Global Review of Aid for Trade 2009

Issues and State of Implementation in Africa

Does Supply Meet Demand?

Prepared by the United Nations Economic Commission for Africa (UNECA)

African Development Bank Group

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WORLD TRADE
ORGANIZATION

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This paper is extracted from a background study conducted by Stephen Karingi and Michael Fabbroni of the UNECA entitled The Reality of Aid for Trade in Africa: Does Supply Meet Demand? The background study has been prepared under the auspices of the Africa Aid for Trade Working Group comprising of African Development Bank, Economic Commission for Africa and the World Trade Organisation. All citations and references of sources for this analysis are contained in the background paper. The views expressed in this paper are those of the authors and do not necessarily reflect those of the members of the Working Group.

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Abstract

There is a great deal of data about how trade and aid for trade efforts affect the developing world. The OECD, who makes it available for donors, recipient countries and researchers all over the world, holds a great deal of this information. This database is also the basis of the Global Review of Aid for Trade. This information, while good, is a bit too broad if one wants to draw conclusions for specific areas and issues. As African countries prepare for the second Global Review that is scheduled to take place in the first half of this year, it is imperative that much thought be put on how the implementation of AfT could be made to optimally address the trade challenges of the region.

What this paper has sought to do is to look at AfT in Africa. Much of the information used to undertake the quantitative analysis already exists. The paper makes like for like comparisons across countries and across Regional Economic Communities to elucidate how AfT looks on Africa ground. The paper wanted to tell the AfT story for Africa.

And what that story says is both disheartening and hopeful. While there have been fears that AfT would somehow decrease the amount of overseas development assistance already flowing into the continent, this paper has found that is not the case. In deed the amount of ODA to Africa has increased by an average rate of 23.6% for the period 2002-2006, a time in which the AfT as an initiative gained most currency. And the amount of AfT that goes to Africa grew by an average 12.8%. However, it is how the money is distributed and who gets it that could be a potential problem. There are very huge disparities in AfT per capita. The paper also highlights that even though there appears to be some sustained positive growth in AfT supplies, there are issues with volatility at the country level, which could affect AfT effectiveness. A further close analysis of the AfT supplies to Africa showed that AfT to African LDCs is not at the detriment of other African countries. An attempt to empirically much supply with demand somehow suggest that the most deserving countries—the ones that need it most, appear to be the ones that receive the least AfT.

Introduction

1. Three years after the Hong Kong WTO Ministerial Declaration, Aid for Trade has assumed growing importance and a strong commitment to Aid for Trade is emerging from all sides: donor countries, recipient countries, multilateral agencies, civil society and private sector. Paragraph 57 of the Hong Kong Ministerial Declaration, clearly provides the mandate for further developments of the Aid for Trade agenda. This was recognition that in the long run, important gains in economic growth can be achieved, especially in Africa, through trade liberalization, yet, drawbacks in the short run must not be forgotten. In addition, although trade liberalization might on its own create opportunities to development, other factors determine the extent to which those opportunities are realized and to enable developing countries to reap full benefits from liberalization, huge public investments in infrastructure and institutions, as well as private and public investment in productive capacity, are necessary co-requirements to liberalization that developing countries alone are unable to deliver. Therefore, the core purpose of Aid for Trade is to help developing countries to build "trade capacities" to get real access to international markets in a competitive way.

What is Aid for Trade?

2. The Aid for Trade task Force recommendations identified the six broad categories to reflect the diverse trade-related needs and constraints that developing countries face. At the same time, such categories are thought to be clear enough to establish a sound boundary between Aid for Trade and other development assistance of which it is a part:

- Trade policy and regulations
- Trade development
- Trade-related infrastructure
- Building productive capacity
- Trade-related adjustments
- Other trade-related needs

3. Coherence in the allocation of aid to the Aid for Trade initiative is fundamental for monitoring purposes. However disagreement on the extent of some of the above categories yet remains. It should also be noted that the OECD database includes only concessional lending, thus excluding much trade-related lending by IFIs and regional development banks. It is important to bear this in mind when analyzing the supply side of the AfT equation, remembering that the sum of the OECD proxies only partially capture the totality of flows that in Africa address the continent's trade constraints.

Table 1: Total AfT flows (US$ millions, Commitments)

AfT	2002	2003	2004	2005	2006
Trade Policy and Regulation	685	550	477	655	1,044
Economic Infrastructure	7,727	8,907	13,709	12,219	12,464
Productive capacity building	5,829	8,341	9,104	9,042	9,906
Structural Adjustment	4,628	5,890	5,239	5,428	5,509
Total AfT:	**18,869**	**23,688**	**28,529**	**27,344**	**28,923**
Total ODA:	**64,721**	**90,351**	**98,271**	**122,851**	**126,801**

Source: Computations based on OECD (2008)

4. Currently the OECD CRS database has created four main categories reflected in Table 1 that enable the monitoring and tracking of AfT-related funds. These are economic infrastructure, building productive capacities, trade policy and regulations, and trade-related adjustments. In this regard, the first concern

arises on the ability of the above four categories to capture AfT flows and providing the real picture on the ground. In particular, the category trade-related adjustments uses general budget support as the only proxy, and the question is on how general budget support captures development finance sought to assist in trade-related adjustments costs. It is therefore important that the on-going monitoring agenda works towards improvement of the AfT supply flow proxies, so to better capture the reality of AfT.

Where Aid for Trade?

5. As generally agreed, AfT is needed because many of the poorest countries have struggled to obtain global market opportunities due to their inability to produce or export efficiently. While trading with other countries is fundamental to achieve high economic growth rates and poverty reduction targets, most African developing countries and the totality of African LDCs have neither the diversity of exportable products nor the production capacity to take immediate advantage from improved market access opportunities. Thus, while it is argued that trade barriers are of concern to trade, poor supply-side conditions have often been a more important constraint on the export performance in various regions of Africa. Many African countries desperately need resources to upgrade ports, telecommunications, customs facilities and institutions. If they cannot send goods in a competitive way to the world market, then the countries stand to gain little from any improved market access resulting from the WTO's current round of negotiations.

6. For instance, some studies have shown that improvements in transportation costs and infrastructure can lead to higher export performance. They estimate that with sound infrastructure, transport costs could be reduced by 40% for coastal countries and by 60% for land-locked countries. They also estimate extent to which transport costs reduce trade volumes. An increase of 10% in transport costs has been estimated to result in a 20% reduction of trade volumes. Same studies show that anticompetitive practices in port services and other transport services increase unit shipping cost hampering country's exports. Some of these anti-competitive practices lead to time delays in exporting. Studies have further estimated the number of days it takes for the typical 20-foot container to reach the most accessible port. In Bangui, Central African Republic, it takes 116 days for such a container to be moved from a factory in the city to the nearest port in the Gulf of Guinea. It takes 71 days to move such container from Ouagadougou, Burkina Faso, to the nearest port. On the contrary it takes 5 days from Copenhagen, 6 days from Berlin and 20 days from Shanghai, Kuala Lumpur and Santiago de Chile. Same studies find that a delay of one day reduces trade by more than 1%. In terms of trading impact, this has been equated to further distancing countries by an additional 85km. This is especially true for the land-locked countries. Land-locked countries have been found to trade less vis-à-vis coastal countries. They have also been shown to on average have lower growth than maritime countries. By some estimates, being land-locked reduces average growth by 1.5%.

Aid for Trade: The importance of monitoring

7. Substantially, AfT is about investing in developing countries and it is fundamental for African countries that the initiative reaches full operationalisation as soon as possible, and that flows meet the right needs of beneficiary countries. Monitoring in order to track progress in the implementation and impact remains a relevant issue. The following areas of identified during the first Global Review in 2007 are still open for discussion: how to give greater emphasis to country monitoring, how to capture the regional dimension of AfT and how to expand the scope of the donor and partner-country self-assessments. Currently, the monitoring issue is broken into three elements:

- *Aid for Trade flows*: This is the supply side of the equation.
- *Aid for Trade resource use and trade performance*: On the demand side of the equation the hypothesis is that building trade capacity is essential but not sufficient. Trade policies and pro-trade development policies matter as well and it's important to understand how a recipient country is successful in attracting AfT and whether the increased trade capacity is used effectively to improve trade performances.
- *Assessing trade development needs, integrating them into the design of national development strategies, and building collaborative partnerships between donors and beneficiaries*: It is up to each country/ region to make its case for attracting additional flows of AfT to help build up its trade capacity,

while international organizations can assist developing countries, LDCs in particular, to play their part in constructing a successful relationship with their donor partners.

Aid for Trade Supply in Africa: A Snapshot of Recent Trends

8. In 2006, total ODA amounted to just over US$ 126bn, roughly up 3% from 2005. The average annual growth rate for the period 1997-2006 was 10.6% as seen in Table 2. Total ODA figures correlate closely to the AfT initiative, since the AfT is a sub-set of the total development assistance, identified by the proxy categories proposed in 2006 by the WTO Task Force. Positive and sustained growth of total ODA increases the scope for trade-related assistance and this could be seen as an encouraging trend for the future of the AfT initiative. Figures from OECD show how long term evolution of what is seen to constitute AfT today has been negative for over 20 years, with trade-related assistance sharply declining since the mid-seventies. This trend has however been reversed since 2000.

Table 2: Official Development Assistance flows[1] (US$ millions)

Year	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
ODA Total	43949	49565	55793	56442	55147	64721	90351	98271	122851	126801
Growth Rate (%)	-	11.33	11.16	1.15	-2.35	14.79	28.37	8.06	20.01	3.12
Total ODA to Africa	14074	18296	16513	19794	18139	22110	31545	34815	41674	50625
Growth Rate (%)	-	23.08	-10.80	16.58	-9.12	17.96	29.91	9.39	16.46	17.68

Source: OECD (2008)

9. In terms of AfT ODA to Africa, there has been a significant increase since the new millennium with a 2002-2006 average growth of 24% and it may be reasonable to link the AfT initiative with the reversing of the trend cited above. In a broader perspective, the AfT initiative fits in as one of the development tools that can enable the African countries make progress towards reaching the Millennium Development Goals, directly contributing to goal number one. However, AfT should in no way be at the detriment of other aid-related projects and programmes. In this view, recent trends are quite comforting.

10. At the world level, with respect to the five years period 2002-2006, total ODA has experienced an average growth of 19%, rising from US$ 64bn in 2002 to 126bn in 2006. While the average growth rate for AfT funds has been 12%, totalling US$ 29bn in 2006, non-AfT funds have grown at a higher average rate of 22% as Table 3 indicates. This is reassuring as it could be an indication that the AfT initiative is not necessarily leading to cutbacks of other aid-related programmes. Indeed, even in Africa a similar picture is observed, with AfT funds growing at an average rate of 13% reaching US$ 10.5bn in 2006. On the other hand, funds that are not AfT related grew at 28%.

