

13. Africa: Trade [154]

Commitment:

“[Reaffirming that principles of ownership and partnership are essential for African development, we agree that the following points, inter alia, are critical both to generating private sector-led economic growth and achieving the MDGs:] effective implementation of the financial commitments regarding spending on Aid for Trade including trade related technical assistance, made at the WTO Hong Kong Ministerial Conference, which we expect to increase to USD4 billion including the support for marketing of African products.”

G8 Leaders Declaration on Development and Africa

Assessment:

Compliance Score

Country	Lack of Compliance -1	Work in Progress 0	Full Compliance +1
Canada		0	
France		0	
Germany			+1
Italy		0	
Japan		0	
Russia	-1		
United Kingdom			+1
United States			+1
European Union			+1
Average Score			+0.33

Background:

In 2005, G7 Ministers recognized the need for additional assistance for African countries to ease the adjustment to trade liberalization, and to increase their capacity to take advantage of more open markets. They called on the World Bank and the IMF to develop proposals in this area.⁹⁷⁶

In 2005, following the WTO Hong Kong Ministerial Conference, the WTO created a new work program on Aid for Trade, and a task force on Aid for Trade was created. In 2006, the WTO Aid for Trade Task Force made its recommendations, stating: "Projects and programmes should be considered as Aid for Trade if these activities have been identified as trade-related development priorities in the recipient country's national development

⁹⁷⁶ Aid for Trade and the WTO Work Programme, WTO (Geneva). Date of Access: 19 December 2008. http://www.wto.org/english/tratop_e/dda_e/background_e.htm.

strategies.”⁹⁷⁷ Furthermore, the Task Force recognized six priority areas where developing countries might require assistance in adjusting to trade liberalization:

1. Trade policy and regulations, including training trade officials, supporting national stakeholders “to articulate commercial interest and identify trade-offs.”
2. Trade development, including promoting investment, including “business support services and institutions,” and “public-private sector networking.”
3. Trade-related infrastructure, from physical infrastructure for transport and storage, to communications and energy infrastructure.
4. Building productive capacity.
5. Trade-related adjustment, which involves “supporting developing countries to put in place accompanying measures that assist them to benefit from liberalized trade.”
6. Other trade-related needs (open-ended category to capture any other activities that “have been explicitly identified as trade-related priorities in the recipient country’s national development strategies.”)

The G8 has supported this initiative since the 2005 Gleneagles Summit when leaders agreed to increase aid to developing countries to build their physical, human, and institutional capacity to trade.⁹⁷⁸ Aid for Trade encompasses support of individual governments as well as multilateral institutions such as the World Bank and the Regional Development Bank, which are large donors providing significant support for infrastructure and productive capacity building.⁹⁷⁹ The OECD and the WTO have developed a framework for monitoring Aid for Trade flows. The framework measures global monitoring of Aid for Trade flows, donor monitoring, and in-country monitoring, which ensures transparency.⁹⁸⁰

This year’s commitment comes amidst a global financial and economic crisis. Nevertheless, on 30 October 2008 the G8 Heads of State signed the Aid Pledge that reaffirmed their existing aid promises and promises to avoid cutting development aid.⁹⁸¹

Commitment Features:

The commitment reaffirms support for Aid for Trade to Africa specifically, so Aid for Trade to any other region cannot be considered compliance. G8 members must increase their Aid for Trade contributions, earmarking funds under one of the categories laid out above.

⁹⁷⁷ Donor Aid for Trade Questionnaire, OECD (Paris) 2007. Date of Access: 21 December 2008
<http://www.oecd.org/dataoecd/15/26/39120395.pdf>.

⁹⁷⁸ Aid for Trade and the WTO Work Programme, WTO (Geneva). Date of Access: 19 December 2008.
http://www.wto.org/english/tratop_e/dda_e/background_e.htm.

⁹⁷⁹ Aid for Trade at a Glance 2007, WTO, (Geneva), 2007. Date of Access: 19 December 2008.
http://tcdbd.wto.org/publish/FINAL%20GLOSSY%20EXECUTIVE%20SUMMARY_ENGLISH.pdf.

⁹⁸⁰ OECD calls for Aid Pledge from donor countries, OECD (Paris) 30 October 2008. Date of Access: 18 December 2008.
http://www.oecd.org/document/46/0,3343,en_2649_34665_39619566_1_1_1_1,00.html.

