements to Africa doubled between 2006 and 2011 is certainly an encouraging sign. Yet, to put these figures in the right perspective suffices to recall that the Programme for Infrastructure Development in Africa-PIDA is expected to cost USD 68 billion through 2020, with an optimistic estimate of the related funding gap as high as USD 38 billion (AUC, AfDB and ECA, 2011). Against this backdrop, the economic difficulties in traditional donor countries question the feasibility of an otherwise much-needed scale up of Aid for Trade financing. Simultaneously, the ongoing changes in the development finance landscape pave the way for the emergence of innovative financing

4 The African countries experiencing a real-term decline in Aid for Trade disbursements are Algeria, Chad, the Republic of Congo, Cote d'Ivoire, Djibouti, Egypt, Eritrea, Ethiopia, Guinea Bissau, Libya, Madagascar, South Africa, Togo, Tunisia, Uganda and Zambia.

5 The evolution of Aid for Trade flows to Africa is only partly related to the "Arab spring" and the ensuing political turmoil. As a matter of fact, in 2011 Aid for Trade commitments declined in both Northern Africa and in the rest of the continent, by USD 2.6 billion and USD 2.7 billion respectively; disbursements, conversely, fell by USD 240 million in Northern Africa, and increased by USD 430 million in the rest of the continent.

modalities and non traditional partnerships, whilst Africa's growth acceleration puts the continent in a position to step up domestic resource mobilization. In this context, it is patent that upgrading Africa's trade capacity will require a renewed approach towards development finance: one that goes beyond the traditional donor-recipient dichotomy, to engage more closely private actors and non-traditional partners, strengthening domestic resource mobilization (especially in resource-rich countries), curbing illicit financial flows, and enhancing the effectiveness of public private partnership schemes.[6]

Figure 2: AfT disbursements by region)



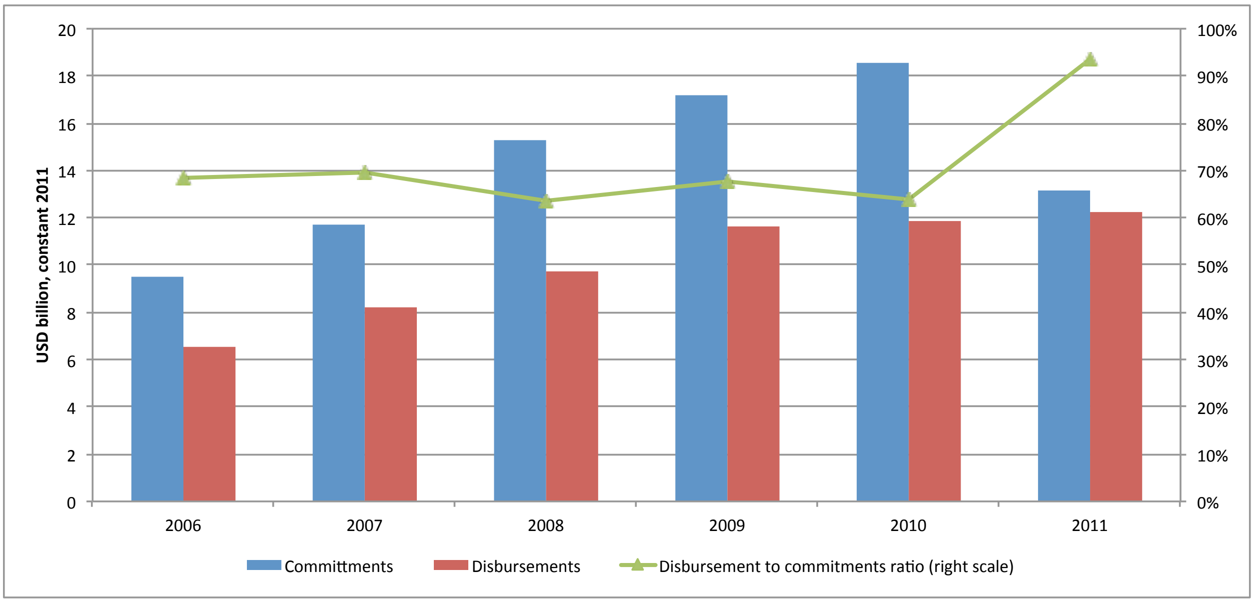
Regional averages hide, however, considerable variations across countries in terms of volume of Aid for Trade flows, per capita commitments or disbursements, not to mention about the cross-country heterogeneity in terms of growth rates or sectoral allocation of Aid for Trade. As shown in Annex 2, between 2009 and 2011 countries such as Morocco, Ethiopia, Egypt, Tanzania, Ghana – which represent the top five recipients of Aid for Trade in Africa (in decreasing order) – received disbursements for over half a billion dollars per year. Conversely, in the same period of time, the bottom five recipients – namely Libya, Sao Tome & Principe, Seychelles, Comoros, and Equatorial Guinea (in decreasing order) – were disbursed USD 15 million or less. Taking into account the relative size of the various African countries, however, Aid for Trade turns out to play a prominent role not only in large recipient countries, but also in a number of relatively small economies. For instance, amongst the top-ten Aid for Trade recipients in per capita terms there are three island economies – Cape Verde, Seychelles and Sao Tome and Principe – as well as other small economies, such as Djibouti or Gambia.

During the 2006-2011 period Africa appears to be the region with the lowest Aid for Trade disbursement-to-commitments ratio: on average 71 per cent, compared to 73 per cent in Oceania, 74 per cent in Asia, 82 per cent in America, and as much as 87 per cent in Europe. Moreover, the recent improvement in the above ratio has been almost entirely due to the sharp fall of Aid for Trade commitments to the region, rather than to an upward convergence of Aid for Trade disbursements (see Figure 3). This is plausibly related to the time-lag with which the economic downturn in key

6 In this respect, refer to ECA, 2013b and Mevel, Ofa and Karingi, 2013.

donor countries affects the Aid for Trade variables, including through delays in large infrastructural projects.[7]

Figure 3: AfT disbursements and committments to Africa



Grant element and "donor-mix" have remained stable over time, but there is a noticeable shift towards regional programmes

Approximately 55 per cent of Aid for Trade disbursements to Africa have consisted of grants and grant-like instruments, and this share has been fairly stable over time, economic crisis notwithstanding. Concessional loans represented another 40 per cent of Aid for Trade disbursements to the region, while the remaining was accounted for by equity investments. Whilst these figures compared unfavourably with Oceania or America, which receive relatively small amounts of Aid for Trade funds, the prominence of grants is far higher than in Asia, where loans constitute on average over 55 per cent of total disbursements. Moreover, restricting the attention to African LDCs, the share of grants and grant-like instruments in total Aid for Trade disbursements has consistently exceeded 60 per cent since 2006 and reflected the particular focus of the Aid for Trade initiative on countries with weak trade and productive capacities.

In terms of donors, Aid for Trade support to Africa is almost equally accounted for by bilateral and multilateral donors. World Bank's International Development Association (IDA) is by far the largest Aid for Trade donor to Africa, disbursing roughly 20 per cent of total Aid for Trade in 2011, followed by European Union institutions and United States, accounting for 13 per cent and 11 per cent, respectively. Amongst continental institutions, the African Development Bank (AfDB) also plays a prominent role in financing Aid for Trade projects and programmes, disbursing nearly USD 1.2 billion in 2011. Interestingly, data also confirms the more general trend of a growing involvement of non-DAC donors in supporting cooperation activities in the African context (see ECA 2013a). With

7 Indeed, the evidence suggests that the disbursement-to-commitments ratio tends to be significantly lower for the support dedicated to trade-related infrastructure, than for other Aid for Trade proxies; this is consistent with the nature of infrastructural projects, which tend to be characterized by complex formulation phase, longer gestation periods, large disbursements and sunk costs.

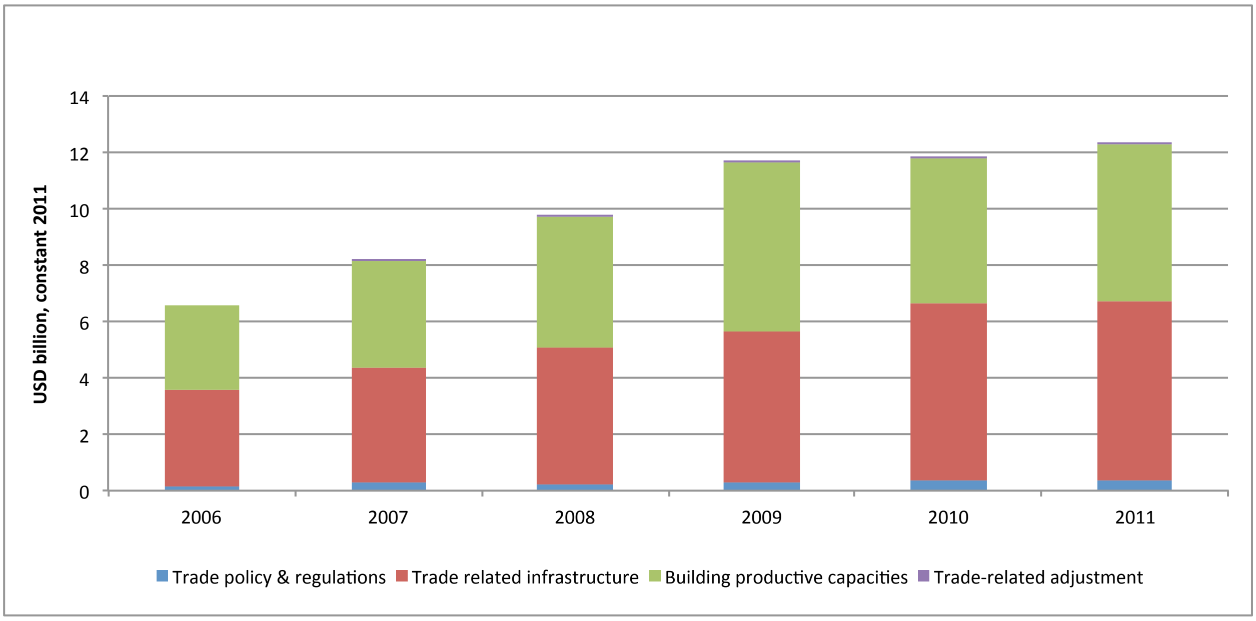
regards to Aid for Trade, this is the case for the Arab Fund (AFESD), Kuwait (KFAED), the OPEC Fund for International Development OFID, and the United Arab Emirates.

From the regional integration perspective, it is important to note that, although most funds are still committed/disbursed at a bilateral level (i.e. to a single recipient country), there appear to be clear signs of a growing prominence of regional or sub-regional programmes. The share of Aid for Trade disbursements accounted for by regional programmes has climbed from 9 per cent of the total, between 2006 and 2008, to 15 per cent over the 2009-2011 period. The shift towards regional and sub-regional programmes has been especially pronounced in the case of activities related to trade policy and regulations: between 2009 and 2011 over half of the funds earmarked for this "proxy" have been disbursed at regional or sub-regional level. At a time when regional integration appears to be a top priority for Africa's policy-makers – as proved by the AUC 2012 decision to fast-track the establishment of the Continental Free Trade Area and by the endorsement of the Action Plan towards Boosting intra-African Trade– these findings are encouraging and testify donors' movement towards closer alignment with continentally agreed development strategies.

The bulk of Aid for Trade financing to Africa supports economic infrastructures and productive sectors (mainly agriculture and banking)

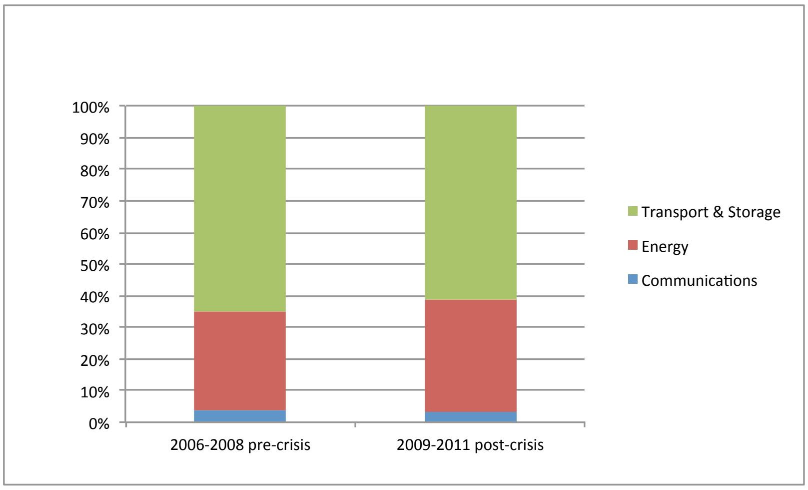
The sectoral composition of Aid for Trade disbursements to Africa has been fairly stable since 2006 and is broadly in line with the worldwide trends. The bulk of Aid for Trade funds is channelled towards trade-related infrastructures (50 per cent) and productive capacities (46 per cent); trade policy and regulations account for a further 3 per cent of disbursements, whereas a negligible share of the funds is earmarked for trade-related adjustment (see Figure 4). In other words, at the peak of Aid for Trade disbursements to the region in 2011 Africa received USD 6.4 billion for trade-related infrastructures, USD 5.6 billion for productive capacities, USD 328 million for trade policy and regulation, and finally a mere USD 3 million for trade adjustment.

Figure 4: Total AfT disbursements to Africa by sector



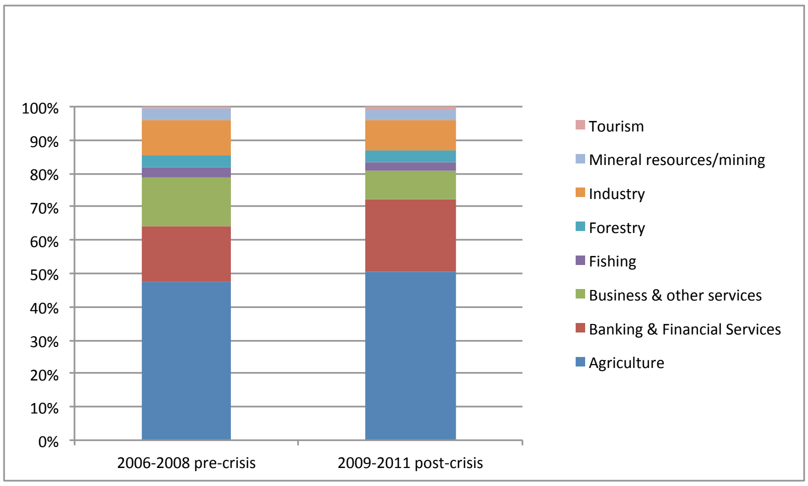
Over 60 per cent of the funds allocated to trade-related infrastructures have financed transport and storage facilities (mainly roads, and to a much lesser extent rail, water and air), whose, of which inadequate provision is often cited as one of the key constraint hampering the competitiveness of African firms (see Section 4). Another 30 per cent was used for interventions in the energy sector (including distribution network), and the remainder was channelled towards the communication sector. As shown in Figure 5, the relative importance of support to the energy sector has been slightly on the rise since 2009. Despite this, there is a widespread concern that the energy sector remains highly under-financed in a continent where 57 per cent of the population lacks access to electricity (OECD and IEA, 2012), with ensuing difficulties to achieve structural transformation and economic diversification.[8]

Figure 5: Composition of total AfT disbursements in trade-related infrastructure to Africa



8 Indeed, the support provided through Aid for Trade to the energy sector averaged a mere USD 1.7 billion over the 2006-2011 period.

Figure 6: Composition of total AfT disbursements to Africa in productive capacities



With reference to Aid for Trade support for building Africa's productive capacities, instead, approximately half of the funds Africa receives benefit the agricultural sector (mainly for agricultural development, agricultural policies and irrigation), whose relative importance slightly increased in the aftermath of the 2008 food crisis (see Figure 6). In addition, banking and financial services also account for a sizeable share of Aid for Trade disbursements for strengthening Africa's productive capacities (roughly 20 per cent), with business-related services and industry receiving another 10 per cent each. Generally speaking, the above allocation appears to partly reflect Africa's continentally agreed development priorities, recognizing the fundamental role of agriculture as a key source of livelihood for over 50 per cent of Africa's labour force. Moreover, efforts towards broadening access to credit and financial services and improving the business environment also feature high amongst the priorities of African policy-makers as well as of private actors (see Section 4). What comes rather at odds with Africa's quest for structural transformation is the limited support devoted to the industrial sector since the outset of the Aid for Trade initiative – on average less than 0.5 billion (in constant 2011 dollars). In a moment where the international community is discussing how Aid for Trade can best support African countries to connect to global value chains, a similar evidence raises some questions on the degree of alignment of donors ODA allocation with the priorities of recipient countries.

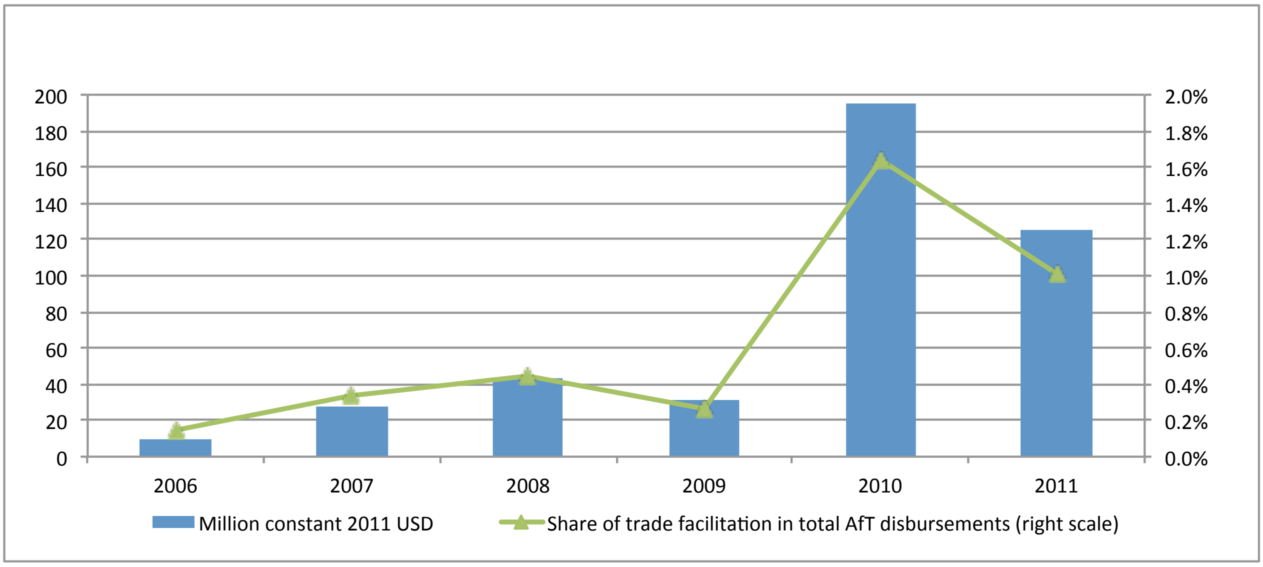
Another element worth noting with regards to the sectoral breakdown of Aid for Trade disbursements to Africa is the increasing attention paid by donors to trade facilitation issues. Though starting from a very low base, disbursements for trade facilitation have increased by a factor of twelve in a matter of six years, climbing up from 0.1 per cent of total Aid for Trade disbursement to 1 per cent of the total (see Figure 7).[9] Equally interesting, there appears to be a clear shift towards regional and sub- regional trade facilitation activities, rather than bilateral ones, to the extent that in 2010 and 2011 regional programmes accounted for more than half of the funds disbursed to Africa for trade facilitation. In the African context – where custom procedures are often cumbersome, time-consuming, and fraught with unnecessary transaction costs – such an emphasis on trade facilitation is a welcomed sign. The persistence of technical and administrative barriers to trade warrants renewed efforts to advance the trade facilitation agenda, cutting unnecessary transaction costs. Empirical analysis suggests that sizeable reductions of trading costs could be achieved by enhancing the efficiency of

9 Notice, however, that the bulk of this increase took place in 2010, and since then real disbursements for trade facilitation have declined by over 30 per cent, though remaining well above USD 120 million.

custom and administrative procedures across the continent, thereby benefitting the competitiveness of African firms (refer to Cali and TeWelde, 2011 and ECA, AUC, and AfDB, 2012, among others). In addition, behind-the-border trade facilitation measures promise to pave the way for an effective integration of producers, especially in rural and remote areas, into a viable domestic market. In this way, trade facilitation may greatly contribute to ongoing efforts to boost intra-Africa trade, given that firms trading within the continent often bear a disproportionate burden in terms of administrative transaction costs, compared to firms trading with the rest of the world.