Table 3: ODA and AfT in Africa (US$ millions)

Africa	2002	2003	2004	2005	2006	Average Growth 2002-2006 (%)
Total ODA to Africa:	22,110	31,545	34,815	41,674	50,625	23.55
Growth rates (%):		42.67	10.37	19.70	21.48	
Total AfT to Africa:	6,541	7,631	9,038	9,536	10,560	12.84
Growth rates (%):		16.66	18.44	5.51	10.74	
Non AfT ODA to Africa:	15,569	23,914	25,777	32,138	40,065	27.68
Growth rates (%):		53.60	7.79	24.68	24.66	

Source: OECD (2008)

1 ODA is expressed in commitments.

11. Taking a closer provided in Table 4, it is evident that during the period 2002-2006 economic infrastructure and building productive capacities account for over 76% of AfT to the world. With regard to economic infrastructure, major projects and programmes are mostly delivered through the sub-categories of road transport, electrical transmission/distribution, rail transport, energy and transport policies, accounting for 66% of all economic infrastructure-related aid efforts. The most aid-receiving categories for building productive capacities are instead the following: business support services and institutions, agricultural development, agricultural policy, agricultural water resources and small and medium enterprise development, accounting for 45% of all projects and programmes. Trade policy within the trade policy and regulations category, which is very important in helping African countries to structure and implement trade reforms, accounted for 77%.

Table 4: Total AfT by WTO Category2, (US$ millions)

AfT category Description	2002	2003	2004	2005	2006	Total 2002-2006
Economic Infrastructure	7727	8907	13709	12219	12464	55026
Building Productive Capacities (including trade development)	5829	8341	9104	9042	9906	42222
Trade policy and regulations	685	550	477	655	1044	3411
Trade related adjustment	4628	5890	5239	5428	5509	26694
Total AfT per Year:	18869	23688	28529	27344	28923	127353

Source: Authors' calculations based on OECD (2008)

12. In 2006 the average AfT related funds for African countries amounted to 24% of the country's total development aid (see Table A-1 in the Annex).

13. A point of concern regarding AfT to Africa is the high volatility that characterises the aid efforts to the region. Volatility has been shown to negatively impact aid effectiveness. Although in aggregate terms AfT to Africa has been constantly growing since 2002, Table A-2 in the Annex undoubtedly shows that at the country level, AfT flows to Africa are highly volatile for a large number of countries, oscillating between positive and negative growth rates, and also huge differences in volumes. Patterns are similar across sub-regions. Although country-breakdown data on AfT flows highlights high volatility from one year to the next, on average, referring to the period 2002-2006, the overwhelming majority of African countries show positive growth. Also in per capita terms, AfT breakdowns shows huge difference among African countries. The weighted average in 2006 was of US$ 10.7, with 28 countries scoring below average. Most of these countries are least developed countries.

14. Donors' rationale behind aid allocation is based on many different country indicators. However, the huge disparities in the allocation of AfT may hamper country's development and as a consequence regional development. Take the case of a landlocked country like Ethiopia, which has to rely on other countries' ports and infrastructure. Its development is clearly inter-twined with the rate of development in its transit countries. In this view, it is not encouraging to note how Ethiopia's neighbours, namely, Djibouti, Eritrea and Kenya are among the lowest AfT per capita recipients in Africa as can be seen in Table A-3.

15. With regard to the WTO proxies used to identify AfT flows, economic infrastructure, building productive capacities and trade-related adjustment are by far the ones receiving the most funds. As Table A-4 shows, in 2006 for some countries economic infrastructure accounts for up to 90% of all AfT to the country, while the overall average is around 34%.

16. It is worth noting at this stage that by ranking countries by economic infrastructure, only 3 out of 15[3] African landlocked countries appear in the top 20, and these are Lesotho, Ethiopia and Central African Republic.

2 Please note that currently the OECD-CRS does not have a proxy for the WTO category "other trade-related needs" and that it is intended to introduce a marker within the CRS to separate Trade Development from the broader category of Building Productive Capacities.

3 These are: Botswana, Burkina Faso, Burundi, Central African Republic, Chad, Ethiopia, Lesotho, Malawi, Mali, Niger, Rwanda, Swaziland, Uganda, Zambia, Zimbabwe.

17. The AfT continental picture is partly reflected in the various RECs. In per capita terms, AfT supply ranges between US$ 42 and 55 per person for the analysed RECs of CEMAC, COMESA, ECOWAS, SADC and UMA. Major differences across regions arise in the percentage of AfT WTO categories over total AfT, for instance with UMA allocating up to 66% of its overall AfT budget to economic infrastructure.

COMESA

18. According to the OECD data available as at end of 2008, in the period 2002-2006 the COMESA region received AfT for US$ 17bn of which 33.7% was for economic infrastructure, 31.7% to build productive capacities, 2.8% to trade policy and regulations and 31.8% to the trade-related adjustment category (see Table 5).

Table 5: AfT flows to COMESA (US$ millions)

Recipient	Total AfT 2002-2006	% of AfT on Regional AfT	Recipient	Total AfT 2002-2006	% of AfT on Regional AfT
Burundi	484.32	2.86	Malawi	767.38	4.53
Comoros	27.99	0.17	Mauritius	223.45	1.32
Djibouti	87.76	0.52	Rwanda	1063.85	6.29
Congo, Dem. Rep.	1283.7	7.58	Seychelles	13.62	0.08
Egypt	2650.26	15.66	Sudan	171.38	1.01
Eritrea	154.14	0.91	Swaziland	59.71	0.35
Ethiopia	3210.55	18.97	Uganda	2140.08	12.64
Kenya	1613.94	9.54	Zambia	1344.59	7.94
Libya	9.72	0.06	Zimbabwe	36.2	0.21
Madagascar	1583.39	9.35			

Source: Authors' calculations on OECD (2008)

19. The average growth rate of AfT finance for the period 2002-2006 is 10.9%, which embeds a positive growth of 50% in 2004 and a negative one of 22% in 2005, reflecting at the regional level some of the volatility seen at the country level. For the period 2002-2006, Egypt, Ethiopia, Uganda, Kenya and Madagascar received roughly 70% of all AfT to the COMESA region. These five countries account for nearly 60% of COMESA total population.

Table 6: AfT to COMESA by WTO Categories (US$ millions)

	2006				2002-2006			
Recipient	**Economic Infrastructure**	**Building Productive Capacities (including Trade Development)**	**Trade Policy and Regulations**	**Trade-related adjustment**	**Economic Infrastructure**	**Building Productive Capacities (Including Trade Development)**	**Trade Policy and Regulations**	**Trade-related adjustment**
Burundi	31.32	30.37	0.05	93.26	135.73	76.28	0.05	272.26
Comoros	3.07	5.16	0.05	1.89	13.09	9.97	0.05	4.88
Djibouti	0.29	1.4	0.05	0	67.06	10.14	0.08	10.48
Congo, Dem. Rep.	48.89	92.3	0.2	4.24	227.61	285.61	0.21	770.27
Egypt	127.29	503.08	70.84	0.21	748.15	1432.43	440.93	28.75
Eritrea	0.02	5.21	0.07	0	98.92	55.15	0.07	0
Ethiopia	508.49	138.04	6.42	9.25	1617.52	776.45	6.81	809.77
Kenya	70.85	220.78	1.76	0	739.48	711.6	2.6	160.26
Libya	0	2.35	0	0	0	9.63	0.09	0
Madagascar	54.22	71.67	0.17	100.04	759.36	287.06	0.64	536.33
Malawi	39.36	65.27	2.89	88.71	156.52	277.26	3.84	329.76
Mauritius	0.19	38.52	0.01	0	133.64	76.39	13.17	0.25
Rwanda	47.88	32.89	0.07	223.62	197.13	153.49	0.08	713.15
Seychelles	0.1	3.44	0	0	0.15	12.98	0.37	0.12
Sudan	89.61	23.52	0.05	4.85	99.76	56.34	0.1	15.18
Swaziland	0.06	7.52	0	0	18.99	40.62	0.1	0
Uganda	52.46	50.54	0.71	165.07	401.19	484.68	1.55	1252.66
Zambia	60.35	189.1	2.05	100.44	291.14	575.07	3.39	474.99
Zimbabwe	0.9	3.52	0.09	0.26	3.88	31.15	0.55	0.62
AfT Total by WTO Category	1135.35	1484.68	85.48	791.84	5709.32	5362.3	474.68	5379.73

Source: Authors' calculations on OECD (2008)

ECOWAS

20. As Table 7 indicates, for the reference period 2002-2006, Ghana, Burkina Faso, Mali and Senegal had a cumulative share of regional AfT of 58%. In absolute terms, Ghana received roughly US$ 2.4bn, Burkina Faso US$ 1.8bn and Mali US$ 1.2bn. Although an oil-rich country, Nigeria that accounts for 52% of total ECOWAS population, it sub-regional AfT share was just 7.5%, while Ghana with 8% of total population in the sub-region accounted for 23% of ECOWAS AfT. Burkina Faso, Mali and Niger are the ECOWAS landlocked countries and together received AfT-related funds of US$ 3.8bn, a regional share of 34%.

Table 7: AfT flows to ECOWAS (US$ millions)

Recipient	Total AfT 2002-2006	% of AfT on Regional AfT	Recipient	Total AfT 2002-2006	% of AfT on Regional AfT
Benin	1043.91	9.33	Liberia	54.59	0.49
Burkina Faso	1778.81	15.89	Mali	1184.61	10.58
Cape Verde	365.2	3.26	Niger	890.44	7.96
Cote d'Ivoire	507.31	4.53	Nigeria	850.06	7.60
Gambia	99.6	0.89	Senegal	1074.14	9.60
Ghana	2453.73	21.92	Sierra Leone	498.46	4.45
Guinea	260.9	2.33	Togo	26.46	0.24
Guinea-Bissau	103.66	0.93			

Source: Authors' calculation on OECD (2008)

21. For the period 2002-2006, ECOWAS' AfT finance totalled US$ 11.2bn, of which 28% went to economic infrastructure, another 28% to building productive capacities, 2% in trade policy and regulations and 42% was for trade-related adjustment (see Table 8). The average growth rate of the above funds was a positive 11.6%, in line with the COMESA average growth rate.