⁹⁸¹ OECD calls for Aid Pledge from donor countries, OECD (Paris) 30 October 2008. Date of Access: 18 December 2008. http://www.oecd.org/document/2/0,3343,en_2649_201185_41601282_1_1_1_1,00.html.

Aid for Trade must be explicitly targeted to expand the capacity of African nations to participate in the global trade system. Development programs that might indirectly support international trade – the expansion of basic education, for example – cannot be considered Aid for Trade.

Scoring:

-1	Member decreases the amount of Aid for Trade, in local currency terms, OR makes a public announcement indicating an intention to decrease Aid for Trade.
0	Member maintains approximately steady contributions to Aid for Trade initiatives, in local currency terms.
+1	Member increases absolute value of Aid for Trade from the previous in local currency terms. Note that this increase cannot result from a decrease in the local currency value of the US dollar.

Team Leader: Mila Khodskaya

Canada: 0

Canada has partially complied with its Hokkaido-Toyako Aid for Trade commitment.

On 30 November 2008 at the International Review Conference on Financing for Development, Minister of International Cooperation Bev Oda affirmed Canada’s commitment to Aid for Trade, stating: “We also remain committed to advancing the Aid for Trade agenda in line with the development needs expressed by our partners.”⁹⁸²

On 2 April 2009 Prime Minister Stephen Harper along with the other G20 leaders reaffirmed their commitments to Aid for Trade.⁹⁸³ Nevertheless, Canada has not announced any increases of its previous allocations to Aid for Trade.

Thus, Canada has been awarded a score of 0 for failing to increase its contributions to Aid for Trade programs.

Analyst: Maria Robson

France: 0

France has partially complied with its Hokkaido-Toyako Aid for Trade commitment.

⁹⁸² Statement by the Honourable Beverley J. Oda at the International Review Conference on Financing for Development, Canadian International Development Agency (Gatineau, QC) 30 November 2008. Date of Access: 14 December 2008. <http://www.acdi-cida.gc.ca/CIDAWEB/acdicida.nsf/En/607F302A0355E898852575120070FABD?OpenDocument>.

⁹⁸³ London Summit – Leaders’ Statement, Group of Twenty (London, UK) 2 April 2009. Date of Access: 7 May 2009. http://www.g20.org/Documents/g20_communique_020409.pdf

As a member of the EU, France's Aid for Trade strategy is conducted as a part of the EU's Joint Aid for Trade Strategy. This specifies that the total contribution on behalf of the EU to Aid for Trade will reach EUR2 billion by 2010, with EUR1 billion being contributed by the European Communities, to be matched with an additional EUR1 billion contribution from the member states.⁹⁸⁴ France allocates about 22 per cent of its ODA funding to Aid for Trade initiatives.⁹⁸⁵

As of 28 February 2009, France had achieved its USD1.5 million pledge to the Integrated Framework for Trade-Related Technical Assistance to LDCs, which prioritizes technical assistance under the Aid for Trade initiative.⁹⁸⁶

On 6-7 April 2009, France attended the North-South Corridor International Financing Conference in Zambia.⁹⁸⁷ The North-South Corridor Program is an Aid for Trade initiative that aims to enhance competitiveness and lower costs of trade in Sub-Saharan Africa. Member countries discussed ways in which to make donor countries' aid contributions more effective in trade facilitation.⁹⁸⁸

Thus, France has been awarded a score of 0. France has not increased funding to Aid for Trade in this compliance cycle.

Analyst: Hiba Sha'ath and Mila Khodskaya

Germany: +1

Germany has fully complied with its Hokkaido-Toyako Aid for Trade commitment.

As a member of the EU, Germany's Aid for Trade strategy is conducted as a part of the EU's Joint Aid for Trade Strategy. This specifies that the total contribution on behalf of the EU to Aid for Trade will reach EUR2 billion by 2010, with EUR1 billion being contributed by the European Communities, to be matched with an additional EUR1 billion contribution from the member states.⁹⁸⁹

On 20 March 2009, Germany announced a commitment of EUR14 million of funding earmarked for the East African Community, in support of the facilitation of trade in the community through the building of a customs union.⁹⁹⁰

⁹⁸⁴ Fact Sheet on Aid for Trade, European Union (Brussels) 1 October 2008. Date of Access: 13 December 2008. http://trade.ec.europa.eu/doclib/docs/2008/october/tradoc_140837.pdf.