If trade facilitation activities promise to be "quick wins" in comparison to complex and typically medium- to long-term infrastructural projects, their cost side should not be overlooked. Automating custom procedures, realizing "one-stop-border-posts", improving the efficiency of standard-setting bodies, and even streamlining administrative processes require not only political will but also financial resources to purchase the appropriate technologies, upgrade the skills of civil servants, and the like. Adequately costing trade facilitation measures is hence of paramount importance to properly assess African needs.

Figure 7: AfT disbursements to Africa for trade facilitation



Comparative analysis across Regional Economic Communities

The African context is marked by a considerable heterogeneity across countries and regions. To address this concern, an analysis of Aid for Trade flows at RECs level is provided for the 8 RECs recognized by the African Union Commission, namely: the Community of Sahel-Saharan States (CEN-SAD), the Common Market for Eastern and Southern Africa (COMESA), the Economic Community of West African States (ECOWAS), the East African Community (EAC), the Intergovernmental Authority on Development (IGAD), the Southern African Development Community (SADC) and the Arab Maghreb Union (UMA). The underlying data, at RECs level can be found in Annexes 3 to 6.

CEN-SAD

Encompassing 28 countries, CEN-SAD accounts for nearly half of the Aid for Trade flows to Africa. During the period 2009-2011, CEN-SAD member countries received Aid for Trade commitments worth on average over USD 8.2 billion, and disbursements for nearly USD 5.7 billion (in constant 2011 USD). Even taking into account its large population (exceeding 500 million) this implies that the CEN-SAD region received Aid for Trade disbursement equivalent to USD 10.5 per person. There are, however, huge differences across countries, with disbursements per capita ranging from less than USD 3 in the case of Somalia, Nigeria or Libya, to a maximum of USD 56 in Sao Tome and Principe.

Averaging over the 2006-2011 period, 42 per cent of Aid for Trade disbursements to CEN-SAD member countries was destined to strengthening productive capacities, 56 per cent dedicated to economic infrastructures, and 2 per cent financed interventions related to trade policies and regulations, or trade-related adjustments. Finally, the disbursements-to-commitments ratio for the CEN-SAD region averaged 73 per cent in 2009-2011 and is broadly in line with that of other RECs. It is worth noting, however, that the improvement of the ratio that took place in 2011 is almost entirely due to the slump in Aid for Trade commitments, as occurred for the African region as a whole.

COMESA

Out of the eight recognized RECs, COMESA is the second-largest recipient of Aid for Trade and accounts for one third of Aid for Trade flows to Africa. In 2009-2011, Aid for Trade commitments to the COMESA region averaged USD 6.3 billion per year, whilst disbursements totalled an average of USD 4.1 billion per annum (in constant 2011 dollars). Democratic Republic of Congo, Egypt, Ethiopia, Kenya and Uganda represent the key recipients within COMESA, and together account for approximately 70 per cent of the flows to the region. Once measured in per capita terms, Aid for Trade support to COMESA member countries has hovered around USD 9.4 per person, with huge variation across countries.

In the aftermath of the global financial and economic crisis, the COMESA region has suffered two consecutive years of declining Aid for Trade disbursements, -4.7 per cent in 2010 and -1.9 per cent in 2011. Even in this respect, however, there is a large cross-country variation. Between 2009 and 2011, productive capacities accounted on average for 43 per cent of Aid for Trade disbursements to COMESA members, economic infrastructure for another 55 per cent, with trade policies and regulations and trade-related adjustments totalling 2 per cent. The North-South Corridor stands out as an example of key regional Aid for Trade programme related to economic infrastructures jointly developed under the COMESA-EAC-SADC Tripartite.

EAC

Between 2009 and 2011 EAC member countries received on average Aid for Trade commitments worth nearly USD 3.5 billion and disbursements for USD 1.9 billion (in constant 2011 dollars). Accordingly, members of the EAC accounts for roughly 16 per cent of Aid for Trade support to Africa. When measuring Aid for Trade in per capita terms, this makes the EAC the second-largest recipient with an average yearly disbursement of USD 13.9 per person. Compared to other RECs, EAC member countries appear to share a somewhat more homogeneous level of support from Aid for Trade donors, with the average disbursement per person ranging from USD 10.84 in Kenya, to USD 21.70 in Rwanda.

Despite two marked slowdowns in 2008 and 2011, EAC is one of the three RECs for which Aid for Trade disbursements have grown at a positive rate throughout the period considered, This consideration, however, holds true only for the whole EAC region; at a country level, all EAC economies except Rwanda have actually experienced at least one instance of decline in real Aid for Trade disbursements. On average 46 per cent of Aid for Trade disbursements to the EAC were directed towards building productive capacities, 52 per cent towards economic infrastructures, and the remaining 2 per cent to trade policy and regulation and trade-related adjustments. [10]

ECCAS

Between 2009 and 2011, Aid for Trade commitments towards ECCAS countries averaged USD 1.5 billion, while disbursements totalled USD 907 million (in constant 2011 dollars). In other words, despite its 10 member countries, ECCAS is the smallest recipient of Aid for Trade amongst the 8 recognised RECs, and accounts for a mere 8 per cent of all Aid for Trade flows to Africa. Receiving on average USD 6.72 per inhabitant, ECCAS lags far behind other recognized RECs in terms of resource mobilization, in spite of the region's dire needs. Moreover, the distribution of Aid for Trade flows across ECCAS countries is rather uneven, though this is partly a reflection of their differential size. Cameroun and the Democratic Republic of Congo account for an average of 58 per cent of all disbursements to ECCAS member countries.

Aid for Trade flows to ECCAS member countries display a heightened volatility, as well as a low disbursement-to-commitment of 59 per cent, which has further worsened in 2011. Although a few countries like Angola, Central Africa Republic and Gabon displayed a ratio exceeding 1 (i.e. disbursements exceeded commitments), in large recipient countries the gap between disbursements and commitments seems particularly wide.

ECOWAS

With its 15 member countries and a combined population of over 300 million people in 2011, ECOWAS accounts for nearly one fourth of Aid for Trade disbursements to Africa. On average, the region received Aid for Trade disbursements of USD 2.8 billion per year between 2009 and 2011, with commitments averaging nearly USD 4.0 billion (in constant 2011 dollars). Ghana, Mali and Nigeria represent the main regional player in relation to Aid for Trade and account for nearly half of the flows disbursed to the region. Between 2009 and 2011, the region has received an average of USD 9.4 per person, but there are huge variations across ECOWAS countries: Cape Verde (the top African Aid for Trade recipients in per capita terms) received USD 222.21 per person, whilst in Nigeria the average disbursement per capita was USD 2.24.

ECOWAS countries seem to have suffered less than others from the generalized slowdown in Aid for Trade disbursements, as disbursements to Burkina Faso, Gambia, Ghana, Liberia and Mali continued to expand also in the aftermath of the crisis. In the 2006-2011 period about half of

10 An insightful example of regionally implemented programme for trade facilitation is the establishment of an EAC quality infrastructure compatible with WTO requirements, involving harmonisation of standards, quality assurance, accreditation and testing.

disbursements to ECOWAS has been devoted to the strengthening of productive capacities, 48 per cent to economic infrastructures and less than 2 per cent to trade policy and regulation as well as trade-related adjustments. Within ECOWAS, examples of ongoing Aid for Trade activities implemented at a regional level include the Trans West Africa Road network, the West African Power Pool, the programmes related to the ECOWAS Agricultural Policy and to the West Africa Common Industrial Policy, and the construction of joint border posts.

IGAD

With average commitments to the tune of USD 3.2 billion and disbursements of USD 2.0 billion in 2009-2011, IGAD represents approximately 17 per cent of the total Aid for Trade flows to Africa. Ethiopia, Kenya and Uganda represent the key recipient within IGAD and account for a cumulated 80 per cent of all Aid for Trade disbursements to the region. Also, the distribution of Aid for Trade funds across IGAD countries is highly uneven when taking into account the population size of the recipient countries. At one end of the spectrum, countries like Somalia and Eritrea have received an average of USD 2.78 and USD 3.69 per capita, respectively; at the other end of the spectrum Uganda and Djibouti received on average USD 13.93 and USD 37.95 per person.

Over the 2006-2011 period, the proportion of disbursements that finances productive capacities within IGAD is about 40 per cent, while as much as 58 per cent is devoted to economic infrastructures, 1 per cent to trade policy and regulation, and 1 per cent for trade-related adjustments. Finally, the disbursements-to-commitments ratio for IGAD is rather low - on average 64 per cent in the 2009-2011 period – though broadly in line with that of other RECs. Regional averages hide, however, huge variations across country, as well as over time.

SADC

Between 2009 and 2011, SADC has received on average USD 2.2 billion a year as Aid for Trade disbursements – accounting for 18 per cent of total flows to Africa – with commitments averaging USD 3.4 billion over the same period (in constant 2011 dollars). These magnitudes translate into Aid for Trade disbursements in the tune of USD 7.80 per person per year; which is the second lowest across the 8 recognized RECs. As in other regions, the distribution of Aid for Trade disbursements across SADC countries is highly uneven, with the Democratic Republic of Congo, Mozambique, South Africa, and Tanzania receiving over half of all the flows.

Between 2006 and 2011, 52 per cent of Aid for Trade disbursements to SADC countries was devoted to building productive capacities; another 46 per cent financed economic infrastructures, and the remaining 2 per cent was utilized for trade policy and regulation and trade-related adjustments. With an average disbursements-to-commitments ratio of 67 per cent between 2009 and 2011, the SADC region is only slightly behind the continental average; there appears to be, however, a sheer heterogeneity across countries.

UMA

Even though UMA is the smallest of the 8 recognized RECs, it accounts for 12 per cent of Aid for Trade disbursements to Africa; one and a half times the corresponding share for ECCAS. Between 2009 and 2011, notwithstanding the effects of the so-called "Arab spring", the region accounted for an average Aid for Trade commitment of nearly USD 1.5 billion a year and received disbursements for USD 1.4 billion (in constant 2011 dollars). Translated in per capita terms, these figures imply that across RECs UMA receives by far the highest amount of Aid for Trade per capita, namely USD 16.06 per person. Morocco and Tunisia account for nearly three quarters of all resources disbursed to UMA member countries. Mauritania also receives a sizeable support, in per capita terms, reaching some USD 38 per inhabitant; on the contrary, Libya and Algeria receive a mere USD 2 per person.

Interestingly, a mere 26 per cent of Aid for Trade disbursements to UMA is utilized for building productive capacities, whereas 73 per cent of resources finances economic infrastructures, and trade policy and regulations, as well as trade-related adjustments, account for the remaining 1 per cent. Furthermore, this pattern of sectoral allocation of Aid for Trade appears to be fairly similar across the 5 countries constituting the UMA. In comparison to other RECs UMA is characterized by a high disbursements-to-commitments ratio – on average 105 per cent between 2009 and 2011 – and this appears to be the case across all its five member countries.

In relative terms, LDCs, LLDCs and SIDS receive larger Aid for Trade flows than other African countries

The present section is devoted to the comparative analysis of Aid for Trade flows across various categories of structurally disadvantaged countries, namely Least Developed Countries (LDCs), Land-Locked Developing Countries (LLDCs) and Small Island Developing States (SIDS). Currently, 34 African countries belong to the LDC category, and in 2011 they accounted for approximately half of Africa's total population and 22 per cent of its GDP.[11] Between 2009 and 2011, African LDCs received about 50 per cent of the Aid for Trade flows to the African region (nearly 60 per cent if one excludes regional and sub-regional programmes), that is an average disbursements of USD 5.7 billion a year (in constant 2011 dollars). As shown in Table 1, this implies that, in per capita terms, LDC inhabitants have received on average USD 2.50 more than citizens of non-LDC countries through the Aid for Trade initiative: USD 11.18 compared to USD 8.60. In addition, Aid for Trade disbursements to LDC countries have weathered the crisis relatively better than non-LDCs (see Table 1).

11 Aid for Trade data distinguish South-Sudan from Sudan only from 2011 onwards, as the former became an independent nation only on 9 July 2011, and was subsequently identified for inclusion in the LDC category in the 2012 triennial review by the Committee for Development Policy. For most of the period considered, South Sudan was hence part of Sudan, which in turn was – and still is – included amongst the LDCs (but not as landlocked countries). In light of this, and in order to avoid spurious effects due to the creation of a new landlocked LDC, Table 1 categorizes South Sudan amongst the LDCs but not amongst the land-locked countries throughout the period considered.

Table 1

	AfT committments (million constant 2011 USD)					AfT disbursements (million constant 2011 USD)			
	Average 2002-2005	Average 2006-2008	2009	2010	2011	Average 2006-2008	2009	2010	2011
LDCs	4,461.6	6,044.7	8,275.8	8,899.1	7,317.3	4,315.1	5,686.1	5,591.0	6,064.1
Non-LDCs	3,251.6	4,829.8	6,232.2	8,081.4	3,931.5	3,057.9	3,765.4	4,800.9	4,445.6
LLDCs	1,810.3	2,888.3	4,688.6	3,692.6	3,460.2	2,145.9	2,928.5	2,665.1	3,057.9
Non-LLDCs	5,676.2	7,986.3	9,819.4	13,287.8	7,788.5	5,227.0	6,523.0	7,726.8	7,451.8
SIDS	329.0	451.1	407.0	222.3	222.1	434.1	315.1	402.6	334.4
Non-SIDS	7,157.4	10,423.4	14,101.0	16,758.2	11,026.7	6,938.9	9,136.3	9,989.3	10,175.3
	Growth rate of total AfT committments					Growth rate of total AfT disbursements			
	Average 2002-2005	Average 2006-2008	2009	2010	2011	Average 2006-2008	2009	2010	2011
LDCs	7.1%	14.5%	14.6%	7.5%	-17.8%	14.0%	16.9%	-1.7%	8.5%
Non-LDCs	-1.3%	26.5%	-3.8%	29.7%	-51.4%	23.8%	1.6%	27.5%	-7.4%
LLDCs	12.8%	9.9%	69.5%	-21.2%	-6.3%	9.5%	30.5%	-9.0%	14.7%
Non-LLDCs	0.4%	22.3%	-10.1%	35.3%	-41.4%	21.5%	3.1%	18.5%	-3.6%
SIDS	15.0%	0.1%	-39.5%	-45.4%	-0.1%	10.9%	-30.3%	27.8%	-16.9%
Non-SIDS	3.0%	20.9%	8.3%	18.8%	-34.2%	18.4%	12.6%	9.3%	1.9%
	AfT committments per capita (constant 2011 USD)					AfT disbursements per capita (constant 2011 USD)			
	Average 2002-2005	Average 2006-2008	2009	2010	2011	Average 2006-2008	2009	2010	2011
LDCs	10.96	12.62	16.44	17.21	13.78	9.03	11.30	10.81	11.42
Non-LDCs	6.44	10.12	12.61	16.05	7.66	6.41	7.62	9.53	8.66
LLDCs	9.87	12.74	19.69	15.12	13.80	9.47	12.30	10.91	12.20
Non-LLDCs	8.19	10.95	12.93	17.12	9.81	7.18	8.59	9.95	9.39
SIDS	26.94	20.67	17.79	9.46	9.20	20.01	13.78	17.13	13.86
Non-SIDS	8.16	11.16	14.47	16.81	10.81	7.44	9.37	10.02	9.97

Out of 54 African countries 16 are landlocked (LLDCs), and they account for 25 per cent of Africa population and 9 per cent of its GDP. During the period spanning from 2009 to 2011, African LLDCs received roughly USD 2.8 billion a year through Aid for Trade; that is about 24 per cent of the Aid for Trade disbursements to the region (28 per cent, if one excludes regional and sub-regional programmes). This translates into an average disbursement of USD 11.80 per capita over the same period, compared to USD 9.31 to non-landlocked African economies (see Table 1). Aid for Trade flows to African LLDC, however, have undergone a rather turbulent evolution over the last few years. Aid for Trade commitments to LLDCs have declined in real terms in both 2010 and 2011, whilst disbursements fell by 9 per cent in 2010 and picked up again in 2011 by 14 per cent.

Accounting for roughly 2 per cent of Africa's total population and 1 per cent of the continent's GDP, African SIDS received an average Aid for Trade disbursement of USD 350 million, i.e. about 3 per cent of total Aid for Trade disbursement to the region.[12] In recent years, African SIDS have been heavily hit by the drop of Aid for Trade flows: commitments have been falling since 2009, whilst disbursements witnessed a double-dip plunge in 2009 and 2011, when they fell by 30 per cent and 17 per cent

12 For the sake of consistency with regional data, Mayotte and Saint Helena have been accounted for amongst African SIDS, although they are not independent countries.

respectively (see Table 1). Notwithstanding this downward trend, when one takes into due account their small size, African SIDS turn out to remain particularly favoured by Aid for Trade allocation. To see this, suffices to notice that between 2009 and 2011 their Aid for Trade receipts averaged nearly USD 15 per person, compared to USD 9.79 per person in non-SIDS African countries. In addition, it is worth mentioning that Aid for Trade disbursements to African SIDS appear to often exceed the corresponding levels of commitments, even at a time when both variables seem to undergo a downward trend.

In conclusion, donors appear to continue taking into account, at least to some extent, the special needs of LDCs, LLDCs and SIDS, in so far as their Aid for Trade receipts remain significantly higher than for other African countries, once they are measured in per capita terms. Nevertheless, within Africa there seems to be little evidence supporting the claim that Aid for Trade is increasingly targeting these groups of countries, or that they have been relatively spared by the decline in Aid for Trade financing. On the contrary, country-specific elements appear to largely drive the trend in Aid for Trade flows, regardless of the category a certain country belongs to.

III. Aid for Trade contribution towards Boosting Intra-Africa Trade

As part of the monitoring and evaluation activities undertaken in preparation for the Fourth Global Review of Aid for Trade, the World Trade organization (WTO), in collaboration with the African Union Commission (AUC) and the Economic Commission for Africa (ECA), has designed an online questionnaire aiming at assessing how Aid for Trade can best support the AU objective of Boosting Intra-African Trade. The questionnaire was circulated by the AUC and ECA, and targeted African countries and RECs – i.e. the "demand-side" of the Aid for Trade relations – as well as donors, both bilateral and multilateral, and Southern partners – in other words the "supply-side" of Aid for Trade. Overall, 51 responses to the questionnaire were received, including 30 responses from African countries, 5 from the RECs and 16 from donors (8 bilateral and 8 multilateral); no response was received from South-South partners, in spite of their active role in strengthening Africa's trade capacities.[13] A detailed list of respondents is available in Annex 7; here suffices to mention that the response rate amongst African countries and RECs exceeded the 55 per cent. Moreover, respondents are well representative of the Aid for Trade landscape in Africa: African countries which responded to the questionnaire account for upwards of 50 per cent of Aid for Trade flows to Africa, whilst amongst donor, respondents provide around 70 per cent of all disbursements to the continent. The present section will outline the main messages emerging from the responses to the questionnaires.

Mainstreaming of regional integration strategies is gradually getting traction, but more needs to be done to operationalize them

As noted in other publications, there are signs that mainstreaming of regional integration is gradually getting traction amongst African countries, in spite of multiple challenges (ECA, 2012). The WTO-AUC-ECA questionnaire unequivocally confirms this tendency, although it concurs that more needs to be done in order to operationalize and implement the trade integration agenda. Notably, national development strategies feature regional trade as a priority area with specific operational objectives in nearly half of the responding countries (see Figure 8). In another 39 per cent of cases the scope for regional integration to foster economic development is explicitly recognized in the national development strategy, even though these general considerations are not followed by specific operational objectives. Along the same line, 67 per cent of respondents noted that their country has a specific regional or continental trade strategy and another 20 per cent that such strategy is currently being formulated.[14]

The growing attention paid by Africa's policy-makers to regional integration is further testified by the evolution of national resources made available towards achieving regional and continental trade integration (see Figure 9). Whilst 21 per cent of respondents noted that these resources have

13 Questionnaire responses by African countries suggest for instance that China, India and to a lesser extent Brazil are particularly active in supporting regional integration activities.

14 Typically the regional trade strategies touch upon areas such as trade-related infrastructure and agriculture (for 85% of respondents), as well as trade in services, energy and industrial production (for respectively 75%, 70% and 65% of respondents). Besides, in the overwhelming majority of cases (70%) these strategies are developed in consultation with regional partners, RECs, and private sector.

increased by more than 10 per cent since 2005, for other 27 per cent of cases the increase has been more contained. On the other hand, though for 31 per cent of respondents there was little or no change in the budget allocated towards regional integration, none reported a decline in the resources available.

Figure 8: How is regional and continental trade mainstreamed in national development strategies?