Table 8: AfT to ECOWAS by WTO categories (US$ millions)

Recipient	2006				2002-2006			
	Economic Infrastructure	Building Productive Capacities (Including Trade Development)	Trade Policy and Regulations	Trade-related adjustment	Economic Infrastructure	Building Productive Capacities (Including Trade Development)	Trade Policy and Regulations	Trade-related adjustment
Benin	70.56	38.8	168.7	93.36	340.34	216.71	168.73	318.13
Burkina Faso	5.93	125.53	0.05	145.34	462.67	366.49	5.05	944.6
Cape Verde	20.25	3.1	0.11	16.09	203.53	88.2	0.74	72.73
Cote d'Ivoire	0.37	17.85	0.06	1.35	19.88	51.89	0.16	435.38
Gambia	2.12	13.97	0.05	0.04	55.71	27.72	16.07	0.1
Ghana	67	136.66	3.14	461.85	470.5	552.48	13.63	1417.12
Guinea	30.12	14.16	0.67	0	151.97	103.35	0.67	4.91
Guinea-Bissau	8.99	9.57	0	0.64	49.5	43.92	0.12	10.12
Liberia	47.43	2.83	0.05	1.26	47.61	5.67	0.05	1.26
Mali	8.6	70	0.95	93.55	303.41	359.88	2.33	518.99
Niger	32.87	18.29	0	60.67	173.83	214.8	0.38	501.43
Nigeria	13.49	148.4	16.99	0	308.07	515.57	18.43	7.99
Senegal	90.9	101	8.33	30.38	360.8	554.72	9.32	149.3
Sierra Leone	3.33	10.8	0.41	28.51	164.6	92.65	0.41	240.8
Togo	0.57	2.29	0	3.14	11.47	8.52	0.03	6.44
AfT Total by WTO Category:	**402.53**	**713.25**	**199.51**	**936.18**	**3123.89**	**3202.57**	**236.12**	**4629.3**

Source: Authors' calculation on OECD (2008)

SADC

22. In the case of SADC, Tanzania and Mozambique show a cumulative share of SADC's AfT of 53%, with Tanzania receiving US$ 4.4bn and Mozambique US$ 2.7bn (see Table 9). Their share of population is just 24%. Also, Madagascar and Zambia rank at the top respectively with US$ 1.6bn and US$ 1.3bn. Lowest sub-region performers are Zimbabwe with US$ 36ml, Botswana with US$ 34ml, Swaziland with US$ 60ml and Lesotho with US$ 77ml. Together these four accounts for 1.6% of SADC AfT funds. It is worth noting that Zimbabwe, Botswana and Lesotho are landlocked countries. Also Angola shows weak performance in terms of supply with just under US$ 90ml, which translates to a sub-regional AfT flows share of 0.7%. Angola, a country in a post-conflict situation, and whose state of infrastructure required a lot of attention, is receives among the lowest flows in the continent.

Table 9: AfT to SADC countries (US millions)

Recipient	Total AfT 2002-2006	% of AfT on Regional AfT	Recipient	Total AfT 2002-2006	% of AfT on Regional AfT
Angola	89.55	0.67	Mozambique	2684.31	20.14
Botswana	43.19	0.32	Namibia	205.76	1.54
Congo, Dem. Rep.	1283.7	9.63	South Africa	526.89	3.95
Lesotho	77.44	0.58	Swaziland	59.71	0.45
Madagascar	1583.39	11.88	Tanzania	4402.32	33.03
Malawi	767.38	5.76	Zambia	1344.59	10.09
Mauritius	223.45	1.68	Zimbabwe	36.2	0.27

Source: Authors' calculations on OECD (2008)

23. In aggregate terms, SADC was a recipient of US$ 13.3bn for the period 2002-2006, with economic infrastructure accounting for 25%, building productive capacities for 26% and trade-related adjustment for 49%. The average growth was over 16%, and unlike other RECs, SADC has not experienced negative AfT flows.

24. Table 10 shows in which categories AfT is mostly channelled to in the SADC region. As a region, SADC received in excess of US$ 3.2bn for economic infrastructure development.

Table 10: AfT to SADC by WTO categories (US% millions)

Recipient	2006				2002-2006			
	Economic Infrastructure	Building Productive Capacities (Including Trade Development)	Trade Policy and Regulations	Trade-related adjustment	Economic Infrastructure	Building Productive Capacities (Including Trade Development)	Trade Policy and Regulations	Trade-related adjustment
Angola	10.04	16.06	3.82	0.07	27.53	57.67	3.86	0.49
Botswana	0.4	1.45	0.06	0	5.07	37.14	0.98	0
Congo, Dem. Rep.	48.89	92.3	0.2	4.24	227.61	285.61	0.21	770.27
Lesotho	16.66	0.7	0.46	0	60.35	6.13	0.64	10.32
Madagascar	54.22	71.67	0.17	100.04	759.36	287.06	0.64	536.33
Malawi	39.36	65.27	2.89	88.71	156.52	277.26	3.84	329.76
Mauritius	0.19	38.52	0.01	0	133.64	76.39	13.17	0.25
Mozambique	167.83	144.91	3.74	253.48	758.65	549.93	6.78	1368.95
Namibia	88	15.39	0.16	0	139.17	65.92	0.67	0
South Africa	18.96	95.06	2.12	0	68.52	452.96	5.38	0.03
Swaziland	0.06	7.52	0	0	18.99	40.62	0.1	0
Tanzania	70.11	140.37	2.48	1540.59	636.32	738.08	9.6	3018.32
Zambia	60.35	189.1	2.05	100.44	291.14	575.07	3.39	474.99
Zimbabwe	0.9	3.52	0.09	0.26	3.88	31.15	0.55	0.62
Total:	575.97	881.84	18.25	2087.83	3286.75	3480.99	49.81	6510.33

Source: Authors' calculations on OECD (2008)

25. The largest share of AfT in the SADC region was accounted for under the category of trade-related adjustments, with a total amount of over US$ 6.5bn. Tanzania alone received 46% of the SADC's trade-related adjustments funds, while some countries, namely Botswana, Namibia and Swaziland show none. As for the other regions, trade policy and regulation funds account for a negligible share of total AfT.

CEMAC

26. CEMAC's AfT supply is indicated in Table 11, the highest share of which goes to develop economic infrastructure. Trade-related adjustments and building productive capacities accounted respectively for 29% and 25%. This translates to US$ 880ml for economic infrastructure, US$ 551ml for trade-related adjustments and US$ 486ml to building productive capacities. Total amount of the region's AfT is just under US$ 2bn. In absolute terms this is much less when compared to other RECs, for a region that remains least integrated to the rest of Africa and the world. However, growth rates of AfT flows are the strongest in the continent, showing an average growth for the period 2002-2006 of 38%, a near doubling of total AfT to the CEMAC region in 2005.

Table 11: AfT flows to CEMAC countries (US$ millions)

Recipient	Total AfT 2002-2006	% of AfT on Regional AfT	Recipient	Total AfT 2002-2006	% of AfT on Regional AfT
Cameroon	740.55	38.58	Equatorial Guinea	2.52	0.13
Central African Rep.	315	16.41	Gabon	198.85	10.36
Chad	462.51	24.09	Sao Tome & Principe	31.72	1.65
Congo, Rep.	168.38	8.77	Total CEMAC AfT :	1919.53	100.00

Source: Authors' calculation on OECD (2008)

27. Top recipient is Cameroon with US$ 740ml, followed by Chad with US$ 462ml. For these two countries together, the share of AfT amounts to 63% of region's AfT finance.

Table 12: AfT to CEMAC by WTO categories (US$ millions)

Recepient	2006				2002-2006			
	Economic Infrastructure	Building Productive Capacities (Inlcuding Trade Development)	Trade Policy and Regulations	Trade-related adjustment	Economic Infrastructure	Building Productive Capacities (Inlcuding Trade Development)	Trade Policy and Regulations	Trade-related adjustment
Cameroon	201.37	51.78	0.13	182.72	334.1	214.3	0.18	191.97
Central African Rep.	74.68	6.68	0.05	92.04	154.57	49.18	0.05	111.2
Chad	0.01	1.94	0.05	0	187.26	105.6	0.05	169.6
Congo, Rep.	0.19	16.53	0.03	0	77.59	21.57	0.03	69.19
Equatorial Guinea	0	0.02	0	0	0.46	2.06	0	0
Gabon	61.25	10.96	0.05	0	107.64	81.42	0.05	9.74
Sao Tome & Principe	1.48	6.39	0	0	19	12.14	0.58	0
AfT Total by WTO Category:	**338.98**	**94.3**	**0.31**	**274.76**	**880.62**	**486.27**	**0.94**	**551.7**

Source: Authors' calculations on OECD (2008)

UMA

28. Total AfT for the period 2002-2006 amounted to roughly US$ 3.4bn, and in per capita terms, each citizen living in the UMA community received US$ 42 in the five-year period. The 2002-2006 average growth rate of AfT stood at 11.7%.

Table 13: AfT flows to UMA countries (US$ millions)

Recipient	% of AfT on regional AfT	Total AfT					
	2002-2006	2002-2006	2006	2005	2004	2003	2002
Algeria	15.16	518.13	200.61	132.54	35.74	64.53	84.71
Libya	0.28	9.72	2.35	7.37	0	0	0
Morocco	42.28	1445.28	433.46	237.76	293.45	296.4	184.21
Mauritania	15.01	513.19	125.88	94.71	115.41	105.52	71.67
Tunisia	27.27	932.23	220.36	156.26	101.42	57.36	396.83
Total AfT:	**100.00**	**3418.55**	**982.66**	**628.64**	**546.02**	**523.81**	**737.42**

Source: Authors' calculations on OECD (2008)

29. Morocco is the largest recipient of AfT flows to UMA community with over US$ 1.4bn for the period 2002-2006. In relative terms it translates to over 42% of total AfT to the region. Tunisia ranks as the second recipient with US$ 932ml and a share of 27% while Algeria is third with US$ 518ml and a share of 15%. Mauritania accounts for 15% of the regional AfT with US$ 513ml and Libya constituted under US$ 10ml and a share of 0.2%.

30. In the UMA community, 66% of total AfT flows relate to economic infrastructure, that is US$ 2.3bn. 27% of AfT finance went to building productive capacities, 5% under trade-related adjustment and a negligible 1.5% to trade policy and regulations as Table 14 shows.

Table 14: AfT to UMA by WTO categories (US$ millions)

Recipient	2006				2002-2006			
	Economic Infrastructure	Building Productive Capacities (Including Trade Development)	Trade Policy and Regulations	Trade-related adjustment	Economic Infrastructure	Building Productive Capacities (Inlcuding Trade Development)	Trade Policy and Regulations	Trade-related adjustment
Algeria	171.02	9.45	20.14	0	374.93	119.56	23.64	0
Libya	0	2.35	0	0	0	9.63	0.09	0
Morocco	375.08	58.05	0.33	0	1161.97	271.77	10.89	0.65
Mauritania	95.01	24.61	0.05	6.21	272.61	232.76	0.65	7.17
Tunisia	76.54	73.24	0.14	70.44	448.01	296.51	20.33	167.38
AfT Total by WTO Category:	**717.65**	**167.7**	**20.66**	**76.65**	**2257.52**	**930.23**	**55.6**	**175.2**

Source: Authors' calculation on OECD (2008)

Aid for Trade: Demand side

31. This section analyses the demand side of the AfT initiative through some of the WTO proposed macro indicators[4]. This should help one to see whether the AfT flows are matching the demand side of

4 For further details on the WTO proposed Macro Indicators see the document by the Committee on Trade and Development WT/COMTD/AFT/W/9 at www.wto.org .

the equation. Many of these indicators provide some useful information on a given country's specific weak points in its economic and trade-related foundations. The rationale used in the selection of the indicators is to try to address the different aspects of trade in Africa, including, institutions, infrastructure, trade policy and productive capacity. A few of these indicators are provided in this section, and hopefully, a critical look at them could give insights as to whether the picture of AfT flows and expenditures discussed in the previous section is matched with where the demand is greatest.

Logistics Performance Index

32. The LPI[5] shown in Table 15, and the breakdown of all of its indicators, provides an in-depth cross-country assessment of the logistics gaps among countries and regions of the world. Logistics gap is an important constraint that is a target of the AfT intervention. Therefore, looking at the LPI and its components, it should be possible to see which countries or sub-regions warrant greater focus in the AfT supply. In other words, the LPI is an indicative measure of AfT demand.

33. Countries that top the LPI rankings are key players in the logistics industry, while those at the bottom – and as the study shows, many are African countries – are often trapped in vicious circle of inefficiency and over-regulation, poor quality services, insufficient trade performance and under-investment.

Table 15: Logistics Performance Index for the African Region

Rank	Int. LPI Ranking	Country	LPI Score	Rank	Int. LPI Ranking	Country	LPI Score
1	24	South Africa	3.53	**23**	108	Lesotho	2.3
2	57	Sao Tome and Principe	2.86	**24**	109	Mali	2.29
3	60	Tunisia	2.76	**25**	110	Mozambique	2.29
4	62	Guinea	2.71	**26**	113	Burundi	2.29
5	64	Sudan	2.71	**27**	114	Zimbabwe	2.29
6	67	Mauritania	2.63	**28**	116	Guinea-Bissau	2.28
7	76	Kenya	2.52	**29**	119	Togo	2.25
8	77	Gambia, The	2.52	**30**	120	Madagascar	2.24
9	83	Uganda	2.49	**31**	121	Burkina Faso	2.24
10	84	Cameroon	2.49	**32**	124	Eritrea	2.19
11	85	Comoros	2.48	**33**	125	Ghana	2.16
12	86	Angola	2.48	**34**	126	Namibia	2.16
13	89	Benin	2.45	**35**	127	Somalia	2.16
14	91	Malawi	2.42	**36**	132	Mauritius	2.13
15	93	Nigeria	2.4	**37**	134	Gabon	2.1
16	94	Morocco	2.38	**38**	137	Tanzania	2.08
17	97	Egypt	2.37	**39**	140	Algeria	2.06
18	100	Zambia	2.37	**40**	142	Chad	1.98
19	101	Senegal	2.37	**41**	143	Niger	1.97
20	102	Cote d'Ivoire	2.36	**42**	144	Sierra Leone	1.95
21	104	Ethiopia	2.33	**43**	145	Djibouti	1.94
22	105	Liberia	2.31	**44**	148	Rwanda	1.77

Source: World Bank

5 The LPI uses a five points scale aggregating more than 5000 country evaluations. In addition it is complemented by a number of qualitative and quantitative indicators of the domestic logistics environment, institutions and performance of supply chains. The main breakdown of the LPI comprises of the following indicators: Customs, Infrastructure, International Shipment, Logistics Competence, Tracking and Tracing, Domestic Logistics Costs and Timeliness. For further information on the structure of the index please refer to www.worldbank.org.

34. From the RECs point of view[6], when it comes to the overall LPI, groups seem to be at the same level and considerations made at the country level also reflect at the REC level. UMA countries show the highest average score of 2.46, while COMESA and ECOWAS have the lowest average score of 2.30. With regard to the infrastructure sub-index ECOWAS countries show the lowest grade among the selected RECs.

Table 16: LPI average scores by selected REC

REC	Int. LPI	Customs	Infrastructure	International shipments	Logistics competence	Tracking & tracing	Domestic logistics costs	Timeliness
CEMAC	2.36	2.33	2.10	2.31	2.27	2.35	3.36	2.80
ECOWAS	2.30	2.11	2.07	2.35	2.31	2.28	2.89	2.72
COMESA	2.30	2.11	2.09	2.32	2.30	2.31	2.94	2.70
SADC	2.40	2.30	2.23	2.44	2.31	2.32	3.00	2.80
UMA	2.46	2.26	2.30	2.55	2.30	2.48	2.97	2.90
Sub-Saharan Africa	**2.35**	**2.21**	**2.11**	**2.36**	**2.33**	**2.31**	**2.98**	**2.77**

Source: World Bank (2008)

35. It is clear from Table 16 that from a logistics perspective, infrastructure is the main argument for AfT to the African region. Obstacles in infrastructure seem to heavily affect trade logistics and the countries' competitiveness, and also they seem to be hardest ones to overcome. The main reason is probably due the high costs that infrastructure development and maintenance requires. The adequate level of investments in infrastructure is out of reach for many African countries, especially for the LDCs, and development assistance is mostly needed, hence the criticality of AfT support.

Trading Across Borders Sub-Index

36. Trading Across Borders is a sub-index of the wider Ease of Doing Business indicator produced by the International Finance Corporation. This particular index puts together information regarding documents, time and costs of exports and imports. The rationale behind the index is that the higher the number of documents required to be filled in order to fulfil import and exports procedures, the more time is needed to handle import and export procedures, as well as the physical container. Which then means the higher are the costs of import and exports operations, the more the difficulty to trade across borders, i.e., regionally and internationally. Like in the case of the LPI, coverage for the African region is extensive and there are 51 African countries in the ranking. This sub-index captures the trade facilitation challenges faced by African countries in trade. It is worth recalling that trade facilitation is one of the three main priority areas identified by the African countries where AfT support should first target for quick and immediate results.

6 The reader should bear in mind that analyzed REC have some country members missing, and that results are affected by the missing data for missing countries.

Table 17: Trading Across Borders rankings

Country	Rank		Country	Rank		Country	Rank	
	World	Africa		World	Africa		World	Africa
Mauritius	20	1	Algeria	118	18	Zambia	153	35
Egypt	24	2	Gabon	128	19	Swaziland	154	36
Djibouti	35	3	Comoros	129	20	Cote d'Ivoire	155	37
Tunisia	38	4	Benin	129	21	Mauritania	158	38
Cape Verde	56	5	Sierra Leone	132	22	Chad	159	39
Senegal	60	6	Equatorial Guinea	133	23	Congo, Dem. Rep.	160	40
Morocco	64	7	Cameroon	137	24	Zimbabwe	162	41
Gambia, the	73	8	Sudan	139	25	Eritrea	163	42
Ghana	76	9	Mozambique	140	26	Mali	166	43
Togo	84	10	Lesotho	141	27	Malawi	167	44
Sao Tome and Principe	88	11	Nigeria	144	28	Rwanda	168	45
Seychelles	90	12	Uganda	145	29	Niger	169	46
Tanzania	103	13	South Africa	147	30	Burundi	170	47
Madagascar	109	14	Kenya	148	31	Angola	172	48
Guinea	110	15	Botswana	149	32	Burkina Faso	173	49
Guinea-Bissau	111	16	Namibia	150	33	Central African Rep.	175	50
Liberia	115	17	Ethiopia	152	34	Congo, Rep.	176	51

Source: World Bank (2008)

37. Trade costs on the one hand increase the domestic price of goods and on the other hand restrict the capability of businesses to export abroad. In this regard, Africa remains the region in the world where it is most difficult to conduct trade.

38. Table A-5 in the Annex summarizes for nearly every African country by sub-category with regard to exports procedures. In terms of costs, these are the highest for inland transportation and handling operations, i.e., physically moving the goods, both for import and export, from port to factory and vice versa. With regard to export procedures, worst performing countries are all landlocked. In terms of number of days required to fill-in import/export procedures, documents preparation is on average the sub-category that needs more time to be carried out, and this despite the fact that the physical transportation of goods across African countries is already very difficult. AfT demand to address the software issues that are reflected by these numbers is there, and the question is how best to match the supply with this demand. In other words, while it has been seen that infrastructure development is key, there are also challenges in relation to the software elements of trade that must be addressed at the same time.

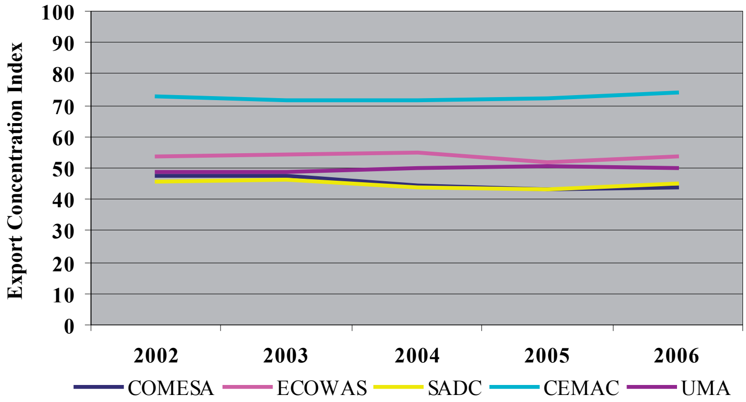
Export Concentration Index

39. The World Bank's *World Trade Indicators* database provides a large selection of indicators. The indicators are used to try to better understand, despite the trade constraints, the current trade performance of African countries with a regional perspective. Some of the indicators are the real growth rate in total trade, trade integration (openness), total trade share of world market and export concentration index. The export concentration index is what this paper would like to focus on, as it relates to the AfT category of building productive capacities.

40. This indicator reflects the degree of export concentration of a country. Concentration of exports, or lack of diversification in exports, is one of the major problems of African economies that too often tend to link their economic development to the export of a few commodities, mainly to fuels and mining products. These few commodities usually provide biggest share of budget resources and foreign exchange revenues for most African governments. But they also exhibit high volatility as revenue and foreign exchange sources, because primary commodities are subject to the vagaries of the international prices. However, by diversifying exports the impact of negative cycles or the sharp decrease of international prices would have a lesser impact on the economy. The AfT support is expected to help address this challenge of lack

of diversification by helping African countries build productive capacities that would enable them exploit different segments of the production and supply value chains.

Figure 1 - Export Concentration: Trend by REC



Source: World Bank (2008)

41. Figure 1 shows that for the period 2002-2006 none of the selected RECs has improved its export concentration index; in particular, CEMAC has worsened its index moving from 72.2 in 2005 to 74.3 in 2006. On the contrary, COMESA shows a light improvement passing from 47.7 in 2002 to 43.7 in 2006. The CEMAC region is the most export concentrated region in Africa with a 2002-2006 average of 72.7, along with ECOWAS, which has an average of 53.7. For the same reference period, SADC is the most diversified region with an average of 44.5 in its export concentration index. Table 18 shows the country level performance of the different RECs. The demand for this category of AfT resources if greatest in the CEMAC region, which has the worst export concentration index.