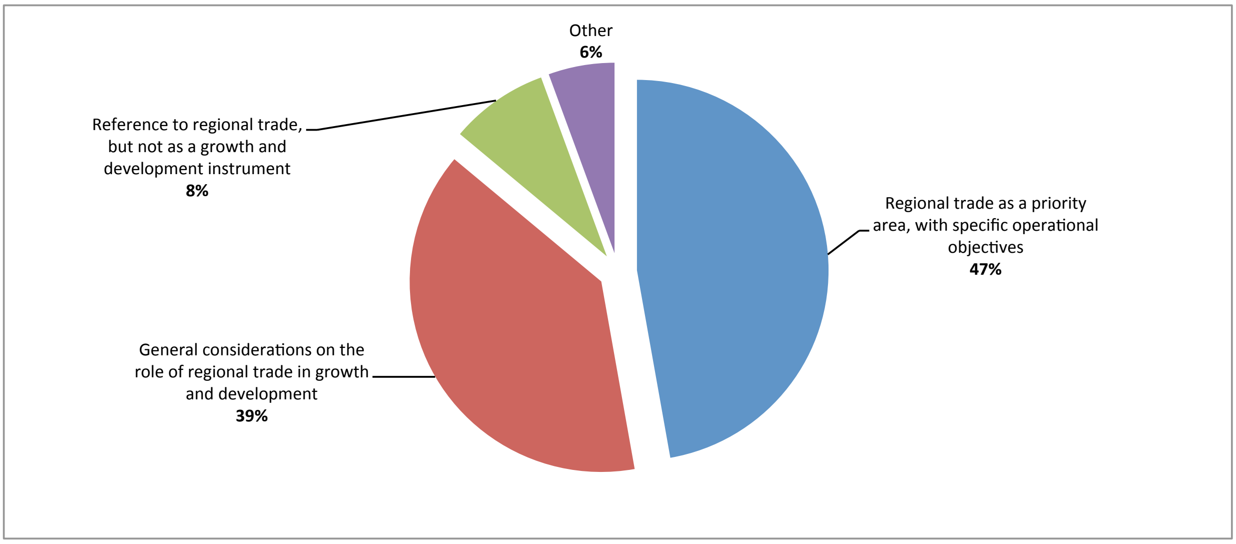
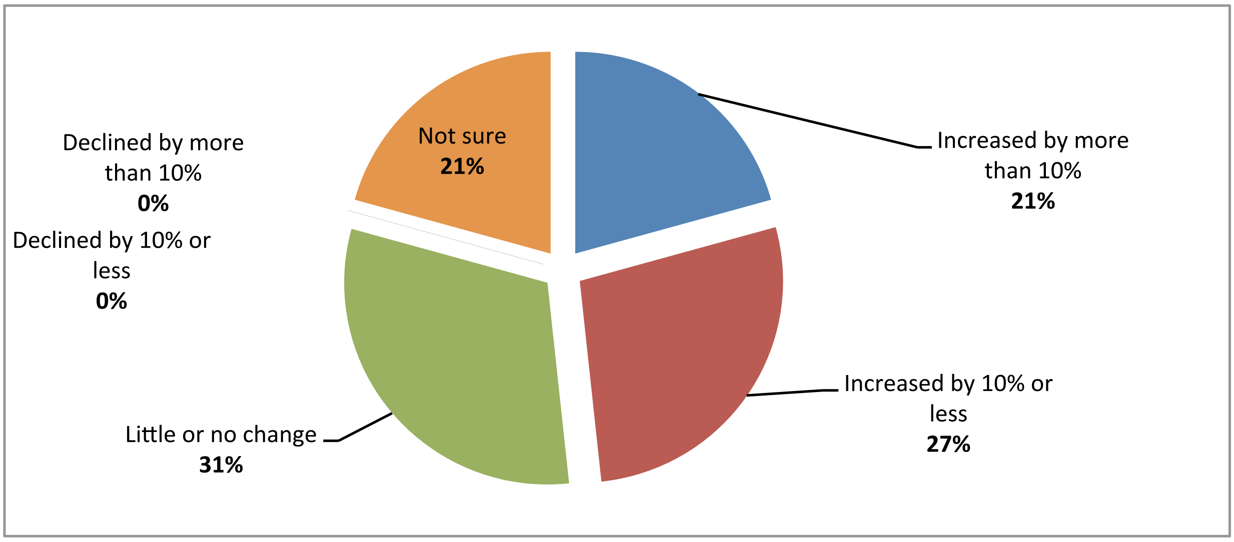


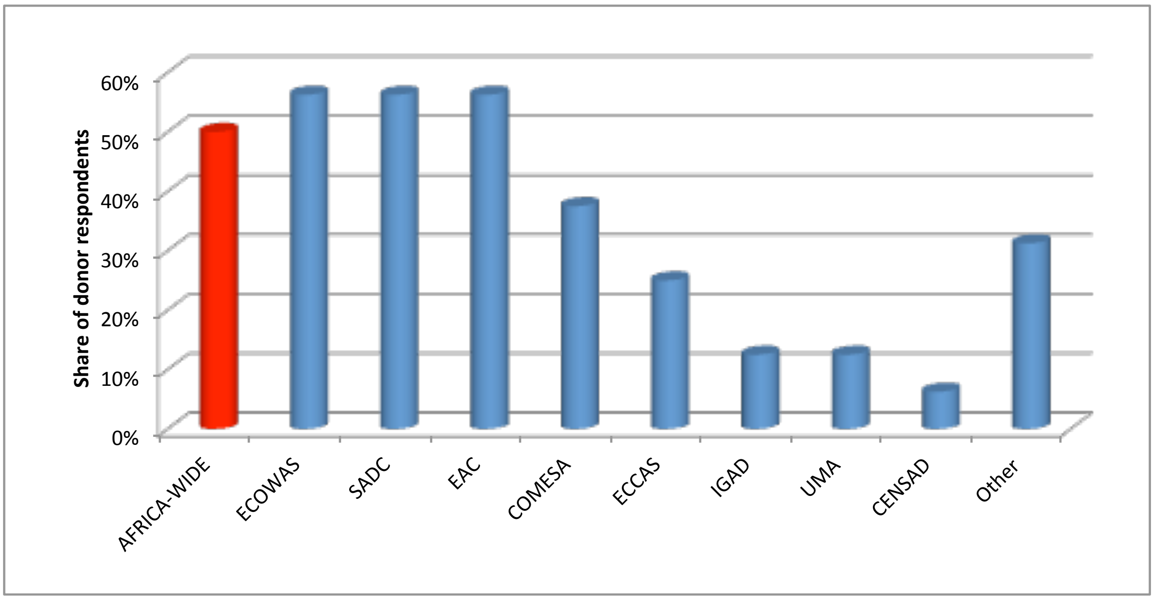
Figure 9: Evolution of national resources towads regional and/or continental trade integration since 2005



Not surprisingly, regional and continental trade issues play an even more prominent role at RECs level, to the extent that 80 per cent of REC respondents reported that the regional development strategy includes trade as a priority area with specific operational objectives, whilst in the remaining cases the importance of trade is explicitly factored in, but without an operational dimension. Similarly, all RECs are planning to formulate a specific strategy to support the implementation of the AU Action Plan for Boosting Intra-African Trade.[15]

Donors have also bought into Africa's regional integration: 50 per cent of them declare to have a specific Africa-wide Aid for Trade strategy, and overall 81 per cent declare to have a specific strategy for any of the African regions. Typically these strategies have been developed in consultation with RECs as well as with partner countries (in 100 per cent and 70 per cent of cases, respectively), and in 69 per cent of the cases it followed a full-fledged needs assessment. The uneven progress across RECs on the regional integration front appears, however, to be mirrored also on the approach taken by Aid for Trade donors in so far as they seem more likely to develop a specific strategy for those RECs which have made greater progress on the regional integration agenda (see Figure 10).

Figure 10: Do you have specific strategies for the African region?



Support for regional integration in Africa has a long tradition and continues to be on the rise

The questionnaire confirms that Aid for Trade support to regional integration has a long tradition in Africa, to the extent that 60 per cent of African country and 100 per cent of REC respondents state that they have been receiving assistance for more than ten years.[16] Similarly, 75 per cent of donors affirm that they supported regional integration in Africa since more than 10 years and 50 per cent of them since more than 20. Aid for Trade towards regional integration appears to somewhat favour EAC, SADC, ECOWAS and COMESA, whereas less than 30 per cent of donor respondents affirm to have been supporting other RECs. Nonetheless, as many as 80 per cent of donors state they have extended support to Africa-wide initiatives, thereby strengthening the continental framework according to which all RECs should move.

15 For the sake of comparison, 24% of African country respondents reported to have a specific strategy in place for the implementation of the AU Action Plan for Boosting Intra-African Trade, and another 45% of respondents said their country is planning to develop such a strategy.

16 23% of African country respondents and 50% of RECs ones declare that they have actually received support for regional integration for more than 20 years.

Both African countries and RECs rank trade-related infrastructures as the predominant area of focus of past assistance, including through the support to a number of transport corridor initiatives across the continent. Trade policy and trade facilitation are also ranked prominently amongst the areas of past intervention according to the questionnaires, whereas support for productive capacity building comes only in the fourth place. Donors' responses are broadly in line with the perception revealed by recipient countries and REC and rank trade policy and trade facilitation as the two most important areas of focus, followed by trade-related infrastructures and productive capacity building.

Consistently with the data reviewed in the previous chapter, the overwhelming majority of recipient countries and RECs contend that support for regional integration has been on the rise since 2005 in response to their increasing demands (see Figure 11). In addition, this perception appears to hold across all types of donors, whether bilateral, multilateral, or Southern partners. What looking ahead is perhaps even more important, nearly 75 per cent of donors anticipate to provide increasing support to the continent's integration agenda over the next five years, particularly in areas such as trade policy, trade facilitation and trade-related infrastructures. As shown in Figure 12, these positive expectations appear to be mirrored in the perception of African countries, which typically expect support for boosting intra-regional trade not only in traditional areas (trade-related infrastructure, trade facilitation, productive capacities and trade policy), but also in "emerging issues" such as trade finance or trade information.

Figure 11: How has demand from African partner countries for regional trade programmes changed since 2005?

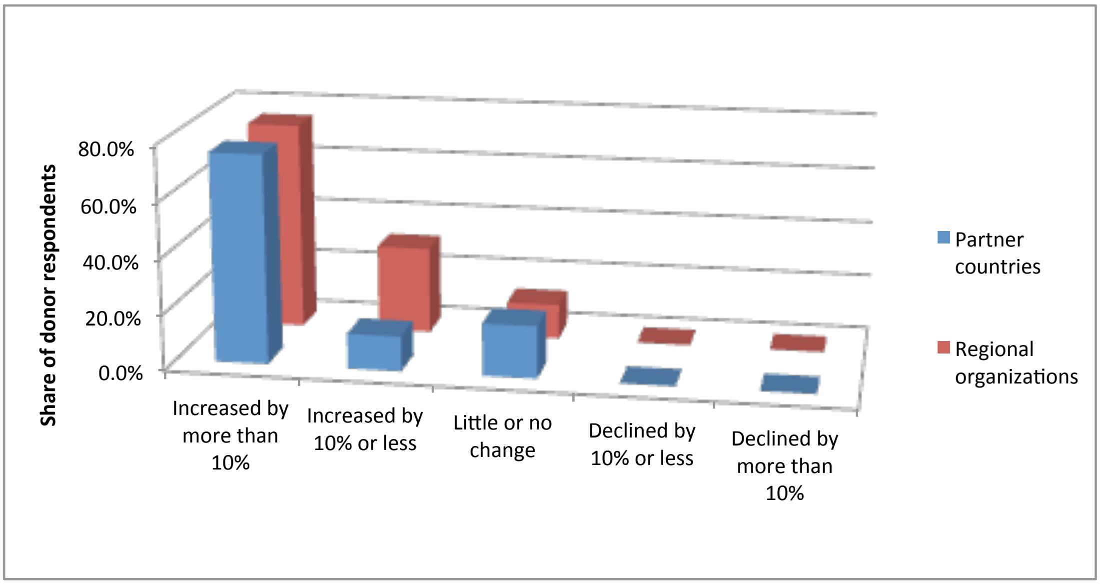
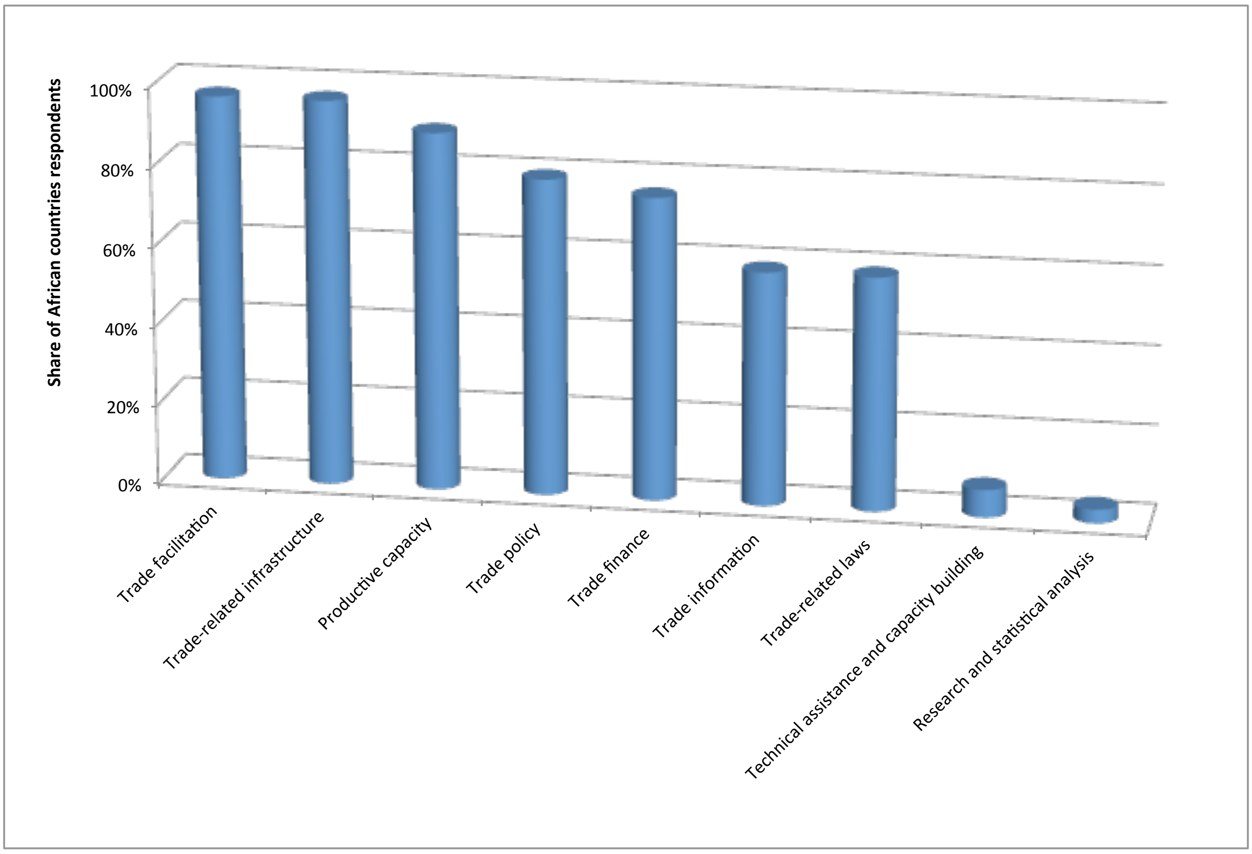


Figure 12: In what areas do you expect support for boosting intra-African trade over the next 5 years?



Aid for Trade seems only moderately aligned with Africa's development strategies, particularly in relation to productive capacities

Another insightful element investigated by the questionnaires pertains to the degree of alignment of past Aid for Trade support with national and regional development strategy. As shown in Figure 13, Aid for Trade is deemed well aligned with national development strategies by only 13 per cent of African country respondents, whilst for another 67 per cent it is moderately aligned, and for 10 per cent of them not at all aligned. The perception of Aid for Trade alignment is only slightly more positive amongst RECs, with respondents being equally split between those who consider it to have been well aligned and those who say it was only moderately aligned (see Figure 14).

Vindicating the previous considerations drawn on the basis of Aid for Trade flows, some respondents argue that past support has indeed been useful, but insufficient to meet the needs of business community and strengthen domestic productive capacity. Others trace the limited alignment to political economy considerations, arguing that the choice of the sectors that receive assistance reflects the priority of donors more than those of recipient countries. In this respect, it is interesting to relate the "alignment issue" with donors' responses on the ultimate objectives of their Aid for Trade strategies. If 88 per cent of donors declare that with their support to Africa they seek to achieve increased trade, and 69 per cent of them aim at boosting export and GDP growth, only 50 per cent of them include amongst their core objectives also economic diversification. It could hence be argued that, even though poverty reduction is a primary concern for 81 per cent of Aid for Trade donors, Africa's structural transformation agenda has so far had only partial uptake.

Another remark often made by African countries and RECs, and shared to some extent also by donors, is that Aid for Trade has so far displayed an uneven degree of alignment across continentally-agreed frameworks for supporting Africa's development. Broadly speaking, all categories of respondents (AU member countries, RECs and donors) concur that past assistance has been fairly aligned with the Programme for Infrastructure Development in Africa (PIDA), the Comprehensive Africa Agriculture Development Programme (CAADP) and with the African Productive Capacity Initiative (APCI). Conversely, only a few respondents in each category claims that past Aid for Trade has been aligned with the Accelerated Industrial Development in Africa (AIDA), or the African Agribusiness and Agro-Industry Development Initiative (3ADI). A number of reasons may explain this uneven situation, ranging from a more or less deliberate tendency on the part of donors to overlook certain sectors, to an uneven degree of confidence in the underlying initiatives. Whatever the explanation may be, recipient countries do not seem to be particularly proactive against this situation: according to their own questionnaire responses, only 30 per cent of them (and 60 per cent of RECs) have requested assistance in the past for relevant continental initiatives by the African Union.

Figure 13: Is donor support aligned to your national trade strategies?