Table 18: Export Concentration Index

REC	Country	2002-2006 Ave	REC	Country	2002-2006 Ave
COMESA	Burundi	61.68	ECOWAS	Benin	60.18
	Comoros	72.68		Burkina Faso	62.94
	Djibouti	20.77		Cape Verde	43.63
	Congo, Dem. Rep.	50.43		Cote d'Ivoire	36.48
	Egypt, Arab Rep.	31.45		Gambia, The	38.14
	Eritrea	29.80		Ghana	44.50
	Ethiopia	41.56		Guinea	59.08
	Kenya	24.72		Guinea-Bissau	68.02
	Libya	81.97		Liberia	..
	Madagascar	24.74		Mali	69.92
	Malawi	54.09		Niger	48.58
	Mauritius	31.37		Nigeria	90.88
	Rwanda	47.77		Senegal	23.87
	Seychelles	66.32		Sierra Leone	75.05
	Sudan	74.93		Togo	30.07
	Swaziland	42.84		ECOWAS average:	53.67
	Uganda	25.90	SADC	Angola	93.78
	Zambia	52.95		Botswana	75.42
	Zimbabwe	21.09		Congo, Dem. Rep.	50.43
	COMESA average:	45.11		Lesotho	41.89
CEMAC	Cameroon	48.39		Madagascar	24.74
	Central African Republic	49.52		Malawi	54.09
	Chad	..		Mauritius	31.37
	Congo, Rep.	79.40		Mozambique	54.40
	Equatorial Guinea	90.50		Namibia	30.23
	Gabon	78.87		South Africa	13.43
	Sao Tome and Principe	89.86		Swaziland	42.84
	CEMAC average:	72.76		Tanzania	35.85
UMA	Algeria	57.18		Zambia	52.95
	Libya	81.97		Zimbabwe	21.09
	Morocco	16.48		SADC average:	44.46
	Mauritania	74.05	Africa		
	Tunisia	19.02		Average for Africa:	51.13
	UMA average:	49.74			

Source: World Bank (2008)

Africa Competitiveness

42. The competitiveness index, ties together many of the AfT demand indicators discussed above. The Africa Competitiveness Report 2007 provides a good source of these AfT demand indicators. The Competitiveness index for 2007 of 29 African countries[7] is shown in Table 19. The composition of the final index is quite broad, based on nine pillars: institutions, infrastructure, macro-economy, health and primary education, higher education and training, market efficiency, technological readiness, business sophistication and innovation. Countries that show an extremely low index of competitiveness could benefit from AfT to improve their position, especially if the category with poor performance, say infrastructure for instance, is directly related to trade performance.

7 These countries are: Algeria, Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Chad, Egypt, Ethiopia, Gambia, Kenya, Lesotho, Libya, Madagascar, Malawi, Mali, Mauritania, Mauritius, Morocco, Mozambique, Namibia, Nigeria, South Africa, Tanzania, Tunisia, Uganda, Zambia and Zimbabwe.

Table 19: WEF Global Competitiveness Ranking 2007

Country	World Rank	Africa Rank	Country	World Rank	Africa Rank
Tunisia	29	1	Madagascar	113	16
South Africa	46	2	Lesotho	115	17
Mauritius	58	3	Uganda	116	18
Egypt	65	4	Zambia	117	19
Morocco	72	5	Mauritania	118	20
Libya	73	6	Burkina Faso	119	21
Algeria	76	7	Malawi	120	22
Botswana	83	8	Zimbabwe	121	23
Namibia	88	9	Mali	122	24
Kenya	97	10	Ethiopia	123	25
Nigeria	102	11	Mozambique	124	26
Gambia	104	12	Chad	126	27
Benin	107	13	Burundi	127	28
Tanzania	108	14	Angola	128	29
Cameroon	111	15			

Source: World Economic Forum (2007)

43. In the competitiveness index, the infrastructure pillar is a combined value of six sub-indexes: quality of overall supply, quality of railroad transport, quality of port transport, quality of air transport infrastructure, quality of supply of electricity and telephone lines. These sub-indexes range from 1 to 7, i.e., from underdeveloped to as developed as the world's best, in the opinion of the executives that participated to the 2006 survey. From Table 20, it is interesting to note that railroad transport is perceived as the worst infrastructure in Africa, with extremely low scores at the country level. Yet, many acknowledge that rail transport is one of the most cost-effective means of conducting trade. AfT demand for transport corridors that incorporate rail transport therefore exist in all African countries as the scores shown in Table 20 indicates.

Table 20 – Competitiveness 2007: Infrastructure pillar breakdown

Country	Quality of Overall Infrastructure	Quality of Railroad Infrastructure	Quality of Port Infrastructure	Quality of Air Transport Infrastructure	Quality of Supply of Electricity
Algeria	3.1	2.0	3.1	3.5	4.2
Angola	1.9	1.5	2.5	3.3	2.2
Benin	2.2	1.3	2.5	2.6	2.8
Botswana	4.0	3.3	2.7	3.8	4.9
Burkina Faso	2.1	2.0	1.8	2.9	3.1
Burundi	2.0	1.2	1.9	2.4	1.8
Cameroon	1.8	1.7	2.2	2.2	2.7
Chad	1.5	1.4	1.4	2.1	1.2
Egypt	3.8	3.3	3.5	4.7	5.0
Ethiopia	2.2	1.3	1.4	4.5	3.6
Gambia	3.0	1.3	3.9	3.9	2.4
Kenya	2.3	1.9	3.2	5.0	3.1
Lesotho	2.2	1.4	1.9	2.2	3.2
Libya	2.2	1.2	2.3	2.9	4.0
Madagascar	2.2	1.5	2.3	3.2	2.0
Malawi	2.3	1.8	1.7	2.8	2.7
Mali	2.6	1.6	1.4	2.7	3.3
Mauritania	1.7	1.8	2.4	2.5	3.0
Mauritius	4.5	1.6	4.8	5.3	5.6
Morocco	3.7	3.1	3.8	4.5	5.0
Mozambique	2.3	1.8	2.6	3.5	3.4
Namibia	4.8	3.7	5.0	4.9	5.0
Nigeria	2.6	1.8	2.8	3.5	1.8
South Africa	4.6	3.5	4.4	5.8	4.1
Tanzania	2.9	2.8	3.4	3.7	2.1
Tunisia	4.7	4.4	4.8	5.0	5.5
Uganda	2.8	1.5	1.9	3.3	1.5
Zambia	1.9	1.6	1.9	4.6	5.5
Zimbabwe	2.9	2.7	3.0	2.6	2.2
29 African Countries Average:	2.8	2.1	2.8	3.6	3.3

Source: World Economic Forum (2008)

44. The quality of air transportation seems to meet the demand of the executives operating in Africa and the related sub-index is on average the best performer among the considered ones. It comes with no surprises, however, that under quality of port infrastructure all the African landlocked countries rank in the bottom of the list. This is an important point that AfT funds should address as a matter of urgency. Landlocked countries in Africa are among the poorest in the world and infrastructure improvements are needed to raise the competitiveness of countries that have no blame in being far from the coast and the international shipping lanes.

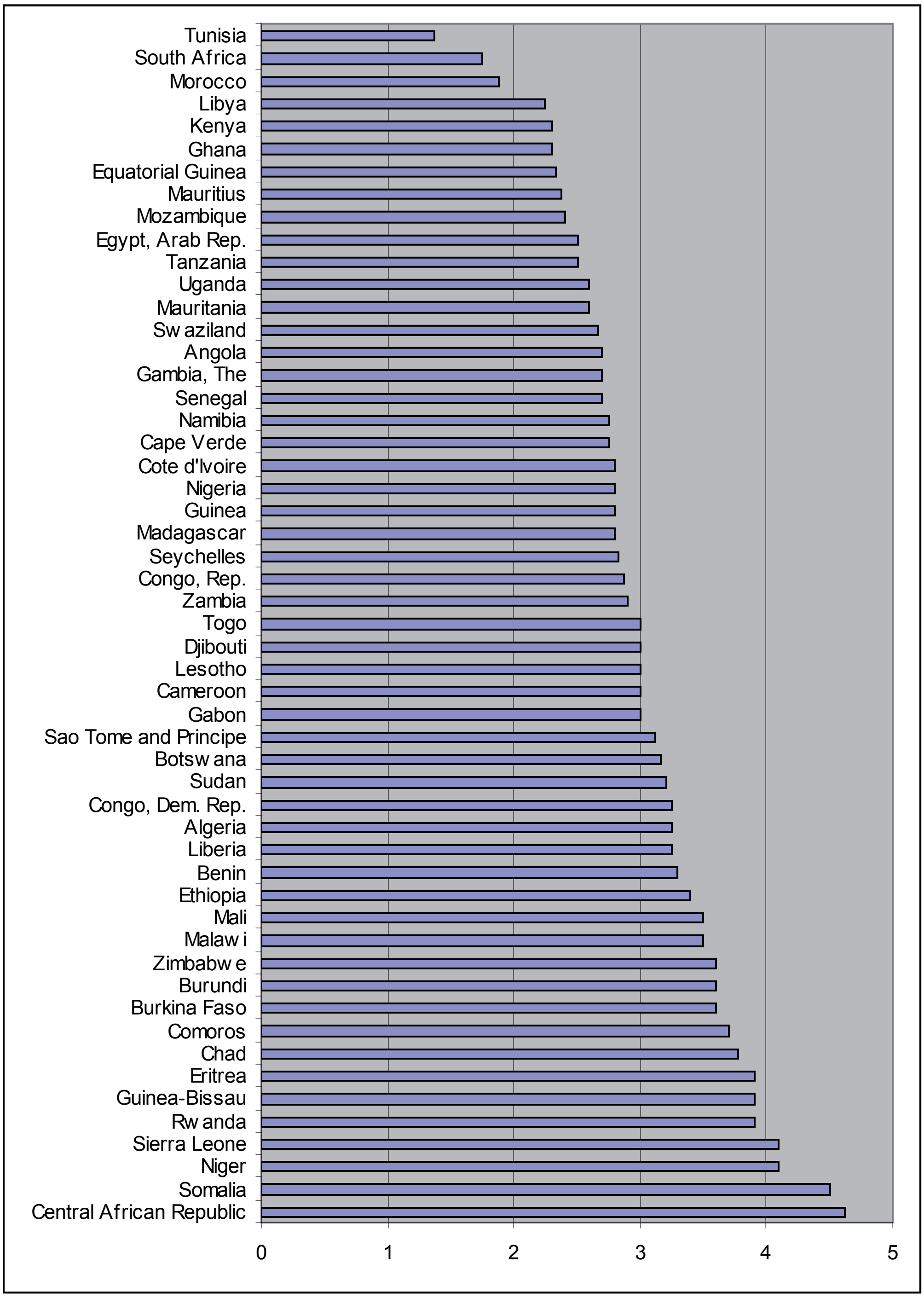
45. The quality of supply of electricity is also a pertinent proxy, the inefficient supply of which affects the productive capacity of a country and its international competitiveness. As noted earlier, many countries are currently employing substantive share of their AfT funds to upgrade their electricity grid, financing development projects under the electrical transmission/distribution or the hydroelectric power plants captured in the OECD purpose codes.

The reality of AfT in Africa – Does supply match demand?

46. Analysis in the paper has so far shown that there is demand for AfT in Africa. The paper has also shown the AfT supply situation. In this section, the paper tries to provide answers to the main question put forth in its title: is potential demand for aid for trade in Africa matched by supply? Given the story provided by the AfT demand indicators and accounting for 33 LDCs and 15 landlocked countries, Africa portrays a huge potential demand for AfT funds. And if one was to exclude a few of the mineral-rich and commodity-exporting countries, such as Equatorial Guinea and Libya, that are currently sitting on huge government revenues, all other countries, although presenting different needs, would immensely benefit from the AfT initiative. However, aid flows are scarce and to achieve higher returns and benefits, it is important to investigate of a more efficient process of aid allocation and selection. Bearing in mind the common struggle for development that the majority of African countries are presently experiencing, in terms of aid effectiveness, it is important to shed light on quantitative and qualitative aspects of the AfT flows to enable monitoring actions to enhance the allocation effectiveness for the benefit of the recipient countries.

47. The paper has dwelt largely on a number of selected indicators that being trade-related can be taken to assess countries' trade performance and trade capacity. Now the objective of this part of the analysis is to use such indicators to match demand with supply. In general terms, with respect to trade performance, African countries potential users of AfT funds are those with extremely low or negative growth rates of exports, small or shrinking market shares, high export concentration and lack diversified exports. On the trade capacity side potential, consumers of AfT finance will show poor infrastructure levels, low levels of competitiveness, poor trade-related institutions and trade-related policy, poor customs and generally speaking also poor macroeconomic policies. It is reasonable to suppose that countries that show low average scores over such indicators have a higher potential demand for AfT funds.

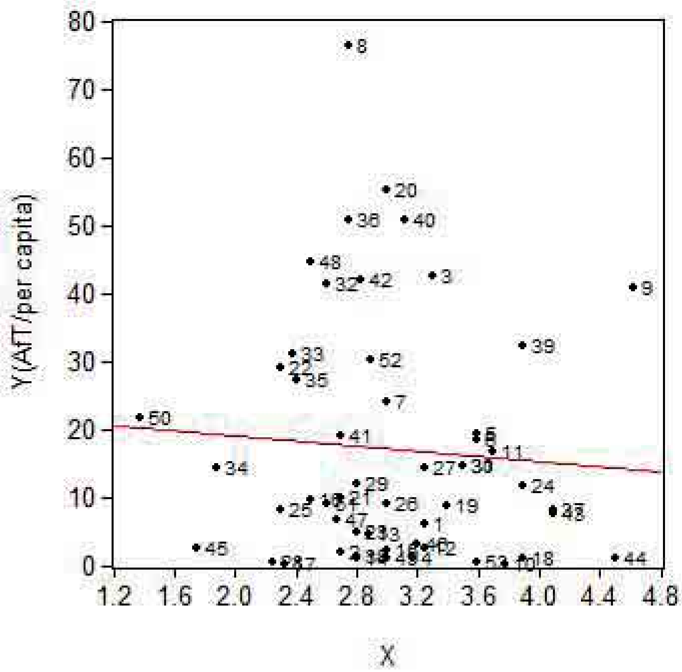
Figure 2 – Potential Demand for Aid for Trade (Average Scores)



Source: Author's calculations based on World Bank (2008)

48. Since the most in need are those countries showing the worst scores across a selection of trade-related indicators, comprising of growth in real trade, export concentration, country policy and institutional assessment, based on some previous work by some researchers at the World Bank, this paper created quintile rankings for each one of the selected indicators and then calculated a final rank with average scores of each African country. Quintile rankings were built allocating the 20% best performing countries in quintile 1, the second best 20% in quintile 2 and so on. As a result the worst 20% performing countries formed quintile 5. All indicators carry equal weight. As Figure 3 clearly shows, countries that according to the selection of indicators need the most AfT funds are those with highest average scores across the eleven quintile ranks reflecting the eleven different indicators.

Figure 3 – Potential Demand and AfT per capita in 2006



1. Algeria	2. Angola	3. Benin
4. Botswana	5. Burk Faso	6. Burundi
7. Cameroon	8. Cape Verde	9. CAR
10. Chad	11. Comoros	12. Dem Rep Congo
13. Rep Congo	14. Ivory Coast	15. Djibouti
16. Egypt	17. E Guinea	18. Eritrea
19. Ethiopia	20. Gabon	21. Gambia
22. Ghana	23. Guinea	24. Guinea Bis-sau
25. Kenya	26. Lesotho	27. Liberia
28. Libya	29. Madagas	30. Malawi
31. Mali	32. Mauritan	33. Mauritius
34. Morocco	35. Mozambi	36. Namibia
37. Niger	38. Nigeria	39. Rwanda
40. ST& Principe	41. Senegal	42. Seychelles
43. Sierr Leone	44. Somalia	45. South Africa
46. Sudan	47. Swaziland	48. Tanzania
49. Togo	50. Tunisia	51. Uganda
52. Zambia	53. Zimbabwe	

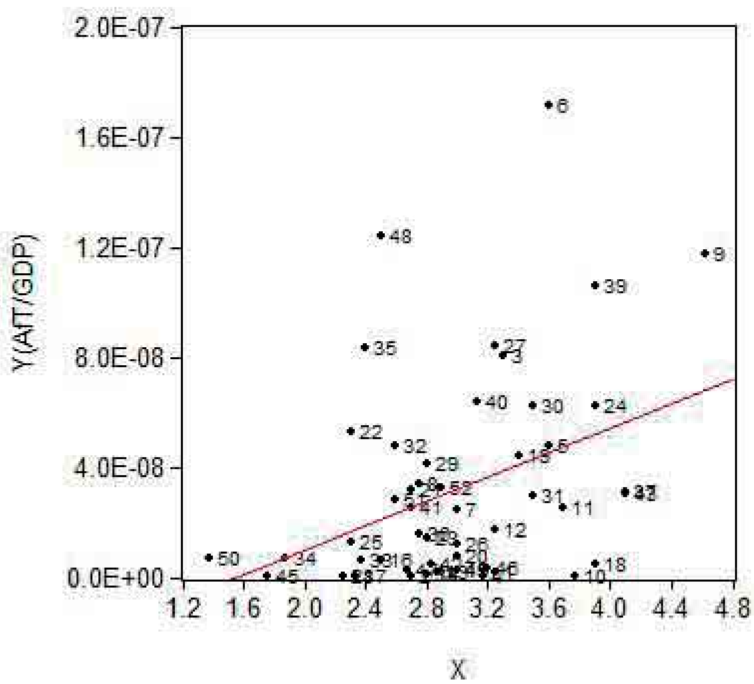
Source: Authors' calculations on World Bank (2008) and OECD (2008)

49. The following countries form the worst performing quintile: Central African Republic, Somalia, Sierra Leone, Niger, Eritrea, Guinea-Bissau, Rwanda, Chad, Comoros, Zimbabwe and Burundi. Excluding Zimbabwe, these are all LDCs and six out eleven countries are in the landlocked group. Also in terms of GDP per capita results are in line with expectations. According to the World Bank, in 2007, with the exclusion of Zimbabwe, all of the above countries had below US$ 300 per capita, with Burundi, Guinea-Bissau, Niger and Eritrea not reaching US$ 200 per capita. In the second worst quintile there is Burkina Faso, Mali, Malawi, Ethiopia, Benin, Democratic Republic of Congo, Algeria, Liberia, Sudan, Botswana and Togo. Again results are in line with expectations. Besides Algeria and Botswana, both developing countries, the rest are LDCs, many of them being also landlocked countries.

50. To match potential demand with AfT supply in order to assess whether African countries with the highest AfT demands are actually those receiving the most AfT funds, the study looks at the AfT supply in per capita terms and also as a ratio of nominal GDP - with regard to 2006 values - and how it relates to the countries' potential demand measure. The reasoning is that the higher the potential demand the higher should be the level of AfT funds received both in per capita terms and as a ratio on the country's GDP.

51. Figure 3 shows the relation between a potential demand proxy and AfT supply in per capita terms, and the linear relationship among the two variables is identified by a very low negative correlation value of 0.0706, suggesting an extremely weak relation. In economic terms, it is the same as saying that there is no direct relation between supply and demand and that increasing level of potential demand for AfT does not translate in higher levels of AfT supply.

Figure 4 – Potential Demand and AfT as a ratio of GDP in 2006



1. Algeria	2. Angola	3. Benin
4. Botswana	5. Burk Faso	6. Burundi
7. Cameroon	8. Cape Verde	9. CAR
10. Chad	11. Comoros	12. Dem Rep Congo
13. Rep Congo	14. Ivory Coa	15. Djibouti
16. Egypt	17. E Guinea	18. Eritrea
19. Ethiopia	20. Gabon	21. Gambia
22. Ghana	23. Guinea	24. Guinea Bissau
25. Kenya	26. Lesotho	27. Liberia
28. Libya	29. Madagas	30. Malawi
31. Mali	32. Mauritan	33. Mauritius
34. Morocco	35. Mozambi	36. Namibia
37. Niger	38. Nigeria	39. Rwanda
40. ST& Princi	41. Senegal	42. Seychelles
43. Sierr Leone	44. Somalia	45. South Africa
46. Sudan	47. Swaziland	48. Tanzania
49. Togo	50. Tunisia	51. Uganda
52. Zambia	53. Zimbabwe	

Source: Authors' calculations on World Bank (2008) and OECD (2008)

52. In terms of AfT supply expressed as a ratio on the country's GDP, the AfT supply more or less correlates with the countries' potential demand. A positive although not strong correlation was found meaning that country with larger GDP in Africa receive higher AfT funding. This is what you would expect. Among countries at the same level of development, larger economies need larger investments in infrastructure, policy reforms and productive capacity. According to the regression line in Figure 4 – correlation is 0,37013 – in 2006 a number of African countries received AfT funds below their potential demand. Of course, these are those countries below the red line, and among them are Chad, Comoros, Democratic Republic of Congo, Eritrea, Niger, Gabon, Cameroon, Kenya and Ivory Coast. On the contrary, according to Figure 4, there are also a number of African countries that received more AfT funds than those suggested by their potential demand. Among these countries, Burundi, Tanzania, Central African Republic, Rwanda, Ghana, Benin, Liberia, Mozambique, Sao Tome and Principe and Madagascar. As noted earlier, some of these countries including Tanzania, Central African Republic and Mozambique have among the highest shares of AfT on total ODA in Africa. In per capita terms, Sao Tome and Principe is the largest recipient of AfT funds and in absolute term, Madagascar is among the largest recipient.

53. A statistical analysis carried out to empirically identify the determinants of AfT provided very useful information. In per capita terms, African countries receive higher AfT funds when public governance is sound and efficient. There is a high correlation between the World Bank's Resource Allocation Index and the actual allocation of funds. As for other sectors for which ODA is a source of finance, non populist macroeconomic management, modern public institutions, sound business environment, strong legal framework, all help to enhance the effectiveness of aid flows. The study investigated in particular whether on average, as one would expect; poorer countries really attract higher AfT efforts. Firstly, as far as the results showed, landlocked African countries receive on average more funding for trade-related investments and there is no doubt that the African landlocked countries are also some of the poorest.

54. However, when interpreting the GDP per capita as a proxy of the level of development, conflicting results were obtained. In an ideal world, countries with lower levels of GDP per capita should on average receive more AfT funding, but this seems not to be so. The level of economy openness also seemed to have an influence on the supply of AfT. For the period 2002-2006, countries with lower ratios of volume of trade

on their GDP received more AfT per capita. This is in line with expectations, but it is important to note that the influence of openness was found to be very small. On the contrary, although not very significant, the analysis showed that countries with higher growth rates receive slightly more AfT funds. While this is surprising, an argument can be advanced that good performance in growth rates of trade volumes could be a result of higher AfT funds.

Issues for discussion

a. The roadmap for implementing the recommendations of the first Global Aid for Trade review called upon countries and RECs to prepare AfT strategies and Action Plans. Potential donors say that they have made their intentions to increase AfT supply, but there are no AfT strategies and action plans with bankable projects from recipient countries. What problems are African countries and RECs facing—especially those that this paper shows to be most deserving—in attracting AfT resources?
b. The second global review on AfT takes place this year. What are the priorities issues that African countries and RECs see as critical that need to be addressed to ensure that they benefit from the AfT implementation?
c. What role do African countries and RECs see for African regional organisations, especially the AU, ECA and AfDB to help them address the problems that limit their ability to attract AfT resources to match their demand?