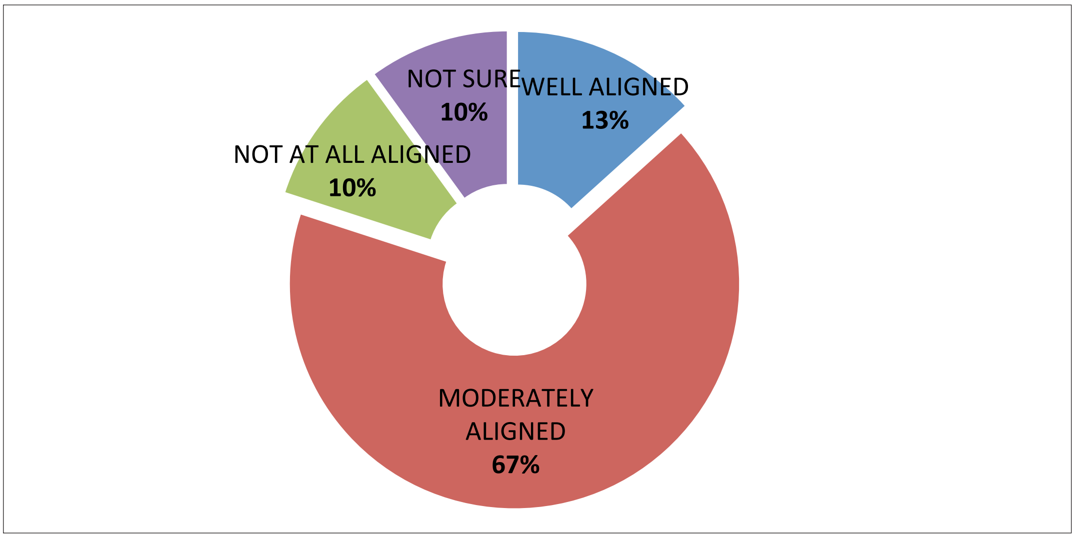
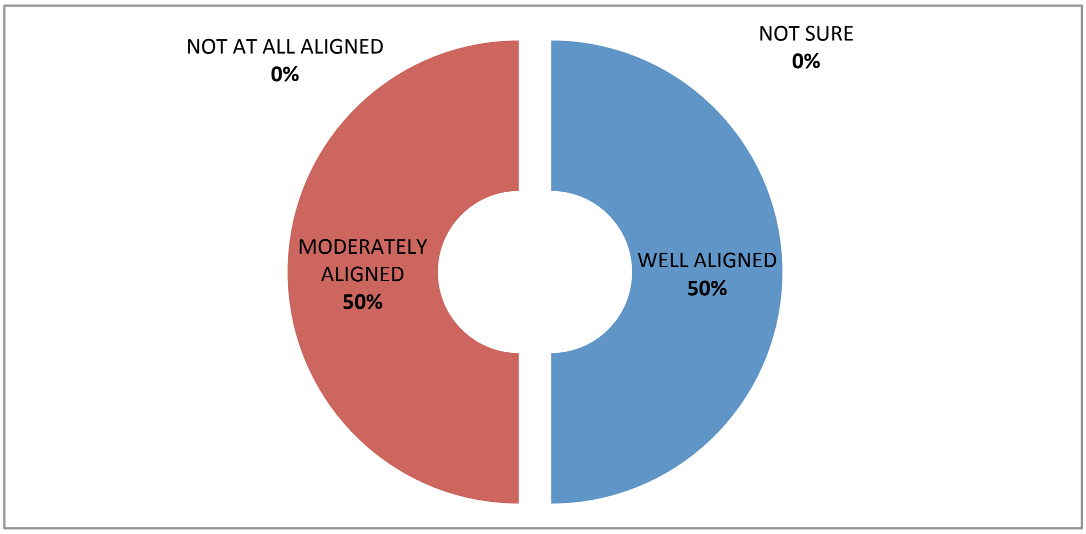


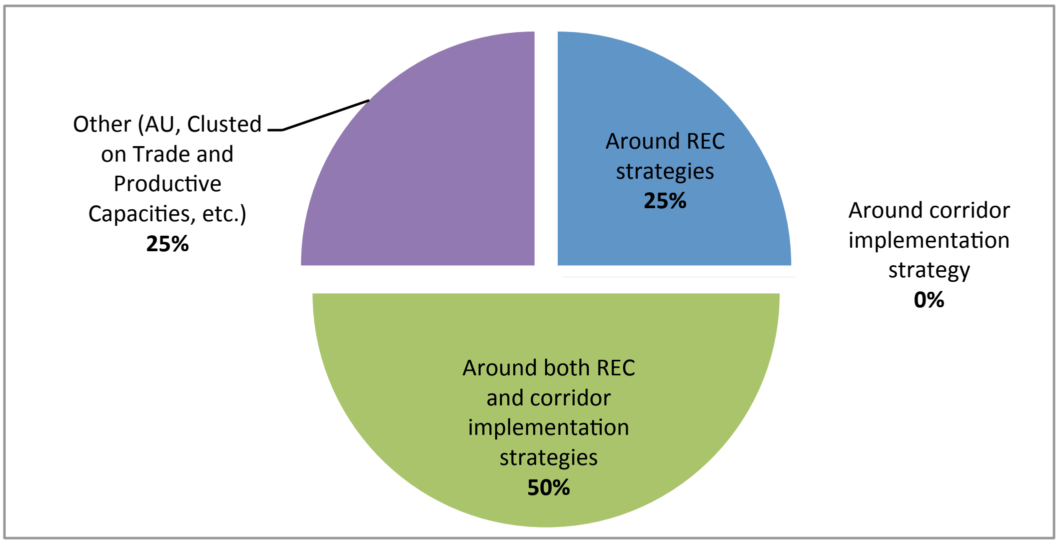
Figure 14: Is donor support aligned to your regional trade strategies?



Donors' coordination is present, but recipient countries could take a more proactive role in that respect

All donors responding to the questionnaire affirm that they have been coordinating their regional trade interventions with other counterparts, suggesting that some progress has been made on donors' coordination agenda. As shown in Figure 15, these coordination efforts pivot around REC strategies for 25 per cent of respondents, around RECs and corridor implementation strategies for 50 per cent of them, and around other frameworks (such as the African Union programmes, or the UN inter-agency cluster on Trade and Productive Capacities) for the remaining 25 per cent. On the other hand, different donors' priorities and overlapping memberships of regional agreements continue to stand out as the key difficulties faced by donors in coordinating their interventions.

Figure 15: How do you coordinate the regional trade strategies with other donors?

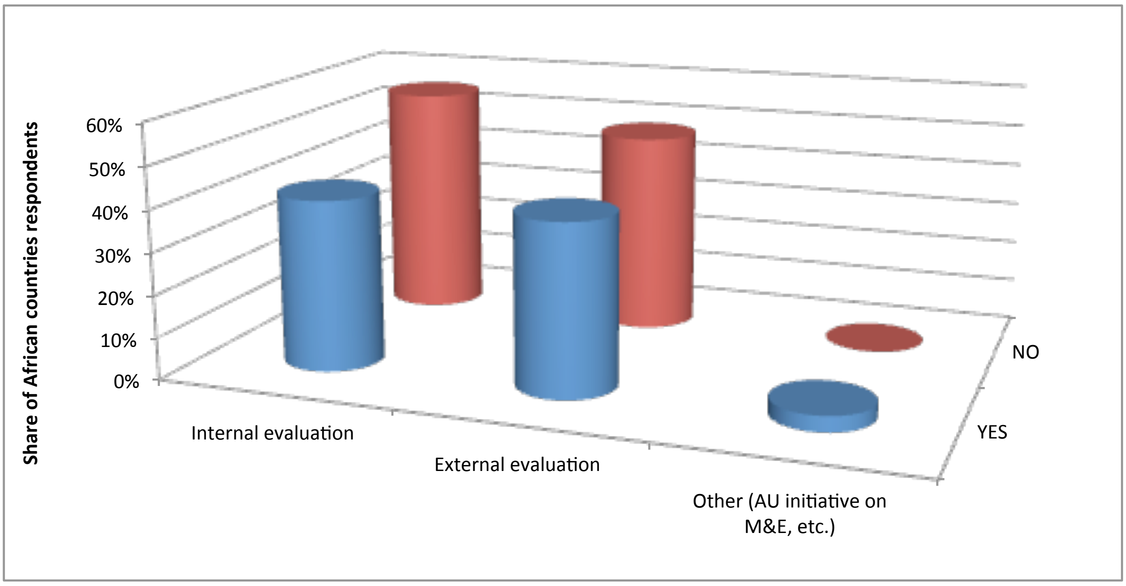


Reading the above findings in conjunction with other questionnaire responses – and in particular with the recognition by African countries and RECs of the need to engage in closer coordination with donors – there is a clear scope for recipient countries to take a more proactive approach towards Aid for Trade. For instance, in order to take greater ownership of regional integration agenda, they may consider soliciting more often support for given continentally-agreed AU initiatives, or engaging more closely with donors to obtain a greater saying in the design of Aid for Trade programmes.

Monitoring and evaluation of Aid for Trade to Africa is still incomplete

Questionnaire responses suggest that the monitoring and evaluation of Aid for Trade to Africa is still incomplete. Less than 50 per cent of African country respondents were aware of any internal/external evaluation of past Aid for Trade support being carried out (see Figure 16), and the percentage was higher but still below 75 per cent amongst RECs and donors. In addition, African countries and RECs are not routinely involved in such a monitoring exercise. Interestingly, while assistance related to trade policy, trade facilitation and trade-related infrastructures appears to regularly undergo a process of monitoring and evaluation, other categories of assistance do not typically go through a similar scrutiny. In spite of this situation, questionnaire responses reveal a strong interest on the part of African countries and RECs towards the use of joint monitoring arrangements, notably to evaluate the implementation of the AU Action Plan for Boosting Intra-African Trade.[17]

Figure 16: Has there been any evaluation of your support to African regional integration?



In terms of assessed impacts, questionnaire responses (across all categories of people interviewed) suggest that approximately half of the evaluations document an acceleration of economic growth or an increase in trade; fewer evaluations seem to confirm reductions in transaction costs or improved

17 Over 80% of respondents state that the AU Action Plan for Boosting Intra-African Trade should preferably be monitored through joint arrangements, measuring progress on the basis of specific indicators for each areas, namely: trade policy, trade facilitation, productive capacity, trade-related infrastructure, trade finance, and trade information. Besides, for 60% of country respondents and 80% of RECs, the AU Action Plan should be monitored every two years, or even more frequently.

custom efficiency. Incidentally it should be noted that broad outcomes such as a faster economic growth or greater trade volumes do not lend themselves to be easily traced to the specific Aid for Trade intervention evaluated. Conversely, more direct outcomes such as reduced transaction costs, lower transport fees, etc. can be more safely related, in a causal sense, to a specific programme in place.

Capacity constraints and lack of political will are the most important factors hampering the implementation of regional strategies

The questionnaires also looked at the most critical obstacles faced by African countries and RECs in securing Aid for Trade funding, as well as in implementing regional integration strategies. Two sets of constraints emerge quite strongly from questionnaire responses in relation to the sourcing of funds for supporting trade capacities. On the "demand side", both African countries and RECs recognize as a key constraint the difficulty to develop bankable project proposals, and clearly identify needs and associated policy priorities. These factors are ranked as the most critical in hampering an adequate resource mobilization through Aid for Trade. On the "supply side", on the other hand, African countries and RECs regret the fact that not all donors have regional programmes, that they are reluctant to establish separate Aid-for-Trade mechanisms, and that there is a lack of appropriate oversight mechanisms.[18]

For what attains the implementation of regional strategies, instead, capacity constraints in recipient countries, poor articulation of development strategies, and lack of political will are regarded as the most serious obstacles to be overcome. To reinforce these points, a similar perception is shared across all categories of respondents, whether AU member countries, RECs or donors. In addition, overlapping membership to regional agreements is also frequently cited as a serious impediment to a smooth implementation of regionally agreed strategies, especially on the parts of RECs and donor countries. Amongst the key constraints in the implementation of regional strategies, RECs also mention insufficient funding for their Secretariat.

It is critical to better identify Aid for Trade needs and priority areas and to pay greater attention to capacity constraint

After eight years since the launching of the Aid for Trade initiative, and with monitoring and evaluation gradually making inroads, the past experience can offer several lessons to enhance the contribution of future Aid for Trade interventions. According to both African countries and RECs, the key lessons learnt, in decreasing order of importance, are: (i) the need to clearly define regional strategies and priority areas; (ii) the necessity to ensure political commitments; and (iii) the need to guarantee sustainable funding. Donors' responses, on the other hand, confirm the fundamental role of political commitments, but also highlight the importance of upgrading institutional capacity.

18 In addition to the above, RECs also identify as an additional constraint the fact that regional priorities are poorly reflected in countries request for funding.

In addition, questionnaire responses suggest that it is critical to enhance the predictability of funding and the degree of coordination amongst member states, as well as with donors, in order to enhance the effectiveness of regional Aid for Trade. Moreover, respondents underscore the need to streamline application procedure and pay a greater attention to capacity development, thereby supporting beneficiary countries in their efforts to better identify suitable regional strategies and operationalize them adequately. Greater use of regional funds, more systemic monitoring and evaluation systems, and harmonization of reporting requirements can also play a conducive role in enhancing Aid for Trade contribution towards boosting intra-African trade.

IV. Aid for Trade and Africa's quest for structural transformation

As argued earlier, the scope and effectiveness of Aid for Trade should be considered not only in relation to Africa's trade capacities, but more broadly in the context of its developmental objectives. Over the last ten-fifteen years, the continent has witnessed a strong resumption of economic growth, accompanied by improvements in macroeconomic policy, institutional reforms and reduction in armed conflicts. This momentum, which has been barely dented by the global recession, has legitimately sparked renewed optimism about Africa's development prospects. Yet, it is hard to dispute the view that the continent still has a long way to go in order to achieve structural transformation, thereby enhancing the sustainability of its growth pattern and generating sufficient employment for its large cohorts of entrants into the labour market.

After the failure of import substitution strategies, industrialization has largely bypassed the African continent even with the advent of economic liberalization. If anything, several African countries have actually displayed premature signs of de-industrialization (i.e. declining share of manufacturing value added in GDP) even during the boom period, which was typically underpinned by extractive industries and services sectors (Valensisi and Davis, 2012). Exports remain typically concentrated on a narrow range of products and heavily dependent on primary commodities. The latter account for over 50 per cent of merchandise export revenues in three quarters of the 46 African countries for which data is available, and represent upwards of 90 per cent of the total in twelve of these countries (ECA and AUC, 2013). In addition, even during a booming period such as 1998-2009, a large number of African countries, and indeed the region as a whole, have actually moved towards an increasing concentration of their export bundle (Ofa, Spence, Mevel, and Karingi, 2012).

Moreover, African countries tend to export low-value-added products, even in those sectors where they actually display positive revealed comparative advantages, namely agro-food products, hard commodities and fuels. For example, more than 70 per cent of cocoa exports from Cote d'Ivoire, Ghana, Nigeria and Cameroon are in the form of cocoa beans, which embody a far lower value-added content than cocoa paste, cocoa butter, or chocolate (ECA and AUC, 2013). Put differently, African producers – even the more successful ones that manage to break into foreign markets – remain typically confined to the low end of global value chains, supplying raw material and low-value-added products, that are further transformed abroad.

Against this background, the regional market should in principle provide further scope for African firms to diversify their production, in so far as consumers in developing countries can be expected to have a pattern of demand that is less sophisticated and standard intensive. Trade data indeed reveal that intra-African exports are more diversified than Africa's exports to the rest of the world; manufacturing and agro-food products, in particular, account for a larger share of intra-African trade than of the continent's exports to the rest of the world (ECA, AUC, and AfDB, 2012). Yet, the weight of the intra-African market has remained limited, at around 10-12 per cent of the total exports. Moreover, the persistently limited weight of intra-industry and intermediates' trade within Africa are two additional symptoms of the low depth of regional and global production networks in the continent, in striking contrast with the experience of East and South-East Asia (Brulhart, 2008). As a matter of fact, in 2011, a mere 12 per cent of Africa's imported intermediates originated within the continent, whilst the remaining 88 per cent had to be sourced from the rest of the world. Even though the value of those intermediate imports had increased nearly six times since the year 2000, in relative terms their share had remained at the same level as ten years before, reflecting the lack of sophistication in regional production networks and the sluggish pace of economic transformation in the continent.[19]

Against this background, it is critical for Africa's trade and development strategies to respond to the evolving features of international trade and financial relations and harness them effectively with a view to foster structural transformation. By triggering a far-reaching reorganization of production and associated efficiency gains, the emergence of global value chains opens the way for a renewed "global division of labour". In so far as the participation to international production networks – even at the low end – can facilitate technological transfer, skills upgrading, and learning-by-doing, it provides a scope to raise productivity levels and move up the value chain, thereby supporting economic diversification and greater value addition. LDCs in particular could benefit from the insertion into global value chains also in view of the extended flexibility they are granted under the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), and of the dedicated support to encourage technological transfer. On the contrary, the opportunity costs of remaining confined to an inefficient trade environment, disconnected from the sizeable demand pool represented by the global value chains, are increasingly high. Similarly, the boom in Africa's economic relations with dynamic Southern partners presents both opportunities – such as growing demand for African product, cheaper access to inputs, additional investment and official flows, etc. – and challenges, like increasing competition in the domestic market, and risk of locking-in Africa's commodity dependency (ECA 2013a).

From this perspective, Africa's trade capacities become the key enablers through which the above opportunities, as well as challenges, materialise, which makes the role of Aid for Trade all the more critical. Entering and climbing up value chains requires concerted efforts from both Governments and private sector towards building forward and backward linkages with leading firms. Aid for Trade, in turn, can help addressing market failures and alleviating the binding constraints that dampen the competitiveness of African firms. Again, assistance in the trade policy domain can favour the mainstreaming of regional integration into the national development strategies and contribute to a more proactive engagement of emerging partners both within and outside the region.

If the call for a scale up of Aid for Trade resources is justified in light of Africa's needs, it should also be clear that protracted aid dependency is not a solution. Africa's sustained economic growth is creating the conditions to put greater emphasis on domestic resource mobilization, thereby enhancing the ownership of trade and development strategies, and improving the overall sustainability of trade-related intervention. At a time when aid budgets in traditional donor countries are coming under increasing pressure, Africa's long quest for development finance warrants a new approach that focuses on engaging more closely private actors, strengthening Public Private Partnerships and other innovative financing modalities, and harnessing the potential synergies and complementarities across different partners at global, regional, and domestic level.

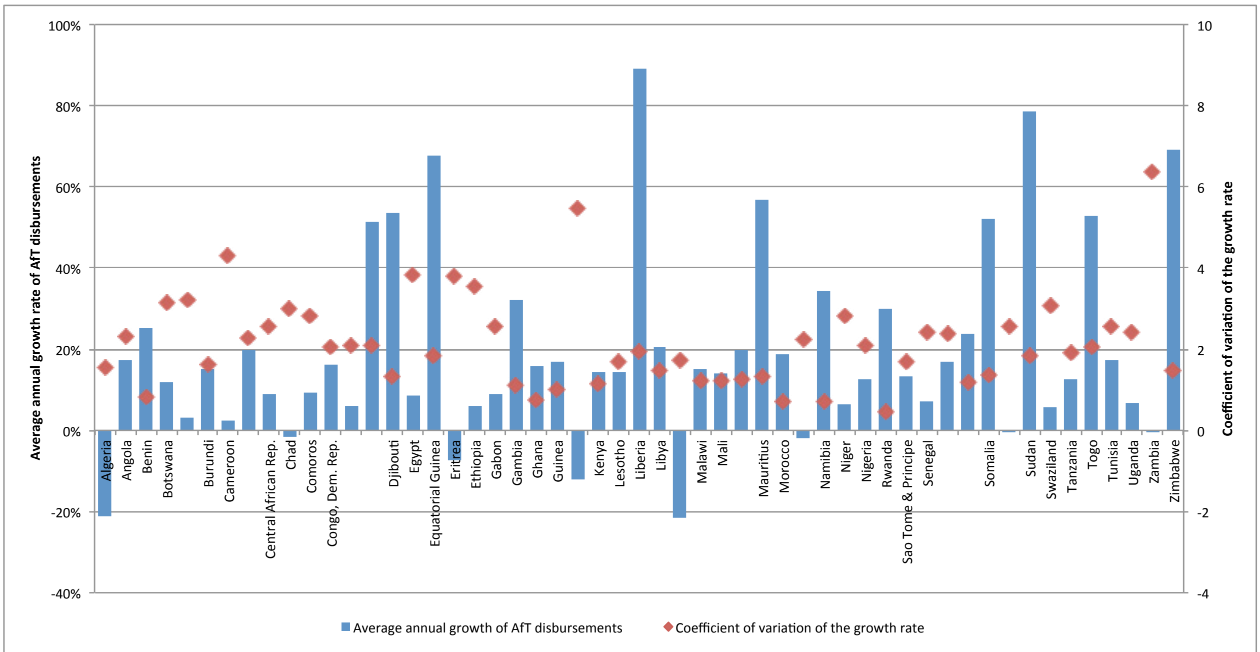
19 The data mentioned in this paragraph are based on WITS database.

There is a scope for improving Aid for Trade modalities and make them more conducive towards structural transformation

As argued earlier, there is no question that resource mobilization is a necessary step to implement Africa's structural transformation agenda and strengthen the continent trade capacities, and the Aid for Trade initiative has certainly represented a significant contribution in that regard. Donors' fatigue notwithstanding, Aid for Trade commitments to Africa between 2009 and 2011 have more than doubled those of the baseline 2002-2005 period, while disbursements have also increased markedly – even though less spectacularly. In order to enhance the effectiveness of Aid for Trade, though, its modalities have to be conducive to fostering economic diversification capacities and enabling African firms to compete globally. The present section discusses three relevant facets of such modalities – namely volatility, predictability, and selected elements of its sectoral allocation – with a view to assess their consistency with Africa's efforts to spur economic transformation.

In spite of its significant expansion, the volatility of Aid for Trade financing remains a serious source of concern for African policy-makers, in so far as it adds exogenous elements of uncertainty that may dampen investment, and renders more challenging the implementation of economic policies. Historical series reveal that, in the five years spanning from 2006 to 2011, African countries have experienced on average nearly two instances of real-term decline of Aid for Trade disbursements.[20] Along the same line, Figure 17 shows that real Aid for Trade disbursements to African countries have been rather volatile since 2006: the coefficient of variation of the real growth rate of Aid for Trade disbursements exceeded one in 48 out of 54 countries.[21] This suggests that– like other types of ODA flows – Aid for Trade tends to behave in a rather unstable way, with frequent drops even during a phase of overall expansion of Aid for Trade funds.

Figure 17: Growth and volatility of AfT disbursements (2006-2011)



20 Only four African countries did not suffer any real decline in Aid for Trade disbursements: Gambia, Ghana, Namibia and Rwanda. Besides, it is also worth noting that this finding seems to be only partially driven by the current economic downturn in key donor countries. As a matter of fact, real Aid for Trade disbursements were declining in 18 African countries in 2007, in 24 countries in 2008, in 19 countries in 2009, 16 in 2010 and 22 in 2011.