Annex

Table A-1 – AfT in Africa: 2004-2006 by Recipient, (current US$ millions)

	2006		2005		2004	
Recipient	**Total AfT per Country**	**% of AfT on Total ODA recevied**	**Total AfT per Country**	**% of AfT on Total ODA recevied**	**Total AfT per Country**	**% of AfT on Total ODA recevied**
World	28979.58	22.85	27345.14	22.26	28534.23	29.04
Algeria	200.61	41.83	132.54	25.92	35.74	9.61
Angola[*]	29.99	11.94	11.24	2.56	5.47	0.51
Benin	371.42	46.24	199.52	37.21	216.06	36.66
Botswana	1.91	2.46	3.17	2.81	1.7	4.20
Burkina Faso	276.85	38.58	538.84	59.09	263.65	45.11
Burundi	155	26.92	58	18.46	199.94	38.48
Cameroon	436	20.48	70.83	16.00	27.36	2.93
Cape Verde	39.55	28.13	233.08	70.51	23.7	20.56
Central African Rep.	173.45	69.75	37.72	33.91	10.37	13.68
Chad	2	0.75	167.07	38.90	56.63	19.56
Comoros	10.17	29.99	8.05	13.49	7.25	18.69
Congo, Dem. Rep.	145.63	7.17	225.89	11.01	240.19	11.72
Congo, Rep.	16.75	4.10	101.28	6.49	45.65	23.52
Cote d'Ivoire	19.63	4.80	9.6	3.71	7.45	2.45
Djibouti	1.74	2.16	33.68	38.65	12.07	19.06
Egypt	701.42	43.80	397.89	42.84	561.74	41.84
Equatorial Guinea	0.02	0.05	0.28	0.75	0.31	1.03
Eritrea	5.3	4.92	11.1	3.42	55.78	21.62
Ethiopia	662.2	29.85	657.21	31.44	921.76	41.92
Gabon	72.26	48.09	3.76	6.95	41.88	34.31
Gambia	16.18	24.06	62.44	66.97	0.47	0.97
Ghana	668.65	48.74	507.11	36.72	475.14	19.04
Guinea	44.95	20.57	21.87	10.65	89.66	33.11
Guinea-Bissau	19.2	24.86	9.37	10.70	9.57	16.68
Kenya	293.39	18.62	360.82	33.37	700.99	49.23
Lesotho	17.82	15.94	2.85	3.13	28.5	33.17
Liberia	51.57	14.77	2.25	1.02	0.48	0.18
Libya	2.35	6.42	7.37	..	0	..
Madagascar	226.1	36.96	417.9	31.64	331.74	28.26
Malawi	196.23	28.09	310.53	31.03	166.74	37.93
Mali	173.1	22.96	302.25	32.99	285.22	40.10
Mauritania	125.88	42.36	94.71	38.35	115.41	35.66
Mauritius	38.72	50.76	6.82	15.99	0.87	2.43
Mayotte	0.17	3.02	1.6	41.99	33.78	15.81
Morocco	433.46	35.35	237.76	28.38	293.45	25.23
Mozambique	569.96	42.01	672.06	46.78	627.36	53.39
Namibia	103.55	49.38	25.65	24.50	38.99	17.93
Niger	111.83	20.81	320.92	50.87	79.52	17.92
Nigeria	178.88	1.46	240.24	3.75	216.79	16.12
Rwanda	304.46	39.31	222.98	41.95	121.35	28.29
Sao Tome & Principe	7.87	30.79	2.03	10.40	13.46	30.13
Senegal	230.61	23.63	246.42	27.09	305.15	27.32
Seychelles	3.54	26.09	3.22	32.96	2.64	34.69

	2006		2005		2004	
Recipient	**Total AfT per Country**	**% of AfT on Total ODA recevied**	**Total AfT per Country**	**% of AfT on Total ODA recevied**	**Total AfT per Country**	**% of AfT on Total ODA recevied**
Sierra Leone	43.05	16.86	190.45	48.57	114.88	29.65
Somalia	8.83	2.06	2.74	1.46	0.92	0.53
South Africa	116.14	13.28	253.65	27.11	29.22	4.78
Sudan	118.03	5.73	8.15	0.30	31.78	2.71
Swaziland	7.58	18.11	11.55	17.62	1.69	11.30
Tanzania	1753.55	65.85	903.78	49.45	708.76	34.88
Togo	6	10.37	1.81	2.81	2.47	4.32
Tunisia	220.36	46.31	156.26	32.77	101.42	20.10
Uganda	268.78	21.96	373.4	26.56	796.49	54.39
Zambia	351.94	22.03	336.18	16.88	272.43	26.62
Zimbabwe	4.77	1.40	6.56	3.01	3.77	2.35
North of Sahara, regional	61.84	25.06	51.39	32.58	44.05	30.40
South of Sahara, regional	458.8	26.07	259.78	20.56	257.98	20.99

Source: Authors' calculations based on OECD (2008)
* Countries in italic are below the African average of share of AfT on ODA received

Table A-2 – AfT growth rates 02-06 (%)

Recipient	**2003 (%)**	**2004 (%)**	**2005 (%)**	**2006 (%)**	**Recipient**	**2003 (%)**	**2004 (%)**	**2005 (%)**	**2006 (%)**
Algeria	-23.82	-44.61	270.84	51.36	Libya	..	..	..	-68.11
Angola	-44.30	-64.32	105.48	166.81	Madagascar	109.25	-19.32	25.97	-45.90
Benin	174.61	14.72	-7.66	86.16	Malawi	24.11	220.72	86.24	-36.81
Botswana	-85.29	-63.60	86.47	-39.75	Mali	74.51	5.81	5.97	-42.73
Burkina Faso	79.88	-41.35	104.38	-48.62	Mauritania	47.23	9.37	-17.94	32.91
Burundi	-84.20	1952.77	-70.99	167.24	Mauritius	1764.93	-99.48	683.91	467.74
Cameroon	18.12	-75.52	158.88	515.56	Mayotte	-4.23	176.43	-95.26	-89.38
Cape Verde	-35.08	-12.58	883.46	-83.03	Morocco	60.90	-1.00	-18.98	82.31
Central African Rep.	196.35	-85.16	263.74	359.84	Mozambique	-13.53	66.02	7.13	-15.19
Chad	15.91	-55.46	195.02	-98.80	Namibia	-29.54	151.06	-34.21	303.70
Comoros	-48.19	743.02	11.03	26.34	Niger	103.65	-68.65	303.57	-65.15
Congo, Dem. Rep.	-73.54	70.83	-5.95	-35.53	Nigeria	-52.53	214.51	10.82	-25.54
Congo, Rep.	-86.75	8200.00	121.86	-83.46	Rwanda	75.55	-54.11	83.75	36.54
Cote d'Ivoire	-98.75	28.01	28.86	104.48	Sao Tome & Principe	-48.00	370.63	-84.92	287.68
Djibouti	-39.05	-20.85	179.04	-94.83	Senegal	158.54	44.94	-19.25	-6.42
Egypt	-17.59	25.70	-29.17	76.28	Seychelles	16.41	16.30	21.97	9.94
Equatorial Guinea	7.61	-68.69	-9.68	-92.86	Sierra Leone	3381.86	-21.26	65.78	-77.40
Eritrea	169.69	-6.71	-80.10	-52.25	Somalia	11.36	-79.14	197.83	222.26
Ethiopia	12.69	79.47	-28.70	0.76	South Africa	-34.33	-42.36	768.07	-54.21
Gabon	-53.72	63.53	-91.02	1821.81	Sudan	-64.17	797.74	-74.35	1348.22
Gambia	-89.67	-75.52	13185.11	-74.09	Swaziland	-17.33	-90.40	583.43	-34.37
Ghana	266.82	-24.68	6.73	31.86	Tanzania	35.90	18.73	27.52	94.02
Guinea	-26.63	102.90	-75.61	105.53	Togo	194.63	-79.55	-26.72	231.49
Guinea-Bissau	-94.53	181.47	-2.09	104.91	Tunisia	-85.55	76.81	54.07	41.02
Kenya	923.98	197.38	-48.53	-18.69	Uganda	-16.31	149.24	-53.12	-28.02
Lesotho	90.84	53.64	-90.00	525.26	Zambia	198.13	-5.27	23.40	4.69
Liberia	283.33	108.70	368.75	2192.00	Zimbabwe	128.66	-74.32	74.01	-27.29

Source: Authors' calculation on OECD (2008)

Table A-3 – AfT per Capita (current US$)

Recipient	2006	2005	2004	2003	2002	Recipient	2006	2005	2004	2003	2002
Algeria	6.02	4.03	1.10	2.02	2.70	Libya	0.39	1.25	..	..	..
Angola	1.81	0.70	0.35	1.01	1.87	Madagascar	11.80	22.42	18.29	23.31	11.46
Benin	42.40	23.50	26.27	23.65	8.90	Malawi	14.46	23.48	12.93	4.13	3.42
Botswana	1.03	1.73	0.94	2.60	17.88	Mali	14.46	26.03	25.32	24.66	14.56
Burkina Faso	19.28	38.67	19.52	34.36	19.73	Mauritania	41.36	31.96	40.04	37.67	26.34
Burundi	18.96	7.38	26.43	1.34	8.74	Mauritius	30.89	5.49	0.71	137.41	7.45
Cameroon	23.99	3.98	1.57	6.57	5.69	Mayotte	0.91	8.89	196.40	73.61	..
Cape Verde	76.27	459.90	47.86	56.05	88.40	Morocco	14.21	7.89	9.83	10.04	6.31
Central African Rep.	40.67	9.00	2.51	17.21	5.90	Mozambique	27.18	32.73	31.25	19.27	22.84
Chad	0.19	16.47	5.77	13.43	12.03	Namibia	50.60	12.70	19.56	7.89	11.35
Comoros	16.57	13.41	12.33	1.49	2.95	Niger	8.14	24.19	6.21	20.51	10.43
Congo, Dem. Rep.	2.40	3.85	4.22	2.55	9.93	Nigeria	1.24	1.70	1.57	0.51	1.11
Congo, Rep.	4.54	28.06	12.93	0.16	1.23	Rwanda	32.17	24.15	13.41	29.67	17.19
Cote d'Ivoire	1.04	0.52	0.41	0.32	26.27	Sao Tome & Principe	50.73	13.30	89.66	19.38	37.90
Djibouti	2.13	41.88	15.27	19.63	32.80	Senegal	19.10	20.94	26.60	18.83	7.48
Egypt	9.46	5.46	7.85	6.36	7.86	Seychelles	41.84	38.84	32.00	27.42	23.30
Equatorial Guinea	0.04	0.58	0.66	2.14	2.04	Sierra Leone	7.50	34.09	21.31	28.26	0.85
Eritrea	1.13	2.45	12.81	14.32	5.54	Somalia	1.05	0.33	0.12	0.57	0.53
Ethiopia	8.58	8.74	12.59	7.19	6.55	South Africa	2.45	5.41	0.63	1.11	1.71
Gabon	55.13	2.91	32.97	20.50	45.08	Sudan	3.13	0.22	0.88	0.10	0.28
Gambia	9.73	38.61	0.30	1.26	12.58	Swaziland	6.66	10.21	1.51	15.92	19.56
Ghana	29.06	22.50	21.54	29.24	8.15	Tanzania	44.44	23.49	18.90	16.33	12.33
Guinea	4.90	2.43	10.15	5.10	7.07	Togo	0.94	0.29	0.41	2.05	0.71
Guinea-Bissau	11.67	5.87	6.18	2.26	42.67	Tunisia	21.76	15.58	10.21	5.83	40.57
Kenya	8.03	10.14	20.22	6.98	0.70	Uganda	8.99	12.90	28.42	11.78	14.53
Lesotho	8.93	1.44	14.50	9.51	5.03	Zambia	30.09	29.29	24.17	25.98	8.87
Liberia	14.41	0.65	0.14	0.07	0.02	Zimbabwe	0.36	0.50	0.29	1.13	0.50