21 Here volatility is measured as the coefficient of variation of the real growth rate of the underlying variable.

A distinct but related issue attains to the predictability of Aid for Trade flows. Not only in Africa the gap between commitments and disbursements has tended to be rather large (with the exception of 2011), but also the disbursements -to-commitments ratio has typically witnessed significant variability across countries, as well as over time. This may reflect a number of factors, ranging from differential "absorptive capacities" – for instance, as emphasized in the WTO-AUC-ECA questionnaires, capacities to formulate Aid for Trade projects in due course – to time-lags in the implementation of projects, especially in the infrastructural sector. Whatever the explanation may be, such unpredictability may pose challenges for recipient countries, and questions one of the pillars of the Paris Declaration of Aid Effectiveness, namely the "mutual accountability".

From the point of view of Africa's pursuit of structural transformation, a third concern relates to the very adequacy of Aid for Trade funds to the continent's need, particularly in those sectors that play a key role for achieving economic diversification. Table 2 suggests that the evolution of Aid for Trade disbursements has to some extent reflected Africa's infrastructural needs, with per capita disbursements to the transport and energy sectors rising from USD 1.36 and USD 2.80 in 2006-2008, to the 2009-2011 levels of USD3.61 and USD 2.08. Regional weighted averages hide an uneven distribution of infrastructural-related support. Indeed, in the median African country Aid for Trade disbursements for energy generation and supply totalled less than one dollar per person per year; hardly the "big push" required in a continent where 57 per cent of the population lacks access to electricity (OECD and IEA, 2012). Moreover, the table shows that the bulk of infrastructural projects are financed on a bilateral basis, with regional and sub-regional infrastructural programmes accounting for barely 6 per cent of the total Aid for Trade support to the transport and energy sector.

Again, Aid for Trade disbursements in favour of the agricultural and manufacturing sectors have indeed increased, in per capita terms, from USD 1.85 and USD 0.41 to USD 2.75 and USD 0.50, respectively. Whilst the upwards trend may be somewhat encouraging, it remains questionable whether USD 0.50 per person per year adequately reflects the significance attached by the international community to supporting Africa's industrialization and align its action to the priorities defined by African policy-makers. Again, a growing body of literature has emphasized the sizeable potential gains associated with trade facilitation in the African context and the positive effects this may have in boosting intra-African trade (see for instance Mevel and Karingi, 2012 and Cali and TeWelde, 2011). The recognition of how relevant trade facilitation is in the African context has been accompanied by a sharp increase in corresponding Aid for Trade financing. Yet, in the 2009-2011 period an average of merely USD 0.11 per person per year was disbursed for trade facilitation activities, of which 57 per cent through regional programmes.

Table 2

	AfT disbursement to selected sectors (constant 2011 USD per capita)				Share of AfT to selected sector disbursed through regional programmes	
	Africa weighted average		Median African country			
	Average 2006-2008	Average 2009-2011	Average 2006-2008	Average 2009-2011	Average 2006-2008	Average 2009-2011
Agriculture	1.85	2.75	1.64	2.52	7%	12%
Energy Generation and Supply	1.36	2.08	0.42	0.97	5%	6%
Industry	0.41	0.50	0.20	0.18	14%	25%
Trade facilitation	0.03	0.11	0.00	0.01	14%	57%
Transport and Storage	2.80	3.61	3.18	3.65	2%	6%

Overall, the present analysis of Aid for Trade modalities suggests a considerable margin for improvement, and corroborates the findings of the WTO-AUC-ECA questionnaires. The volatility and unpredictability of Aid for Trade disbursements call for a stronger monitoring and evaluation framework, which could facilitate long-term policy and investment planning, and reinforce the crowding in effect Aid for Trade may have on private investment. Secondly, the sectoral data reviewed here question the adequacy of Aid for Trade financing to sectors that are crucial to climb up the product ladder, raise productivity levels and be able to compete internationally, thereby raising some doubts on the degree of alignment with Africa's quest for structural transformation. This situation calls for a renewed approach towards mobilizing resources for Africa's trade capacity, gradually steering away from aid dependency to step up innovative financing mechanisms targeted to private actors (whether domestic or international) and new emerging partners.

For the private sector low access to finance, poor infrastructures, and high transaction costs are the main obstacles in connecting with global value chains

With a view to better grasp the key obstacles in connecting to global value chains and get a better understanding of the constraints Aid for Trade is supposed to redress, it is useful to look at the views of private actors and firms. This is precisely what this section intends to do, drawing both on sectoral case studies undertaken by the ECA (ECA and AUC, 2013), and on the findings of a joint OECD-WTO questionnaire that elicited responses from 140 African firms across 5 economic sectors: agro-food, ICT, textiles and apparel, tourism, and transport-logistics (OECD and WTO, 2013).[22] Whilst questionnaire results may not be considered statistically significant due to the methodological limitations of this type of exercise and the limited size of the sample, the response can be deemed indicative, particularly when considered in the context of other research on the same issues.

According to questionnaire respondents, whether country suppliers or lead firms, access to trade and business finance, inadequate infrastructural provision, and high transaction costs (due to customs procedures, delays, costly documentation, etc.) are cited as the most binding constraints hampering

22 The OECD-WTO monitoring exercise was undertaken in collaboration with the Grow Africa, the International Chamber of Commerce, the International Trade Centre, the International Telecommunication Union and the United National World Tourism Organization. In the context of the questionnaire, firms were invited to self-select within two categories of respondents either developing country suppliers or lead firms.

the participation of African firms to global value chains.[23] In addition, respondents across all sectors identified as key national supply-side constraints the lack of adequately skilled labour force and the poor business and regulatory environment. Interestingly, the issues raised by questionnaire respondents are remarkably consistent with those highlighted by the sectoral case studies undertaken by ECA, and summarized schematically in Annex 8.

The private sector questionnaire also suggest that the main factors influencing lead firms' sourcing and investment decisions in Africa include not only production costs and market size, but also suppliers' ability to consistently meet product requirements. This suggests that a firm's participation to regional and global production networks can favour, at least to some extent, the accumulation of tacit knowledge and capabilities (notably knowledge of foreign markets), as well as the development of a modern business culture sensitive to the requirements of the customers in term of product specifications and timely delivery. In that respect, being connected to global value chains, even at the low end, can pave the way for moving up the value chain and diversifying the set of activities a firm performs.[24]

Some sector-specific constrains identified in the surveys are also worth mentioning (for more details on sector-specific responses refer to Annex 9 and to OECD and WTO, 2013). For the agro-food sector, key constraints in moving up the value chain included also limited access to production inputs and adequate technology and know-how, high costs of certifications and compliance with mandatory import requirements (e.g. sanitary and phytosanitary measures), and lack of skilled labour. Similar problems hampering a greater value addition also emerge from the case studies, notably about the cocoa industry in West Africa, and the tea and coffee industries in Kenya and Ethiopia respectively (see Annex 8). In addition, the case study on the fruit and vegetable sector highlight the challenges posed by the proliferation of private standards, and the high costs due to informal practices and corruption.

Limited access to finance and red tapes, but also inadequate power and telecommunications infrastructures are regarded as the main barriers to participate in ICT value chains, in line with the peculiarities of the sector. When asked about the typical problems that arise when dealing with African suppliers, lead firms mentioned as their top-four constraints: customs delays and procedures, trade financing difficulties, informal practices and payment requests, and non-compliance to technical specification. For African firms, conversely, factors most influencing investment into ICT were their ability to meet technical standards, business environment, labour skills and productivity, production or service cost and flexibility of contract arrangements.

Concerning the textiles and apparel sector, African businesses stressed that the buyer-driven nature of the supply chain creates an asymmetric market power structure. Like in other sectors, African firms listed as their most binding constraints in connecting to and moving up the value chain: lack of trade finance, customs/border delays and costly procedures, inadequate provision of energy and transport infrastructure, and other factors increasing production costs. Lead firms also highlighted customs

23 Not surprisingly, the specific nature of infrastructural bottleneck varies according to the peculiarities of each sector analyzed: transport and storage facilities are critical in relation to (mostly perishable) agro-food products, power and telecommunications networks for the ICT sector, roads and rails for hard commodities and fuels. In any case, infrastructural gaps are clearly a key obstacle for African firms across the whole range of activities.

24 A similar point is noted, for instance, by Sutton and Kellow, 2010 with reference to Ethiopia. At page 5, when discussing the transition from trading firms to leading manufacturing ones, the authors argue that "It is no accident, however, that half of the leading firms have emerged from the trading sector; for this is often where the deepest and most acute knowledge of local and international market conditions is already at hand."

procedures, shipping costs and delays, and non-compliance to environmental standards as their most typical difficulties in bringing African suppliers into their supply chains. Sourcing and investment decisions for lead firms are predominately based on the ability for suppliers to consistently meet product specifications and quality standards, short manufacturing order completion times, labour skills, market size and production cost. Besides, when dealing with Africa textile and apparel suppliers lead firms also stressed difficulties in informal practices and payment requests and non-compliance with environmental standards.

African businesses in the tourism sector, conversely, listed as additional challenges in entering and moving up the value chains: official travel advice of foreign governments, insecurity, commercial presence and joint venture requirements. Amongst the constraints in bringing new African suppliers into their tourism value chains, lead firms identified, on top of low access to finance, issues relating to airport and port capacity and the inability of local suppliers to meet international hospitality standards. Furthermore, they highlighted the importance of investment or tax incentives, market size and proximity to major tourist markets as the main factors influencing sourcing and investment decisions. However, when asked about the main difficulties in ensuring tourism linkages to the domestic economy, lead firms selected as their top four the inability of local suppliers to meet international standards, burdensome business and regulatory environment, lack of business service providers, and non-observance of local/international labour regulations.

After access to trade finance, business environment and trade facilitation measures were highlighted as the greatest national supply-side constraints for African firms to participate effectively in the transport and logistics value chains. These include inadequate airport, rail, road or maritime infrastructure capacity, informal controls and corrupt practices, the lack of transparency in regulatory environment and long customs procedures. Furthermore, African firms indicated their top five operational difficulties as access to trade finance, informal or corrupt practices, customs documentations requirements, border waiting times and port dwelling times. Investment decisions in transport and logistics are mainly influenced by the business environment and transport costs.

In conclusion, this broad picture confirms that African firms' competitiveness and ability to connect to global value chains are dampened by a wide array of factors that Aid for Trade can potentially address. Yet, only 32 per cent of the respondents from African country suppliers indicated that they had benefited from past Aid for Trade support to help address constrains related to connecting to value chains. Confirming the points made earlier, this suggests once more the need to scale up Aid for Trade interventions and align them more closely with the specific needs of the concerned stakeholders. In this respect, questionnaire responses provide a fairly clear idea of the Aid for trade priorities according to the private sector. Both African country suppliers and lead firms indicated that improved access to finance, better market access, closer public-private dialogue with national authorities, improved business environment, and better infrastructural provision would be critical in helping them enter or move up value chains. Finally both African suppliers and lead firms thought that future Aid for Trade support should primarily focus on the sectors with the most impact on poverty alleviation.

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Statistical Annexes

Annex 1

	AfT committments (million constant 2011 USD)			AfT disbursements (million constant 2011 USD)	
	Average 2002-2005	Average 2006-2008	Average 2009-2011	Average 2006-2008	Average 2009-2011
Africa	7,951	12,194	16,292	8,152	11,933
Americas	1,826	2,194	3,420	1,739	2,879
Asia	13,529	15,740	17,602	11,455	12,889
Europe	1,659	1,813	2,200	1,428	1,945
Oceania	292	433	534	318	382
World	26,492	34,593	44,246	24,798	33,197
	AfT committments per capita (constant 2011 USD)			AfT disbursements per capita (constant 2011 USD)	
	Average 2002-2005	Average 2006-2008	Average 2009-2011	Average 2006-2008	Average 2009-2011
Africa	9.04	12.76	15.92	8.53	11.26
Americas	2.10	2.43	3.31	1.92	2.88
Asia	3.51	3.92	4.45	2.86	3.07
Europe	2.27	2.46	2.98	1.94	2.58
Oceania	8.98	12.58	14.38	9.20	10.99
World	4.16	5.20	6.43	3.73	4.67
	AfT committments as share of GDP			AfT disbursements as share of GDP	
	Average 2002-2005	Average 2006-2008	Average 2009-2011	Average 2006-2008	Average 2009-2011
Africa	0.76%	0.81%	0.93%	0.54%	0.65%
Americas	0.01%	0.01%	0.01%	0.01%	0.01%
Asia	0.10%	0.09%	0.09%	0.07%	0.06%
Europe	0.01%	0.01%	0.01%	0.01%	0.01%
Oceania	0.03%	0.03%	0.03%	0.02%	0.03%
World	0.05%	0.05%	0.07%	0.04%	0.05%

Annex 2

	AfT commitments (million constant 2011 USD)						AfT disbursements (million constant 2011 USD)			
	Average 2002-2005		Average 2006-2008		Average 2009-2011		Average 2006-2008		Average 2009-2011	
Bottom recipient	Liberia	0.86	Equatorial Guinea	0.35	Equatorial Guinea	1.11	Equatorial Guinea	0.47	Equatorial Guinea	0.87
	Equatorial Guinea	0.95	Libya	4.69	Seychelles	1.83	Seychelles	3.77	Comoros	5.96
	Libya	2.29	Botswana	6.05	Libya	9.90	Comoros	4.19	Seychelles	8.03
	Seychelles	3.42	Comoros	6.46	Botswana	11.03	Somalia	6.55	Sao Tome & Principe	9.37
	Comoros	3.89	Seychelles	6.85	Comoros	15.33	Mauritius	7.06	Libya	15.40
	Somalia	4.67	Sao Tome & Principe	7.02	Sao Tome & Principe	18.39	Sao Tome & Principe	7.15	Swaziland	16.97
	Togo	5.97	Djibouti	7.13	Guinea-Bissau	18.69	Djibouti	9.55	Eritrea	19.30
	Lesotho	7.20	Gambia	13.20	Gabon	23.61	Libya	12.28	Botswana	22.04
	Sao Tome & Principe	8.24	Somalia	15.17	Algeria	26.52	Zimbabwe	12.38	Mauritius	24.00
	Zimbabwe	11.05	Guinea-Bissau	16.59	Eritrea	29.36	Botswana	12.63	Guinea-Bissau	25.18
Top recipient	Uganda	278.20	Nigeria	360.83	Senegal	502.39	Mali	259.23	Mali	370.18
	Ghana	297.56	Uganda	465.90	Nigeria	628.61	Madagascar	308.76	Tunisia	392.42
	Madagascar	313.87	Mozam-bique	482.75	Ethiopia	744.58	Kenya	312.39	Congo, Dem. Rep.	393.30
	Kenya	335.72	Mali	522.24	Ghana	745.56	Ghana	363.77	Kenya	440.41
	Morocco	338.15	Kenya	543.57	Uganda	767.94	Mozam-bique	378.53	Uganda	465.39
	Mozam-bique	365.01	Ghana	634.75	Congo, Dem. Rep.	770.18	Uganda	420.83	Ghana	573.05
	Tanzania	434.31	Ethiopia	799.85	Morocco	913.42	Tanzania	440.84	Tanzania	663.31
	Congo, Dem. Rep.	531.76	Tanzania	814.60	Egypt	943.48	Morocco	472.22	Egypt	752.60
	Ethiopia	559.87	Egypt	916.00	Tanzania	985.90	Ethiopia	542.86	Ethiopia	776.80
	Egypt	603.55	Morocco	924.16	Kenya	1,203.00	Egypt	597.77	Morocco	799.94

	AfT commitments (constant 2011 USD per capita)						AfT disbursements (constant 2011 USD per capita)			
	Average 2002-2005		Average 2006-2008		Average 2009-2011		Average 2006-2008		Average 2009-2011	
Bottom recipient	Liberia	0.27	Equatorial Guinea	0.53	Algeria	0.74	Equatorial Guinea	0.73	Equatorial Guinea	1.23
	Libya	0.40	Libya	0.78	Libya	1.56	Somalia	0.75	Algeria	1.91
	Somalia	0.58	Zimbabwe	1.35	Equatorial Guinea	1.58	Zimbabwe	0.99	Nigeria	2.24
	Zimbabwe	0.88	Somalia	1.72	Angola	2.07	Nigeria	1.72	Libya	2.43
	Togo	1.15	Nigeria	2.43	Madagascar	2.72	Angola	1.95	Somalia	2.78
	Angola	1.36	Botswana	3.13	South Africa	3.35	Libya	2.01	South Africa	2.80
	Equatorial Guinea	1.68	Chad	3.24	Somalia	3.39	Sudan	2.74	Angola	3.31
	Nigeria	1.91	South Africa	3.43	Nigeria	4.00	Congo, Dem. Rep.	3.58	Eritrea	3.69
	South Africa	2.89	Algeria	4.53	South Su-dan	4.55	Algeria	3.83	South Su-dan	4.68
	Cote d'Ivoire	3.32	Angola	5.12	Botswana	5.50	South Africa	4.16	Chad	5.00

Top recipient	Zambia	21.05	Mauritius	28.23	Swaziland	36.04	Mozam-bique	17.39	Morocco	25.00
	Guinea-Bissau	21.52	Morocco	29.66	Tunisia	36.41	Gabon	18.10	Gambia	25.01
	Tunisia	23.86	Tunisia	31.13	Senegal	40.54	Mali	18.46	Liberia	27.02
	Djibouti	30.09	Mali	36.92	Mauritius	40.69	Senegal	20.74	Namibia	35.30
	Gabon	33.03	Gabon	38.17	Namibia	41.70	Tunisia	22.33	Tunisia	37.48
	Seychelles	41.66	Namibia	41.41	Mauritania	42.01	Guinea-Bissau	25.30	Djibouti	37.95
	Mauritania	42.02	Mauritania	44.66	Djibouti	53.83	Mauritania	26.36	Mauritania	38.52
	Mauritius	45.56	Sao Tome & Principe	44.72	Liberia	59.27	Seychelles	44.47	Sao Tome & Principe	56.06
	Sao Tome & Principe	55.37	Seychelles	80.33	Sao Tome & Principe	111.15	Sao Tome & Principe	45.34	Seychelles	92.93
	Cape Verde	178.73	Cape Verde	149.89	Cape Verde	164.51	Cape Verde	136.80	Cape Verde	222.21

Annex 3

AfT disbursements (million constant 2011 USD)							
	2006	2007	2008	2009	2010	2011	Share of Africa tot. 2009-2011
CEN-SAD	3,028.35	3,739.14	4,726.02	4,921.71	6,105.69	6,068.62	48%
COMESA	2,541.35	2,976.19	3,579.20	4,230.41	4,031.26	3,956.34	34%
EAC	1,041.33	1,516.18	1,526.64	1,719.31	1,993.62	2,032.77	16%
ECCAS	587.39	617.48	685.38	946.52	842.62	932.11	8%
ECOWAS	1,523.69	2,008.98	2,352.89	2,345.05	2,985.25	3,138.49	24%
IGAD	1,079.02	1,485.56	1,639.19	2,257.32	1,846.97	1,925.33	17%
SADC	1,535.45	1,571.71	1,837.83	2,121.62	2,236.11	2,237.82	18%
UMA	770.00	936.87	1,070.85	1,262.16	1,509.82	1,454.71	12%
AfT disbursements per capita (constant 2011 USD)							
	2006	2007	2008	2009	2010	2011	Average 2009-2011
CEN-SAD	6.15	7.41	9.16	9.32	11.29	10.97	10.53
COMESA	6.43	7.36	8.64	9.97	9.28	8.89	9.38
EAC	8.48	12.00	11.74	12.85	14.47	14.33	13.88
ECCAS	4.83	4.95	5.35	7.19	6.24	6.73	6.72
ECOWAS	5.62	7.22	8.24	8.00	9.92	10.17	9.36
IGAD	5.77	7.75	8.34	11.20	8.93	9.08	9.73
SADC	6.63	6.64	7.59	8.57	8.84	8.65	8.69
UMA	9.26	11.12	12.53	14.58	17.21	16.38	16.06
Real growth of AfT disbursements							
	2006	2007	2008	2009	2010	2011	Average 2009-2011
CEN-SAD	-	23.5%	26.4%	4.1%	24.1%	-0.6%	9.2%
COMESA	-	17.1%	20.3%	18.2%	-4.7%	-1.9%	3.9%
EAC	-	45.6%	0.7%	12.6%	16.0%	2.0%	10.2%
ECCAS	-	5.1%	11.0%	38.1%	-11.0%	10.6%	12.6%
ECOWAS	-	31.8%	17.1%	-0.3%	27.3%	5.1%	10.7%
IGAD	-	37.7%	10.3%	37.7%	-18.2%	4.2%	7.9%
SADC	-	2.4%	16.9%	15.4%	5.4%	0.1%	7.0%
UMA	-	21.7%	14.3%	17.9%	19.6%	-3.7%	11.3%
Ratio disbursements-to-committments							
	2006	2007	2008	2009	2010	2011	Average 2009-2011
CEN-SAD	70%	71%	57%	59%	60%	99%	73%
COMESA	72%	60%	80%	72%	51%	77%	67%
EAC	72%	57%	73%	49%	44%	84%	59%
ECCAS	66%	48%	81%	60%	63%	53%	59%
ECOWAS	85%	71%	64%	49%	74%	103%	75%
IGAD	69%	50%	93%	69%	46%	78%	64%
SADC	84%	64%	58%	68%	55%	77%	67%
UMA	67%	120%	40%	87%	74%	154%	105%

Annex 4

	Aid for Trade Commitments (million constant 2011 USD)			Real growth rate of Aid for Trade Commitments		
	Average 2002-2005	Average 2006-2008	Average 2009-2011	Average 2002-2005	Average 2006-2008	Average 2009-2011
Benin	120.82	204.16	220.98	57.4%	23.7%	0.4%
Burkina Faso	244.64	178.73	434.25	110.2%	6.2%	44.6%
Central African Rep.	36.26	63.80	67.69	830.4%	36.7%	616.1%
Chad	96.25	33.82	101.03	78.6%	854.4%	408.0%
Comoros	3.89	6.46	15.33	173.1%	-0.1%	490.2%
Cote d'Ivoire	57.33	115.90	247.93	-26.3%	255.5%	-7.7%
Djibouti	23.76	7.13	48.02	46.0%	179.2%	64.3%
Egypt	603.55	916.00	943.48	-12.3%	56.9%	50.8%
Eritrea	54.01	37.64	29.36	-10.2%	70.7%	29.8%
Gambia	29.06	13.20	57.58	268.8%	-43.8%	123.8%
Ghana	297.56	634.75	745.56	44.0%	37.2%	-3.6%
Guinea	64.79	73.16	59.05	-18.4%	61.5%	374.8%
Guinea-Bissau	27.95	16.59	18.69	7.9%	230.4%	74.9%
Kenya	335.72	543.57	1203.00	241.0%	4.6%	322.5%
Liberia	0.86	78.25	234.78	209.6%	450.3%	153.3%
Libya	2.29	4.69	9.90	-	10.5%	21.7%
Mali	178.43	522.24	422.05	80.1%	119.0%	-20.3%
Mauritania	122.73	143.67	147.28	-1.0%	188.7%	100.0%
Morocco	338.15	924.16	913.42	2.9%	185.6%	-30.3%
Niger	113.32	115.51	118.37	25.9%	87.2%	12.9%
Nigeria	257.74	360.83	628.61	5.3%	68.7%	9.0%
Sao Tome & Principe	8.24	7.02	18.39	53.8%	84.2%	252.5%
Senegal	196.29	256.07	502.39	50.5%	36.9%	14.3%
Sierra Leone	100.84	87.78	101.13	790.6%	123.6%	88.4%
Somalia	4.67	15.17	31.61	34.5%	100.4%	53.3%
Sudan	25.17	235.88	422.11	28.8%	490.4%	19.8%
Togo	5.97	35.06	100.82	327.5%	578.8%	22.7%
Tunisia	231.12	316.69	381.40	-20.2%	97.2%	-4.7%
CEN-SAD	**3581.43**	**5947.95**	**8224.21**	**4.7%**	**30.8%**	**-5.5%**
Burundi	54.51	92.12	185.60	870.4%	281.5%	34.5%
Comoros	3.89	6.46	15.33	173.1%	-0.1%	490.2%
Congo, Dem. Rep.	531.76	317.16	770.18	9.3%	33.4%	55.6%
Djibouti	23.76	7.13	48.02	46.0%	179.2%	64.3%
Egypt	603.55	916.00	943.48	-12.3%	56.9%	50.8%
Eritrea	54.01	37.64	29.36	-10.2%	70.7%	29.8%
Ethiopia	559.87	799.85	744.58	11.8%	3.1%	-5.3%
Kenya	335.72	543.57	1203.00	241.0%	4.6%	322.5%
Libya	2.29	4.69	9.90	-	10.5%	21.7%
Madagascar	313.87	280.67	56.53	42.0%	23.8%	-11.7%
Malawi	122.08	150.08	267.39	51.1%	-6.2%	34.4%
Mauritius	56.20	36.02	52.66	948.9%	192.8%	-5.3%
Rwanda	81.54	139.40	327.52	66.4%	13.3%	47.1%
Seychelles	3.42	6.85	1.83	6.2%	513.2%	-43.0%
Sudan	25.17	235.88	422.11	28.8%	490.4%	19.8%
Swaziland	18.84	23.51	43.00	74.8%	65.0%	57.7%
Uganda	278.20	465.90	767.94	47.3%	78.3%	56.6%

	Aid for Trade Commitments (million constant 2011 USD)			Real growth rate of Aid for Trade Commitments		
	Average 2002-2005	Average 2006-2008	Average 2009-2011	Average 2002-2005	Average 2006-2008	Average 2009-2011
Zambia	233.16	245.28	319.03	7.1%	14.3%	49.1%
Zimbabwe	11.05	16.88	106.92	12.0%	150.4%	337.8%
COMESA	**3312.91**	**4325.10**	**6314.37**	**-2.8%**	**13.7%**	**10.1%**
Burundi	54.51	92.12	185.60	870.4%	281.5%	34.5%
Kenya	335.72	543.57	1203.00	241.0%	4.6%	322.5%
Rwanda	81.54	139.40	327.52	66.4%	13.3%	47.1%
Uganda	278.20	465.90	767.94	47.3%	78.3%	56.6%
Tanzania	434.31	814.60	985.90	55.8%	45.0%	-7.3%
EAC	**1184.29**	**2055.59**	**3469.95**	**49.9%**	**18.3%**	**16.7%**
Angola	21.11	90.13	39.50	30.3%	107.8%	38.0%
Burundi	54.51	92.12	185.60	870.4%	281.5%	34.5%
Cameroon	120.29	305.73	297.76	8.8%	93.2%	35.1%
Central African Rep.	36.26	63.80	67.69	830.4%	36.7%	616.1%
Chad	96.25	33.82	101.03	78.6%	854.4%	408.0%
Congo, Rep.	41.42	40.19	43.36	1546.4%	14.5%	42.6%
Congo, Dem. Rep.	531.76	317.16	770.18	9.3%	33.4%	55.6%
Equatorial Guinea	0.95	0.35	1.11	-34.3%	751.6%	207.0%
Gabon	43.31	54.28	23.61	-8.2%	947.0%	-23.7%
Sao Tome & Principe	8.24	7.02	18.39	53.8%	84.2%	252.5%
ECCAS	**954.11**	**1004.59**	**1548.23**	**-13.1%**	**8.5%**	**33.8%**
Benin	120.82	204.16	220.98	57.4%	23.7%	0.4%
Burkina Faso	244.64	178.73	434.25	110.2%	6.2%	44.6%
Cape Verde	83.62	72.65	81.36	871.2%	43.5%	-23.3%
Cote d'Ivoire	57.33	115.90	247.93	-26.3%	255.5%	-7.7%
Gambia	29.06	13.20	57.58	268.8%	-43.8%	123.8%
Ghana	297.56	634.75	745.56	44.0%	37.2%	-3.6%
Guinea	64.79	73.16	59.05	-18.4%	61.5%	374.8%
Guinea-Bissau	27.95	16.59	18.69	7.9%	230.4%	74.9%
Liberia	0.86	78.25	234.78	209.6%	450.3%	153.3%
Mali	178.43	522.24	422.05	80.1%	119.0%	-20.3%
Niger	113.32	115.51	118.37	25.9%	87.2%	12.9%
Nigeria	257.74	360.83	628.61	5.3%	68.7%	9.0%
Senegal	196.29	256.07	502.39	50.5%	36.9%	14.3%
Sierra Leone	100.84	87.78	101.13	790.6%	123.6%	88.4%
Togo	5.97	35.06	100.82	327.5%	578.8%	22.7%
ECOWAS	**1779.23**	**2764.90**	**3973.56**	**21.5%**	**21.0%**	**-3.1%**
Djibouti	23.76	7.13	48.02	46.0%	179.2%	64.3%
Eritrea	54.01	37.64	29.36	-10.2%	70.7%	29.8%
Ethiopia	559.87	799.85	744.58	11.8%	3.1%	-5.3%
Kenya	335.72	543.57	1203.00	241.0%	4.6%	322.5%
Somalia	4.67	15.17	31.61	34.5%	100.4%	53.3%
Sudan	25.17	235.88	422.11	28.8%	490.4%	19.8%
Uganda	278.20	465.90	767.94	47.3%	78.3%	56.6%
IGAD	**1281.41**	**2105.14**	**3246.62**	**23.3%**	**18.6%**	**23.0%**
Angola	21.11	90.13	39.50	30.3%	107.8%	38.0%
Botswana	16.73	6.05	11.03	-42.0%	81.5%	81.5%
Congo, Dem. Rep.	531.76	317.16	770.18	9.3%	33.4%	55.6%
Lesotho	7.20	35.07	30.77	42.4%	519.3%	155.0%

	Aid for Trade Commitments (million constant 2011 USD)			Real growth rate of Aid for Trade Commitments		
	Average 2002-2005	Average 2006-2008	Average 2009-2011	Average 2002-2005	Average 2006-2008	Average 2009-2011
Malawi	122.08	150.08	267.39	51.1%	-6.2%	34.4%
Mauritius	56.20	36.02	52.66	948.9%	192.8%	-5.3%
Mozambique	365.01	482.75	475.05	7.1%	10.3%	-1.2%
Namibia	34.56	89.13	94.72	17.1%	158.4%	-9.7%
Seychelles	3.42	6.85	1.83	6.2%	513.2%	-43.0%
South Africa	136.33	167.84	167.98	176.5%	10.3%	-15.9%
Swaziland	18.84	23.51	43.00	74.8%	65.0%	57.7%
Tanzania	434.31	814.60	985.90	55.8%	45.0%	-7.3%
Zambia	233.16	245.28	319.03	7.1%	14.3%	49.1%
Zimbabwe	11.05	16.88	106.92	12.0%	150.4%	337.8%
SADC	**1991.77**	**2481.34**	**3365.96**	**3.5%**	**14.1%**	**0.4%**
Algeria	110.75	152.68	26.52	427.5%	-18.9%	24.7%
Libya	2.29	4.69	9.90	-	10.5%	21.7%
Mauritania	122.73	143.67	147.28	-1.0%	188.7%	100.0%
Morocco	338.15	924.16	913.42	2.9%	185.6%	-30.3%
Tunisia	231.12	316.69	381.40	-20.2%	97.2%	-4.7%
UMA	**805.04**	**1541.88**	**1478.51**	**-16.6%**	**96.5%**	**-19.5%**

Annex 5

	Aid for Trade Disbursements (million constant 2011 USD)		Real growth rate of Aid for Trade Disbursements		Aid for Trade Disbursements per capita (USD per person)	
	Average 2006-2008	Average 2009-2011	Average 2006-2008	Average 2009-2011	Average 2006-2008	Average 2009-2011
Benin	126.10	218.43	53.5%	15.2%	15.42	24.60
Burkina Faso	216.32	244.23	-1.2%	12.5%	14.38	14.82
Central African Rep.	37.49	53.04	-44.8%	78.1%	9.07	11.96
Kenya	543.57	1203.00	608.2%	46.6%	14.61	29.74
Comoros	4.19	5.96	6.6%	24.7%	6.17	8.11
Cote d'Ivoire	101.31	178.40	408.0%	-20.2%	5.36	9.07
Djibouti	9.55	33.54	191.9%	30.2%	11.27	37.95
Egypt	597.77	752.60	32.0%	-4.1%	7.75	9.28
Eritrea	20.13	19.30	-9.5%	-8.0%	4.21	3.69
Gambia	16.46	43.43	7.3%	57.3%	10.33	25.01
Ghana	363.77	573.05	7.3%	21.7%	16.00	23.41
Guinea	46.16	66.38	42.5%	5.4%	4.90	6.64
Guinea-Bissau	36.01	25.18	1.2%	15.2%	25.30	16.66
Kenya	312.39	440.41	26.6%	16.8%	8.31	10.84
Liberia	46.75	108.23	2262.7%	40.5%	13.22	27.02
Libya	12.28	15.40	597.4%	-17.0%	2.01	2.43
Mali	259.23	370.18	16.7%	24.9%	18.46	23.96
Mauritania	85.06	133.59	48.8%	18.5%	26.36	38.52
Morocco	472.22	799.94	16.1%	24.6%	15.22	25.00
Niger	96.86	110.04	19.5%	4.3%	6.92	7.08
Nigeria	252.56	356.11	23.8%	20.9%	1.72	2.24
Sao Tome & Principe	7.15	9.37	21.6%	81.2%	45.34	56.06
Senegal	238.68	266.53	21.4%	4.1%	20.74	21.38
Sierra Leone	57.12	112.73	40.0%	11.0%	10.38	19.23
Somalia	6.55	26.07	71.1%	57.1%	0.75	2.78
Sudan	88.94	248.38	422.1%	1.5%	2.74	7.21
Togo	38.30	39.77	1626.6%	-3.2%	6.66	6.57
Tunisia	226.79	392.42	42.5%	2.4%	22.33	37.48
CEN-SAD	**3831.17**	**5698.68**	**0.25**	**9.2%**	**7.57**	**10.53**
Burundi	77.16	114.40	28.9%	18.6%	9.99	13.63
Comoros	4.19	5.96	6.6%	24.7%	6.17	8.11
Congo, Dem. Rep.	218.01	393.30	17.9%	23.6%	3.58	5.98
Djibouti	9.55	33.54	191.9%	30.2%	11.27	37.95
Egypt	597.77	752.60	32.0%	-4.1%	7.75	9.28
Eritrea	20.13	19.30	-9.5%	-8.0%	4.21	3.69
Ethiopia	542.86	776.80	3.9%	17.9%	6.98	9.40
Kenya	312.39	440.41	26.6%	16.8%	8.31	10.84
Libya	12.28	15.40	597.4%	-17.0%	2.01	2.43
Madagascar	308.76	129.00	1.0%	-24.1%	16.28	6.24
Malawi	110.56	172.41	15.2%	16.7%	8.12	11.55
Mauritius	7.06	24.00	269.3%	147.6%	5.53	18.47
Rwanda	6.85	1.83	-5.6%	12.9%	80.33	21.15
Seychelles	3.77	8.03	-6.8%	105.2%	44.47	92.93
Sudan	88.94	248.38	422.1%	1.5%	2.74	7.21
Swaziland	13.89	16.97	-18.0%	46.7%	12.28	14.26
Uganda	420.83	465.39	43.8%	0.3%	13.81	13.94

	Aid for Trade Disbursements (million constant 2011 USD)		Real growth rate of Aid for Trade Disbursements		Aid for Trade Disbursements per capita (USD per person)	
	Average 2006-2008	Average 2009-2011	Average 2006-2008	Average 2009-2011	Average 2006-2008	Average 2009-2011
Zambia	161.53	147.42	10.1%	2.8%	13.40	11.23
Zimbabwe	12.38	77.64	48.2%	177.4%	0.99	6.15
COMESA	**3032.24**	**4072.67**	**0.19**	**3.9%**	**7.48**	**9.38**
Burundi	77.16	114.40	28.9%	18.6%	9.99	13.63
Kenya	312.39	440.41	26.6%	16.8%	8.31	10.84
Rwanda	110.17	231.73	39.3%	26.4%	11.27	21.70
Uganda	420.83	465.39	43.8%	0.3%	13.81	13.94
Tanzania	440.84	663.31	11.1%	9.3%	10.71	14.79
EAC	**1361.38**	**1915.24**	**0.23**	**10.2%**	**10.74**	**13.88**
Angola	34.29	62.95	33.0%	7.4%	1.95	3.31
Burundi	77.16	114.40	28.9%	18.6%	9.99	13.63
Cameroon	143.57	154.56	3.8%	3.2%	7.82	7.89
Central African Rep.	37.49	53.04	-44.8%	78.1%	9.07	11.96
Chad	55.00	55.98	29.9%	19.2%	5.30	5.00
Congo, Rep.	31.16	27.60	96.0%	8.0%	8.30	6.82
Congo, Dem. Rep.	218.01	393.30	17.9%	23.6%	3.58	5.98
Equatorial Guinea	0.47	0.87	1198.7%	72.8%	0.73	1.23
Gabon	25.78	35.02	23.6%	49.7%	18.10	23.23
Sao Tome & Principe	7.15	9.37	21.6%	81.2%	45.34	56.06
ECCAS	**630.08**	**907.08**	**0.08**	**12.6%**	**5.04**	**6.72**
Benin	126.10	218.43	53.5%	15.2%	15.42	24.60
Burkina Faso	216.32	244.23	-1.2%	12.5%	14.38	14.82
Cape Verde	66.21	110.25	54.3%	14.7%	136.80	222.21
Cote d’Ivoire	101.31	178.40	408.0%	-20.2%	5.36	9.07
Gambia	16.46	43.43	7.3%	57.3%	10.33	25.01
Ghana	363.77	573.05	7.3%	21.7%	16.00	23.41
Guinea	46.16	66.38	42.5%	5.4%	4.90	6.64
Guinea-Bissau	36.01	25.18	1.2%	15.2%	25.30	16.66
Liberia	46.75	108.23	2262.7%	40.5%	13.22	27.02
Mali	259.23	370.18	16.7%	24.9%	18.46	23.96
Niger	96.86	110.04	19.5%	4.3%	6.92	7.08
Nigeria	252.56	356.11	23.8%	20.9%	1.72	2.24
Senegal	238.68	266.53	21.4%	4.1%	20.74	21.38
Sierra Leone	57.12	112.73	40.0%	11.0%	10.38	19.23
Togo	38.30	39.77	1626.6%	-3.2%	6.66	6.57
ECOWAS	**1961.85**	**2822.93**	**0.24**	**10.7%**	**7.02**	**9.36**
Djibouti	9.55	33.54	191.9%	30.2%	11.27	37.95
Eritrea	20.13	19.30	-9.5%	-8.0%	4.21	3.69
Ethiopia	542.86	776.80	3.9%	17.9%	6.98	9.40
Kenya	312.39	440.41	26.6%	16.8%	8.31	10.84
Somalia	6.55	26.07	71.1%	57.1%	0.75	2.78
Sudan	88.94	248.38	422.1%	1.5%	2.74	7.21
Uganda	420.83	465.39	43.8%	0.3%	13.81	13.94
IGAD	**1401.26**	**2009.88**	**0.24**	**7.9%**	**7.28**	**9.73**
Angola	34.29	62.95	33.0%	7.4%	1.95	3.31
Botswana	12.63	22.04	-0.1%	29.6%	6.55	11.00
Congo, Dem. Rep.	218.01	393.30	17.9%	23.6%	3.58	5.98
Lesotho	19.02	25.53	16.5%	37.2%	9.02	11.72

	Aid for Trade Disbursements (million constant 2011 USD)		Real growth rate of Aid for Trade Disbursements		Aid for Trade Disbursements per capita (USD per person)	
	Average 2006-2008	Average 2009-2011	Average 2006-2008	Average 2009-2011	Average 2006-2008	Average 2009-2011
Malawi	110.56	172.41	15.2%	16.7%	8.12	11.55
Mauritius	7.06	24.00	269.3%	147.6%	5.53	18.47
Mozambique	378.53	363.70	-9.8%	1.6%	17.39	15.55
Namibia	32.22	80.86	30.1%	47.3%	14.88	35.30
Seychelles	3.77	8.03	-6.8%	105.2%	44.47	92.93
South Africa	203.60	140.37	80.4%	-10.8%	4.16	2.80
Swaziland	13.89	16.97	-18.0%	46.7%	12.28	14.26
Tanzania	440.84	663.31	11.1%	9.3%	10.71	14.79
Zambia	161.53	147.42	10.1%	2.8%	13.40	11.23
Zimbabwe	12.38	77.64	48.2%	177.4%	0.99	6.15
SADC	**1648.33**	**2198.52**	**0.10**	**7.0%**	**6.95**	**8.69**
Algeria	129.54	67.54	-11.4%	-17.5%	3.83	1.91
Libya	12.28	15.40	597.4%	-17.0%	2.01	2.43
Mauritania	85.06	133.59	48.8%	18.5%	26.36	38.52
Morocco	472.22	799.94	16.1%	24.6%	15.22	25.00
Tunisia	226.79	392.42	42.5%	2.4%	22.33	37.48
UMA	**925.91**	**1408.90**	**0.18**	**11.3%**	**10.97**	**16.06**