Source: Authors' calculations on WB (2008) and OECD (2008)

Table A-4 – AfT by WTO categories, 2006 (US$ millions)

Recepient	Total AfT received	Economic Infra-structure*		Building Productive Capacities (Inlcuding Trade Development)		Trade Policy and Regulations		Trade-related adjustment	
		Value	% on total AfT	Value	% on total AfT	Value	% on total AfT	Value	% on total AfT
Lesotho	17.82	16.66	*93.49*	0.7	*3.93*	0.46	*2.58*	0	*0.00*
Liberia	51.57	47.43	*91.97*	2.83	*5.49*	0.05	*0.10*	1.26	*2.44*
Morocco	433.46	375.08	*86.53*	58.05	*13.39*	0.33	*0.08*	0	*0.00*
Algeria	200.61	171.02	*85.25*	9.45	*4.71*	20.14	*10.04*	0	*0.00*
Namibia	103.55	88	*84.98*	15.39	*14.86*	0.16	*0.15*	0	*0.00*
Gabon	72.26	61.25	*84.76*	10.96	*15.17*	0.05	*0.07*	0	*0.00*
Ethiopia	662.2	508.49	*76.79*	138.04	*20.85*	6.42	*0.97*	9.25	*1.40*
Sudan	118.03	89.61	*75.92*	23.52	*19.93*	0.05	*0.04*	4.85	*4.11*
Mauritania	125.88	95.01	*75.48*	24.61	*19.55*	0.05	*0.04*	6.21	*4.93*
Guinea	44.95	30.12	*67.01*	14.16	*31.50*	0.67	*1.49*	0	*0.00*
Cape Verde	39.55	20.25	*51.20*	3.1	*7.84*	0.11	*0.28*	16.09	*40.68*
Guinea-Bissau	19.2	8.99	*46.82*	9.57	*49.84*	0	*0.00*	0.64	*3.33*
Cameroon	436	201.37	*46.19*	51.78	*11.88*	0.13	*0.03*	182.72	*41.91*
Central African Rep.	173.45	74.68	*43.06*	6.68	*3.85*	0.05	*0.03*	92.04	*53.06*
Senegal	230.61	90.9	*39.42*	101	*43.80*	8.33	*3.61*	30.38	*13.17*
Tunisia	220.36	76.54	*34.73*	73.24	*33.24*	0.14	*0.06*	70.44	*31.97*
Congo, Dem. Rep.	145.63	48.89	*33.57*	92.3	*63.38*	0.2	*0.14*	4.24	*2.91*
Angola	29.99	10.04	*33.48*	16.06	*53.55*	3.82	*12.74*	0.07	*0.23*
Comoros	10.17	3.07	*30.19*	5.16	*50.74*	0.05	*0.49*	1.89	*18.58*
Mozambique	569.96	167.83	*29.45*	144.91	*25.42*	3.74	*0.66*	253.48	*44.47*
Niger	111.83	32.87	*29.39*	18.29	*16.36*	0	*0.00*	60.67	*54.25*
Kenya	293.39	70.85	*24.15*	220.78	*75.25*	1.76	*0.60*	0	*0.00*
Madagascar	226.1	54.22	*23.98*	71.67	*31.70*	0.17	*0.08*	100.04	*44.25*
Botswana	1.91	0.4	*20.94*	1.45	*75.92*	0.06	*3.14*	0	*0.00*
Burundi	155	31.32	*20.21*	30.37	*19.59*	0.05	*0.03*	93.26	*60.17*
Malawi	196.23	39.36	*20.06*	65.27	*33.26*	2.89	*1.47*	88.71	*45.21*
Uganda	268.78	52.46	*19.52*	50.54	*18.80*	0.71	*0.26*	165.07	*61.41*
Benin	371.42	70.56	*19.00*	38.8	*10.45*	168.7	*45.42*	93.36	*25.14*
Zimbabwe	4.77	0.9	*18.87*	3.52	*73.79*	0.09	*1.89*	0.26	*5.45*
Sao Tome & Principe	7.87	1.48	*18.81*	6.39	*81.19*	0	*0.00*	0	*0.00*
Egypt	701.42	127.29	*18.15*	503.08	*71.72*	70.84	*10.10*	0.21	*0.03*
Zambia	351.94	60.35	*17.15*	189.1	*53.73*	2.05	*0.58*	100.44	*28.54*
Djibouti	1.74	0.29	*16.67*	1.4	*80.46*	0.05	*2.87*	0	*0.00*
South Africa	116.14	18.96	*16.33*	95.06	*81.85*	2.12	*1.83*	0	*0.00*
Rwanda	304.46	47.88	*15.73*	32.89	*10.80*	0.07	*0.02*	223.62	*73.45*
Gambia	16.18	2.12	*13.10*	13.97	*86.34*	0.05	*0.31*	0.04	*0.25*
Ghana	668.65	67	*10.02*	136.66	*20.44*	3.14	*0.47*	461.85	*69.07*
Togo	6	0.57	*9.50*	2.29	*38.17*	0	*0.00*	3.14	*52.33*
Sierra Leone	43.05	3.33	*7.74*	10.8	*25.09*	0.41	*0.95*	28.51	*66.23*
Nigeria	178.88	13.49	*7.54*	148.4	*82.96*	16.99	*9.50*	0	*0.00*
Somalia	8.83	0.53	*6.00*	8.3	*94.00*	0	*0.00*	0	*0.00*
Mali	173.1	8.6	*4.97*	70	*40.44*	0.95	*0.55*	93.55	*54.04*
Tanzania	1753.55	70.11	*4.00*	140.37	*8.00*	2.48	*0.14*	1540.59	*87.86*
Seychelles	3.54	0.1	*2.82*	3.44	*97.18*	0	*0.00*	0	*0.00*
Burkina Faso	276.85	5.93	*2.14*	125.53	*45.34*	0.05	*0.02*	145.34	*52.50*
Cote d'Ivoire	19.63	0.37	*1.88*	17.85	*90.93*	0.06	*0.31*	1.35	*6.88*
Congo, Rep.	16.75	0.19	*1.13*	16.53	*98.69*	0.03	*0.18*	0	*0.00*
Swaziland	7.58	0.06	*0.79*	7.52	*99.21*	0	*0.00*	0	*0.00*

Recepient	Total AfT received	Economic Infra-structure*		Building Productive Capacities (Inlcuding Trade Development)		Trade Policy and Regulations		Trade-related adjustment	
		Value	% on total AfT	Value	% on total AfT	Value	% on total AfT	Value	% on total AfT
Chad	2	0.01	*0.50*	1.94	*97.00*	0.05	*2.50*	0	*0.00*
Mauritius	38.72	0.19	*0.49*	38.52	*99.48*	0.01	*0.03*	0	*0.00*
Eritrea	5.3	0.02	*0.38*	5.21	*98.30*	0.07	*1.32*	0	*0.00*
Equatorial Guinea	0.02	0	*0.00*	0.02	*100.00*	0	*0.00*	0	*0.00*
Libya	2.35	0	*0.00*	2.35	*100.00*	0	*0.00*	0	*0.00*
Mayotte	0.17	0	*0.00*	0.17	*100.00*	0	*0.00*	0	*0.00*

***Source*:** Authors' calculation on OECD (2008)
* Ranked by % of Economic Infrastructure 2006

Table A-5 – Nature of Exports Procedures

Countries	Documents Preparation		Customs clearence and technical control		Ports and terminal handling		Inland transportation and handling	
	Days*	Cost**	Days	Cost	Days	Cost	Days	Cost
Algeria	8	450	4	100	2	310	3	388
Angola	25	550	8	800	24	400	11	500
Benin	17	110	5	225	6	582	4	320
Botswana	13	210	3	50	4	248	11	2000
Burkina Faso	30	57	3	225	3	650	9	1200
Burundi	14	160	4	85	4	302	25	1600
Cameroon	15	100	5	246	3	407	4	242
Cape Verde	6	501	2	23	8	483	3	113
Chad	41	800	3	200	3	367	31	4000
Comoros	18	263	5	16	4	543	3	251
Congo, Dem. Rep.	32	870	5	300	5	337	4	1100
Congo, Rep.	32	813	8	400	4	427	6	850
Cote d'Ivoire	15	234	3	81	3	889	2	700
Djibouti	11	450	2	170	4	300	2	138
Egypt	9	85	1	182	2	170	2	300
Equatorial Guinea	14	295	10	97	2	660	4	359
Eritrea	34	300	6	400	8	481	2	250
Ethiopia	18	550	10	337	7	500	11	700
Gabon	10	645	5	500	4	500	1	300
Gambia	9	342	3	55	10	139	2	145
Ghana	10	105	4	20	3	423	2	455
Guinea	22	20	4	150	5	300	2	250
Guinea-Bissau	12	387	2	556	8	370	3	232
Kenya	13	600	6	180	6	375	4	900
Lesotho	28	240	4	125	4	284	8	900
Liberia	9	350	6	355	2	127	3	400
Madagascar	14	200	3	303	3	276	3	500
Malawi	27	323	4	150	4	198	10	1000
Mali	17	345	4	300	7	550	10	817
Mauritania	17	182	6	300	9	586	3	452
Mauritius	12	375	1	150	2	100	2	100
Morocco	6	150	2	100	2	350	4	100
Mozambique	16	285	2	250	4	365	4	300
Namibia	16	171	6	285	3	430	4	800
Niger	36	665	3	429	7	582	13	1869
Nigeria	14	283	3	300	4	416	4	180
Rwanda	17	500	2	100	6	375	17	2300
Sao Tome & Principe	22	160	2	130	2	200	1	200
Senegal	5	300	2	300	5	198	2	280
Seychelles	5	77	4	785	7	479	1	498
Sierra Leone	17	352	6	550	2	258	4	290
South Africa	15	272	4	75	9	284	2	814
Sudan	21	750	3	250	6	300	5	750
Swaziland	7	330	4	84	4	284	6	1486
Tanzania	14	520	4	240	4	302	2	200
Togo	17	294	1	189	4	200	2	257
Tunisia	11	163	2	100	2	230	2	240
Uganda	9	180	6	35	6	375	18	2500
Zambia	36	216	3	100	5	248	9	2100
Zimbabwe	28	250	4	180	4	248	17	2000

Source: World Bank (2008)
Note: * number of days; ** US$