Annex 6

	Aid for Trade disbursements-to-commitments ratio			Sectoral distribution of Aid for Trade disbursements (2006-2011)		
	Average 2006-2008	Average 2009-2011	Coefficient of variation (2006-2011)	Building productive capacities	Economic infrastructure	Trade policy & regulation and trade-related adjustments
Benin	82%	107%	47%	38%	61%	1%
Burkina Faso	129%	60%	51%	54%	45%	1%
Central African Rep.	144%	113%	83%	47%	50%	2%
Chad	883%	95%	170%	42%	57%	1%
Comoros	95%	72%	64%	60%	39%	1%
Cote d'Ivoire	83%	71%	17%	65%	22%	13%
Djibouti	180%	87%	55%	18%	81%	1%
Egypt	67%	121%	50%	34%	60%	6%
Eritrea	79%	171%	81%	44%	55%	0%
Gambia	137%	81%	40%	50%	49%	1%
Ghana	65%	82%	40%	52%	47%	1%
Guinea	188%	259%	99%	40%	59%	1%
Guinea-Bissau	313%	157%	71%	43%	56%	1%
Kenya	141%	41%	124%	43%	57%	1%
Liberia	53%	49%	54%	31%	68%	1%
Libya	208%	127%	89%	42%	56%	2%
Mali	72%	109%	60%	61%	38%	1%
Mauritania	137%	143%	79%	37%	62%	1%
Morocco	89%	143%	84%	21%	78%	1%
Niger	120%	112%	58%	61%	39%	0%
Nigeria	98%	76%	58%	58%	41%	2%
Sao Tome & Principe	114%	70%	56%	30%	69%	2%
Senegal	104%	71%	47%	48%	50%	2%
Sierra Leone	104%	165%	71%	32%	64%	4%
Somalia	47%	102%	66%	77%	22%	1%
Sudan	40%	68%	42%	45%	43%	12%
Togo	145%	45%	88%	68%	30%	2%
Tunisia	77%	105%	22%	35%	65%	0%
CEN-SAD	**66%**	**73%**	**21%**	**42%**	**56%**	**2%**
Burundi	84%	62%	27%	43%	47%	10%
Comoros	95%	72%	64%	60%	39%	1%
Congo, Dem. Rep.	85%	51%	47%	34%	63%	3%
Djibouti	180%	87%	55%	18%	81%	1%
Egypt	67%	121%	50%	34%	60%	6%
Eritrea	79%	171%	81%	44%	55%	0%
Ethiopia	69%	112%	38%	34%	65%	0%
Kenya	141%	41%	124%	43%	57%	1%
Libya	208%	127%	89%	42%	56%	2%
Madagascar	127%	248%	48%	53%	47%	0%
Malawi	75%	66%	14%	75%	24%	1%
Mauritius	36%	159%	145%	80%	16%	4%
Rwanda	79%	77%	27%	53%	44%	3%
Seychelles	117%	441%	63%	86%	14%	1%
Sudan	40%	68%	42%	45%	43%	12%
Swaziland	94%	43%	90%	69%	27%	4%

	Aid for Trade disbursements-to-commitments ratio			Sectoral distribution of Aid for Trade disbursements (2006-2011)		
	Average 2006-2008	Average 2009-2011	Coefficient of variation (2006-2011)	Building productive capacities	Economic infrastructure	Trade policy & regulation and trade-related adjustments
Uganda	112%	68%	42%	44%	54%	2%
Zambia	66%	50%	24%	53%	45%	2%
Zimbabwe	99%	78%	40%	86%	11%	3%
COMESA	**71%**	**67%**	**15%**	**43%**	**55%**	**3%**
Burundi	84%	62%	27%	43%	47%	10%
Kenya	141%	41%	124%	43%	57%	1%
Rwanda	79%	77%	27%	53%	44%	3%
Uganda	112%	68%	42%	44%	54%	2%
Tanzania	65%	74%	31%	48%	51%	1%
EAC	**68%**	**59%**	**22%**	**46%**	**52%**	**2%**
Angola	49%	202%	74%	74%	24%	1%
Burundi	84%	62%	27%	43%	47%	10%
Cameroon	48%	60%	39%	31%	65%	3%
Central African Rep.	144%	113%	83%	47%	50%	2%
Chad	883%	95%	170%	42%	57%	1%
Congo, Rep.	87%	64%	41%	23%	76%	2%
Congo, Dem. Rep.	85%	51%	47%	34%	63%	3%
Equatorial Guinea	153%	81%	57%	94%	4%	2%
Gabon	90%	256%	104%	55%	44%	0%
Sao Tome & Principe	114%	70%	56%	30%	69%	2%
ECCAS	**65%**	**59%**	**17%**	**39%**	**57%**	**4%**
Benin	82%	107%	47%	38%	61%	1%
Burkina Faso	129%	60%	51%	54%	45%	1%
Cape Verde	109%	161%	50%	17%	83%	0%
Cote d'Ivoire	83%	71%	17%	65%	22%	13%
Gambia	137%	81%	40%	50%	49%	1%
Ghana	65%	82%	40%	52%	47%	1%
Guinea	188%	259%	99%	40%	59%	1%
Guinea-Bissau	313%	157%	71%	43%	56%	1%
Liberia	53%	49%	54%	31%	68%	1%
Mali	72%	109%	60%	61%	38%	1%
Niger	120%	112%	58%	61%	39%	0%
Nigeria	98%	76%	58%	58%	41%	2%
Senegal	104%	71%	47%	48%	50%	2%
Sierra Leone	104%	165%	71%	32%	64%	4%
Togo	145%	45%	88%	68%	30%	2%
ECOWAS	**73%**	**75%**	**23%**	**50%**	**48%**	**1%**
Djibouti	180%	87%	55%	18%	81%	1%
Eritrea	79%	171%	81%	44%	55%	0%
Ethiopia	69%	112%	38%	34%	65%	0%
Kenya	141%	41%	124%	43%	57%	1%
Somalia	47%	102%	66%	77%	22%	1%
Sudan	40%	68%	42%	45%	43%	12%
Uganda	112%	68%	42%	44%	54%	2%
IGAD	**70%**	**64%**	**24%**	**40%**	**58%**	**1%**
Angola	49%	202%	74%	74%	24%	1%
Botswana	280%	283%	50%	60%	39%	2%

	Aid for Trade disbursements-to-commitments ratio			Sectoral distribution of Aid for Trade disbursements (2006-2011)		
	Average 2006-2008	Average 2009-2011	Coefficient of variation (2006-2011)	Building productive capacities	Economic infrastructure	Trade policy & regulation and trade-related adjustments
Congo, Dem. Rep.	85%	51%	47%	34%	63%	3%
Lesotho	186%	79%	118%	16%	82%	2%
Malawi	75%	66%	14%	75%	24%	1%
Mauritius	36%	159%	145%	80%	16%	4%
Mozambique	82%	84%	28%	43%	55%	2%
Namibia	54%	105%	74%	40%	59%	1%
Seychelles	117%	441%	63%	86%	14%	1%
South Africa	126%	92%	42%	80%	18%	3%
Swaziland	94%	43%	90%	69%	27%	4%
Tanzania	65%	74%	31%	48%	51%	1%
Zambia	66%	50%	24%	53%	45%	2%
Zimbabwe	99%	78%	40%	86%	11%	3%
SADC	**69%**	**67%**	**15%**	**52%**	**46%**	**2%**
Algeria	148%	353%	97%	32%	65%	3%
Libya	208%	127%	89%	42%	56%	2%
Mauritania	137%	143%	79%	37%	62%	1%
Morocco	89%	143%	84%	21%	78%	1%
Tunisia	77%	105%	22%	35%	65%	0%
UMA	**76%**	**105%**	**41%**	**26%**	**73%**	**1%**

Annex 7

List of respondents to the WTO-AUC-ECA questionnaire on Aid for Trade and boosting intra-African Trade		
Countries	**Regional Economic Communities**	**Donors**
Benin	COMESA	Bilateral
Botswana	ECOWAS	Canada
Burkina Faso	SADC	Denmark
Burundi	ECCAS	European union
Chad	UMA	Germany
Comoros		Japan
Cote d'Ivore		Sweden
Djibouti		United Kingdom
Egypt		United States
Ethiopia		Multilateral
Gambia		AfDB - African Development Bank
Guinea		IMF - International Monetary Fund
Kenya		UNCTAD - United Nations Conference on Trade and Development
Lesotho		UNDP - United Nations Development Programme
Liberia		UNECA - United Nations Economic Commission for Africa
Malawi		UNIDO - United Nations Industrial Development Organisation
Mali		WB - The World Bank
Mauritania		WTO - World Trade Organization
Mauritius		
Mozambique		
Niger		
Rwanda		
South Africa		
Sudan		
Swaziland		
Tanzania		
Togo		
Zambia		
Zimbabwe (2 responses)		

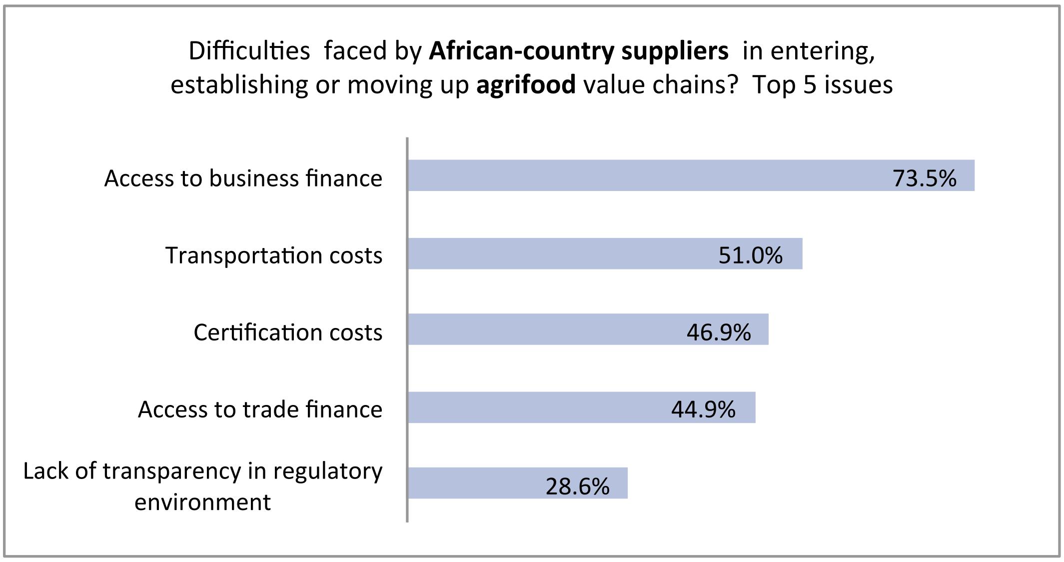
Annex 8

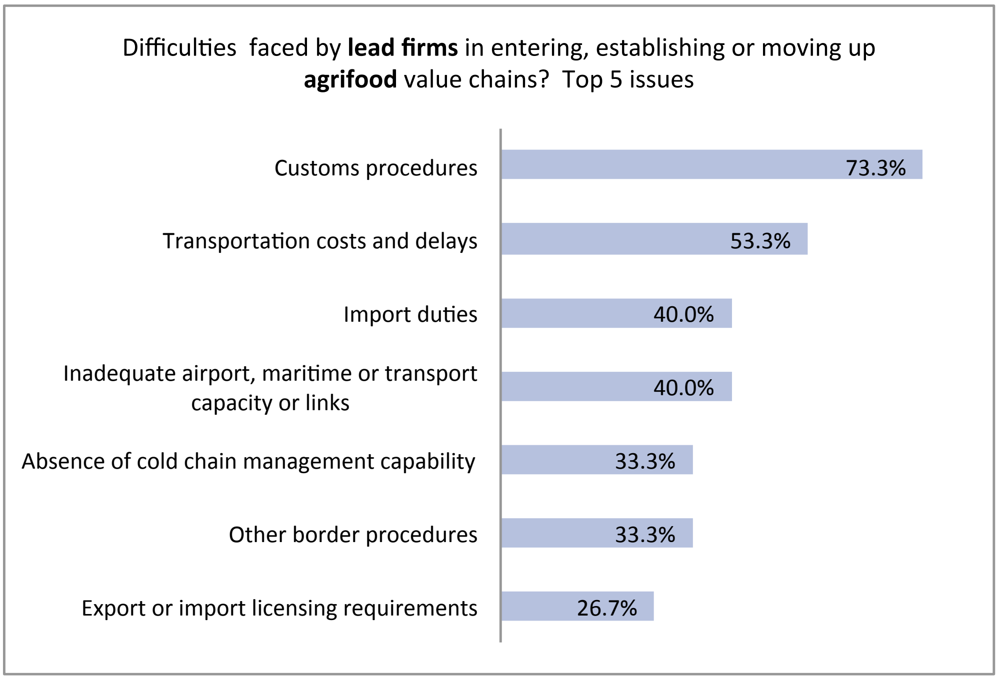
African Case studies - Factors affecting Value Addition and Participation to Production Networks		
Country	**Industrial Sector**	**Constraints or Challenges**
Cote d'Ivoire, Ghana, Nigeria and Cameroon	Cocoa	Need to adopt sustainable cocoa certification, which may be costly. Costly and difficult access to finance. In the case of Nigeria, borrowing costs are as high as 20-23 per cent a year for working capital. Poor infrastructural provision (electricity, water, telecoms, roads/transport network) affecting production costs. Access to external market is problematic due to tariff escalation. For example, since Nigeria has not signed an Economic Partnership Agreement (EPA) with the EU, the country cannot benefit from trade preference margins of 4.2 per cent for cocoa butter and 6.1 per cent for liquor/cake, costing the processing industry about USD 30 million a year. Access to skills and technology know-how for moving into higher value processing of cocoa beans is scarce.
Ethiopia	Coffee	Access to inputs is problematic and firms need to invest in in-house packaging for export. Non-conducive public policies—high taxes, lack of skilled labour, and to a lesser extent corruption make it hard for firms to invest in processing facilities. Quality of raw materials (raw coffee beans) was identified to be of low quality for export standard.
Kenya	Tea	High import tariffs on inputs, access to inputs (particularly land), access to finance, and taxes raise production costs, poor infrastructure, fluctuating electricity prices and availability, and poor telecoms hamper supplier-buyer linkages. No ambitious linkage development policy for tea, therefore remains confined to exporting bulk tea and adds little value.
Kenya	Agro-Products (fresh and processed fruits and vegetables)	Proliferation of private standards a serious challenge for Kenyan exporters, which have to face up to 15 different standards such as GlobalGap, Tesco's Nature Choice, Mark's Spencer's Field to Fork and Fair Trade. The introduction of GlobalGap alone has increased monitoring costs for exporters by 30-40 per cent, causing a need for restructuring of the supply chain. Constraints to local procurement are poor transport infrastructure (which hampers movement of perishable produces and delays consignments for flights), fluctuations costs availability of electricity, and access to finance. Security issues lead to higher production costs (security services) and so as corruption.
Egypt	Textile and Clothing	Domestic capabilities in dyeing local cotton are weak, so too in spinning and weaving with more than 25 years old machines owned by public companies. Management underperformance and unreliable deliveries.
Nigeria	Oil	Road transport networks and security and poor access to funding were identified as constraints to deepening local value addition. Poor monitoring of local content policy due to lack of capacity of the authority in charge (NNPC) due to low funding and lack of comprehensive legislation.
Zambia	Copper	Local suppliers lacked technically trained and experienced personnel, managers' lack of international experience, poor infrastructure (lack of rail system and border details), unreliable electricity, weak government support
Ghana	Gold	Competitiveness is affected by poor infrastructure (poor roads, lack of rail system) and power shortages, limited access to finance, corruption, poor security.

Based on ECA, 2013a

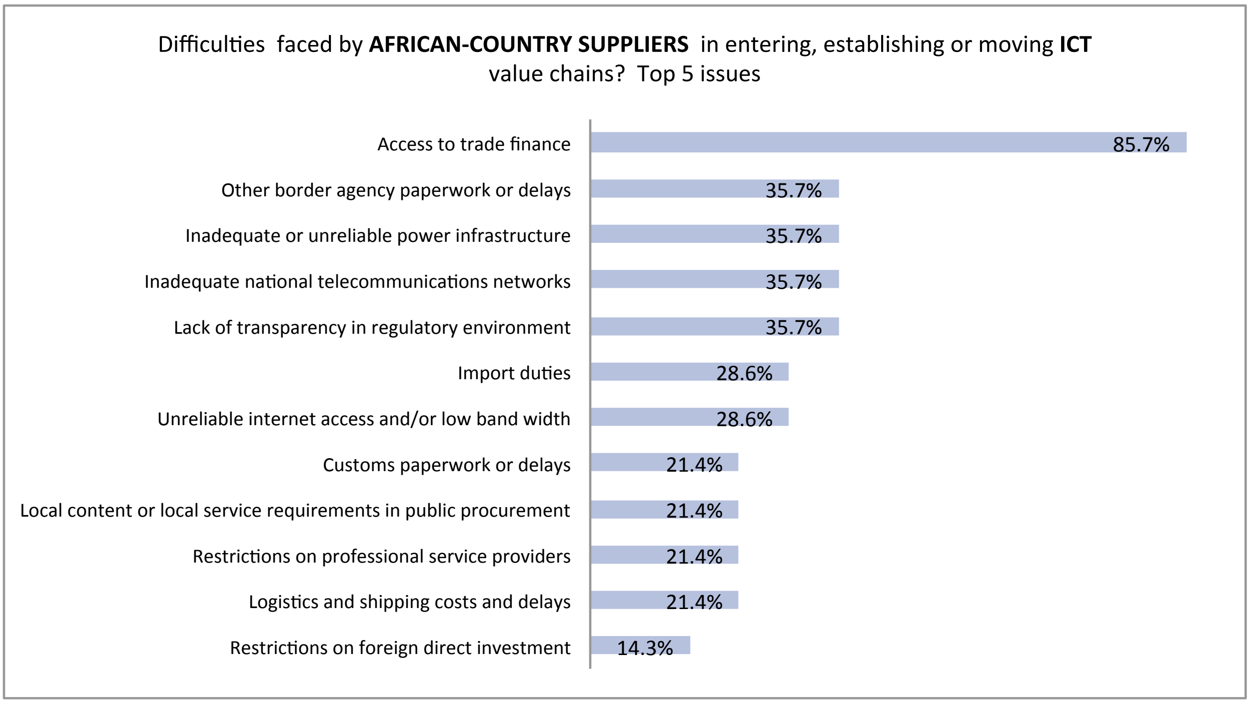
Annex 9

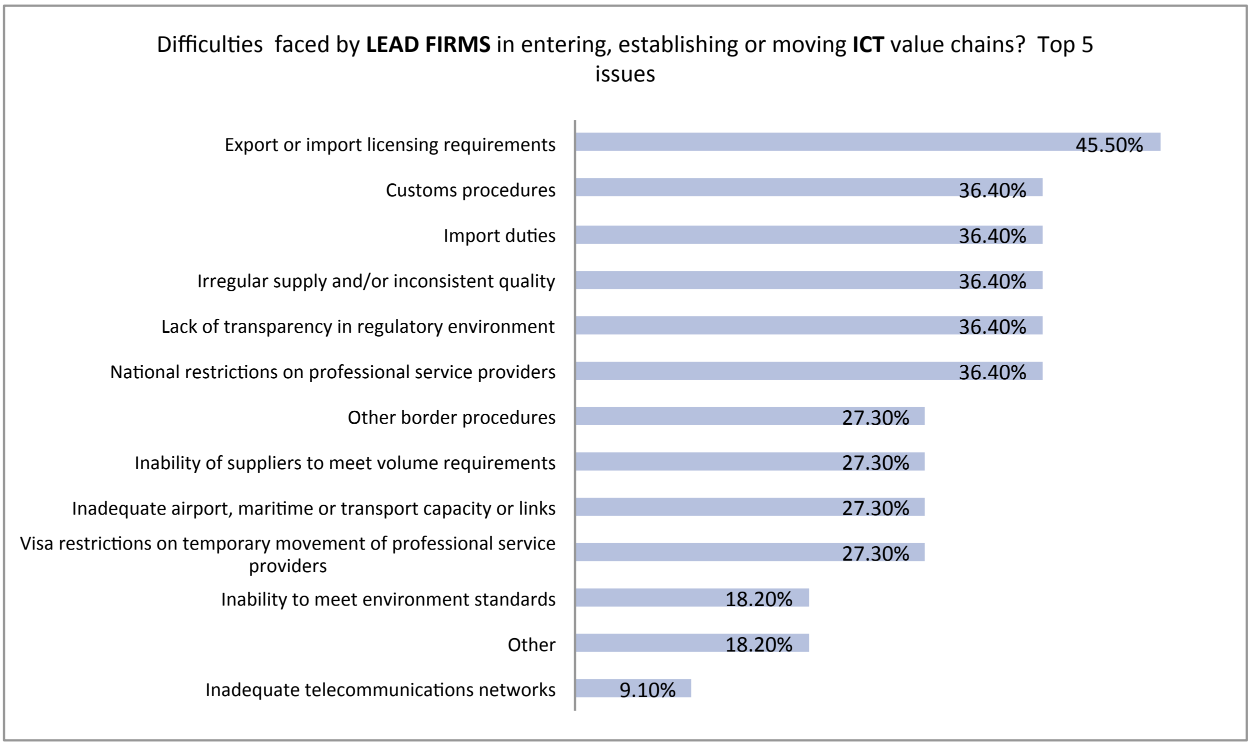
WTO-OECD questionnaire - responses from the agro-food sector (62, of which 47 developing country suppliers and 15 lead firms)



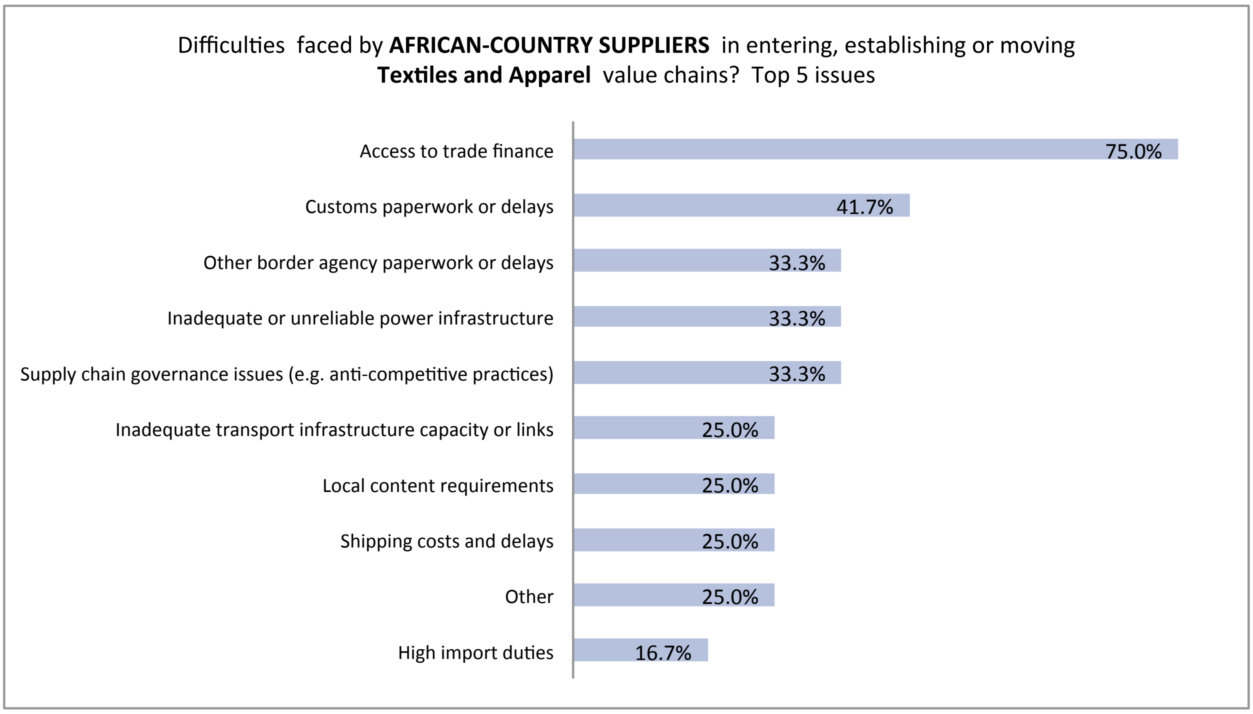


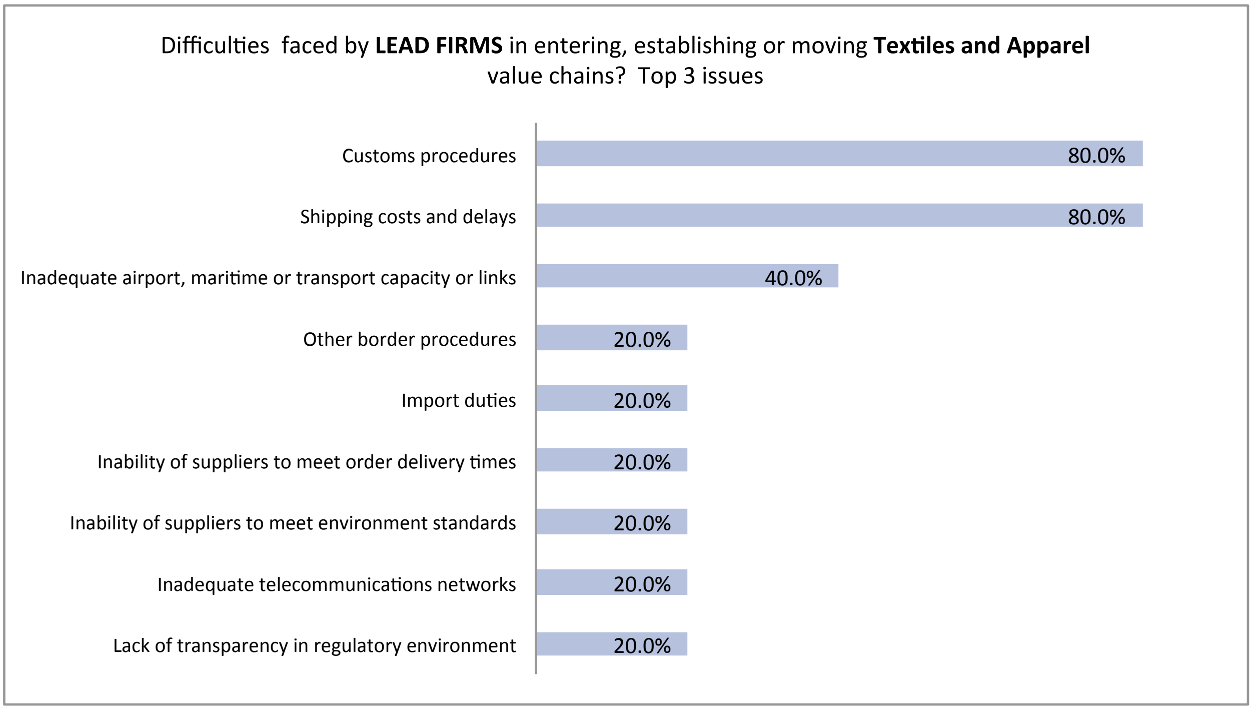
WTO-OECD questionnaire - responses from the ICT sector (26, of which 14 developing country suppliers and 12 lead firms)



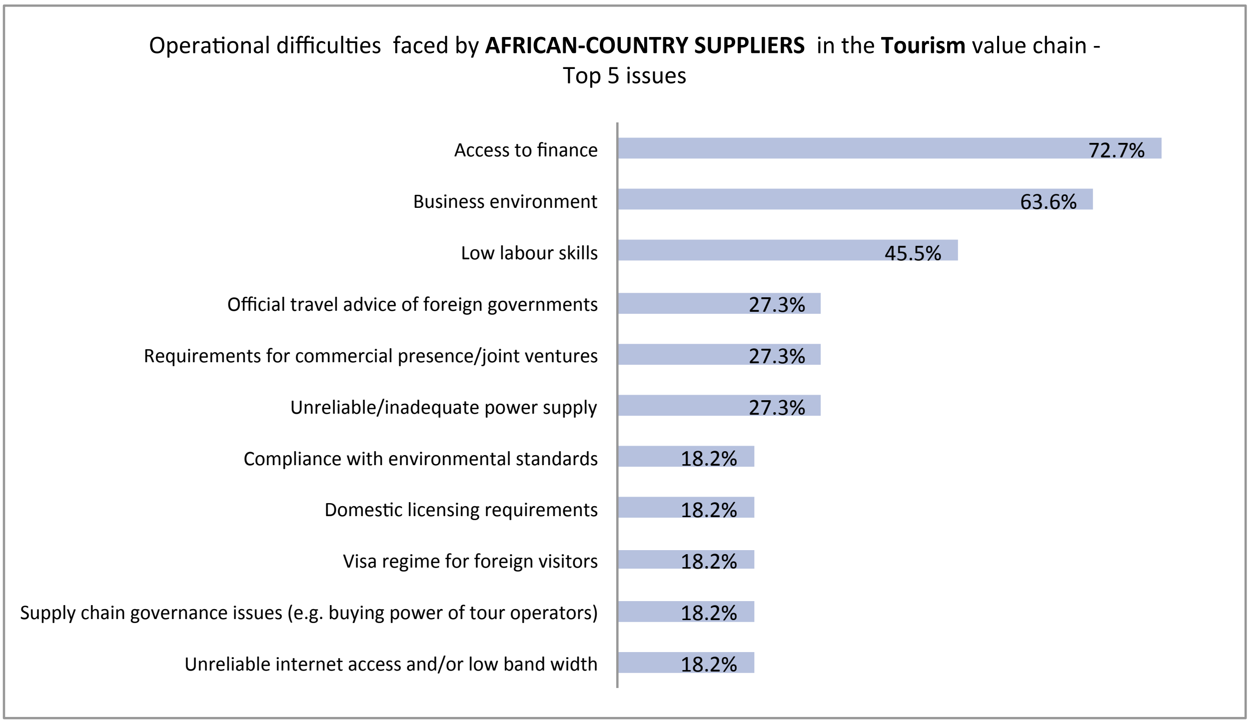


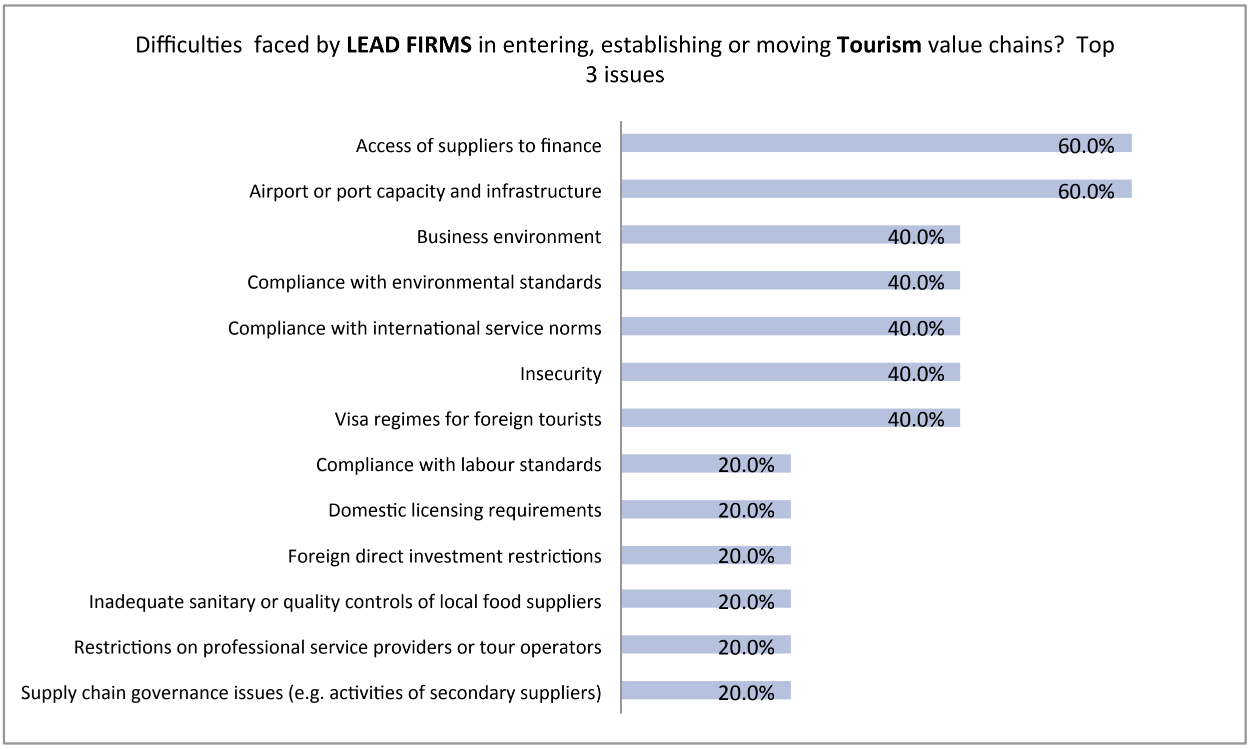
WTO-OECD questionnaire - responses from the textile and apparel sector (18, of which 13 developing country suppliers and 5 lead firms)



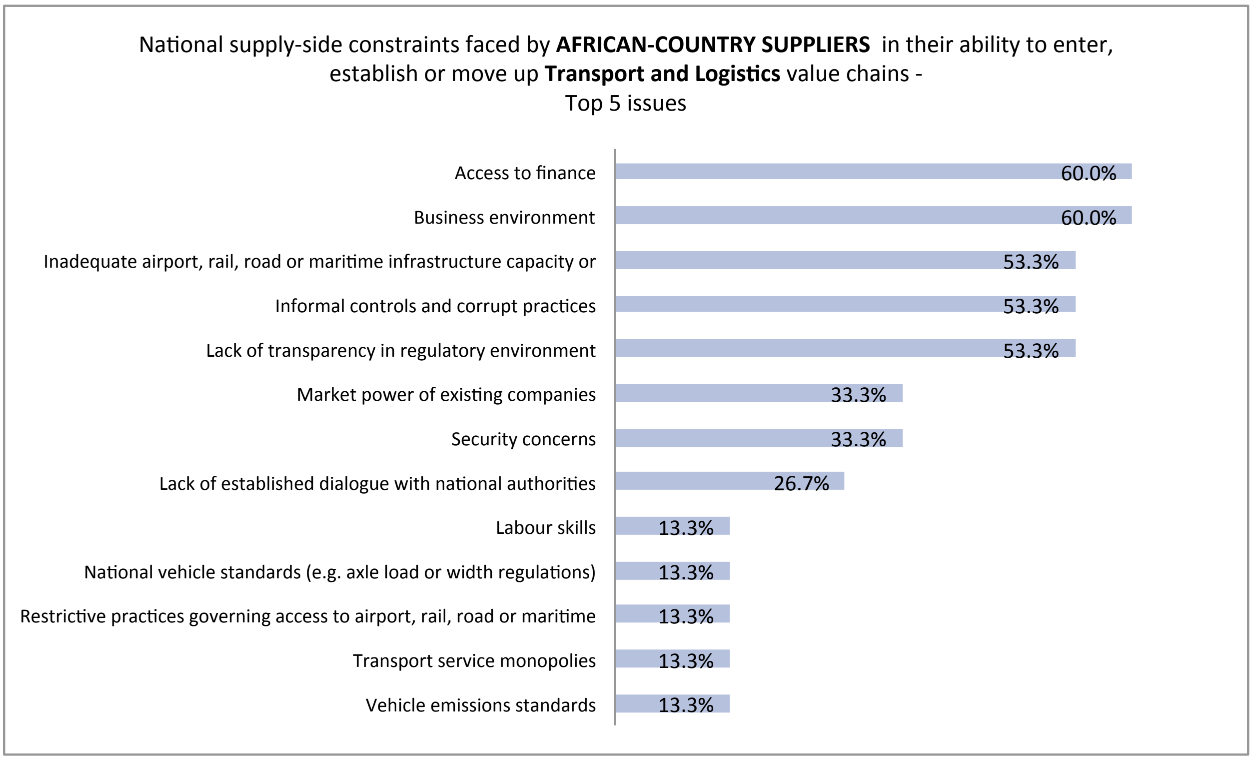


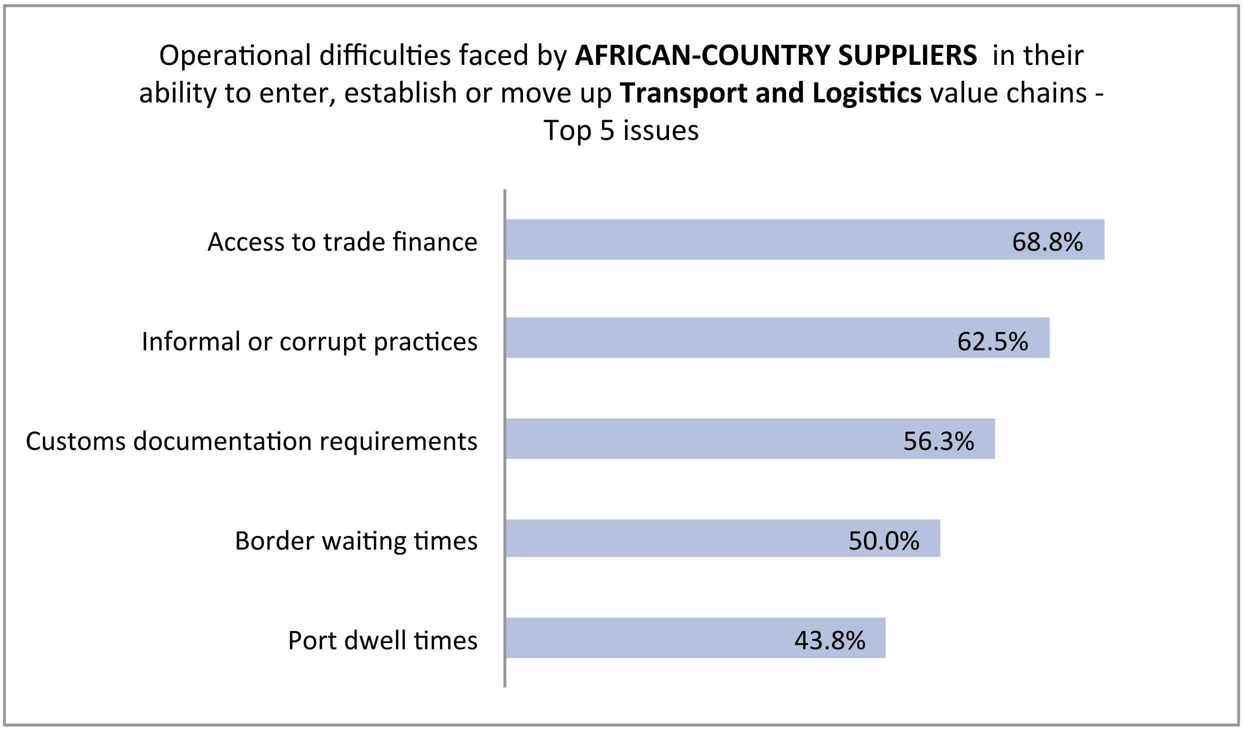
WTO-OECD questionnaire - responses from the tourism sector (15, of which 10 developing country suppliers and 5 lead firms)





WTO-OECD questionnaire - responses from the transport and logistics sector (16, all of them being developing-country suppliers)





Statistical Note

Unless otherwise specified, all Aid for Trade data analyzed in the present report are based on the series provided by the OECD-DAC CRS database, consulted on 24-04-2013. When, for comparison purposes, Aid for Trade data are presented in per capita terms (or as share of GDP), the relevant figures are combined with population/GDP series from the United Nation Statistics Division. Data presented in Section 3 on the role of Aid for Trade in boosting intra-African trade are based on direct responses to the WTO-AUC-ECA online questionnaire. Finally, the data presented in Statistical Annex 9 and summarized in Section 4 are drawn from the responses to the questionnaire for private sector, jointly administered by WTO and OECD.

Acknowledgements

The report "Building Trade capacities for Africa's Transformation – a critical review of Aid for Trade" has been prepared for the Fourth Global Review of Aid for Trade by the Economic Commission for Africa (ECA), under the leadership of Carlos Lopes, ECA's Executive Secretary. The report has been prepared by Giovanni Valensisi, from ECA, under the overall guidance and supervision of Stephen Karingi, ECA's Director of the Regional Integration and Trade Division. Frans Lammersen, William Hynes, Ann Gordon and Mark Baldock, from OECD, are gratefully acknowledged for facilitating access to the Aid fro Trade CRS data; Siope Ofa, from ECA, and Aime Murigande, from WTO, provided valuable analytical inputs on global value chains and on the findings of the WTO-OECD questionnaire, respectively. Useful comments were received also by Laura Paez, Simon Mevel, and Yungju Carolina Oh, from ECA, and by the participants to the joint WTO-ECA regional seminar on "Aid for Trade and Africa's Trade and Development Prospects".

United Nations
Economic Commission for Africa

In collaboration with:

World Trade Organization

OECD

African Union Commission