⁹⁸⁵ OECD Global Monitoring 18 October 2007, OECD (Paris) Date of Access: 21 December 2008 http://www.oecd.org/document/52/0,3343,en_2649_34665_39145396_1_1_1_1,00.html

⁹⁸⁶ Donor Pledges Contributions, The Integrated Framework (Geneva) 30 September 2008. Date of Access: 20 December 2008. <http://www.integratedframework.org/status.htm>

⁹⁸⁷ AfDB and Partners Attend North-South Corridor Financing Conference, African Development Bank Group (Abidjan) 6 April 2009. Date of Access: 9 May 2009. <http://www.northsouthcorridor.org/index.php>.

⁹⁸⁸ Outcomes and Conclusions of the High Level Conference, North-South Corridor – International Financing Conference (Lusaka) 7 April 2009. Date of Access: 9 May 2009. <http://www.northsouthcorridor.org/index.php>.

⁹⁸⁹ Fact Sheet on Aid for Trade, European Union (Brussels) 1 October 2008. Date of Access: 13 December 2008. http://trade.ec.europa.eu/doclib/docs/2008/october/tradoc_140837.pdf.

⁹⁹⁰ Common Market in East Africa, Press Releases, Federal Ministry for Economic Cooperation and

As of 28 February 2009, Germany had allocated USD1.5 million for the Integrated Framework for Trade-Related Technical Assistance to LDCs which prioritizes technical assistance under the Aid for Trade initiative.⁹⁹¹

Germany has also affirmed its continued commitment to the Aid for Trade Strategy by attending meetings related to improving the effectiveness of Aid for Trade, and by reiterating its importance to development. Addressing the collapse of the WTO discussions in August 2008, German Development Minister, Heidemarie Wieczorek-Zeul, “asserted that the EU would fulfill its commitments on funding for Aid for Trade, which is to rise to an annual EUR2 billion by 2010.”⁹⁹²

Thus, Germany has been awarded a score of +1.

Analyst: Hiba Sha’ath

Italy: 0

Italy has partially complied with its Hokkaido-Toyako Aid for Trade commitment. The government has taken limited steps to improve the quality and quantity of aid to developing countries, but has not directed new resources to Aid for Trade.

On 22 September 2008, the Italian Vice Minister for Foreign Affairs Vincenzo Scotti attended a high level meeting held by the UN General Assembly on Africa’s Development, affirming that Italy was still committed to making an impact on the process of its development through trade.⁹⁹³

The Italian Development Cooperation website reports that the Italian government regards Aid for Trade Africa as its primary focus while promoting the development of local or intraregional trade.⁹⁹⁴ Since 2005, Italy has been consistent with its funding, with EUR92 million committed in 2008.⁹⁹⁵ This is an increase from last year’s pledge of EUR55 million, but a substantial decrease from the EUR156 million in 2006.⁹⁹⁶ Nevertheless, no

Development 20 March 2009. Date of Access: 9 May 2009.

http://www.bmz.de/en/press/pm/2009/march/pm_20090320_25.html.

⁹⁹¹ Donor Pledges Contributions, The Integrated Framework (Geneva) 30 September 2008. Date of Access: 20 December 2008. <http://www.integratedframework.org/status.htm>.

⁹⁹² Wieczorek-Zeul describes collapse of WTO discussions as “shameful”, Federal Ministry for Economic Cooperation and Development (Berlin) 30 July 2008. Date of Access: 14 December 2008.

http://www.bmz.de/en/press/pm/2008/july/pm_20080730_68.html.

⁹⁹³ World Leaders Pledge to Reinvigorate ‘Global Partnership of Equals’ to End Poverty, Hunger, Underdevelopment in Africa (New York) 22 September 2008. Date of Access: 13 December 2008.

<http://un.org/News/Press/docs/2008/ga10748.doc.htm>.

⁹⁹⁴ Italian Development Cooperation, Ministry of Foreign Affairs (Rome) Date of Access: 13 December 2008. <http://www.cooperazioneallosviluppo.esteri.it/pdgcgs/inglese/intro.html>.

⁹⁹⁵ Italy and the Fight Against World Poverty 2008 Report (Milan), Action Aid. Date of Access: 12 December 2008.

<http://www.actionaid.it/fileViewAction.do?xclass=Multimediafile&field=file&width=0&height=0&mime=application/pdf&id=23855>.

⁹⁹⁶ Italy and the Fight Against World Poverty 2008 Report (Milan), Action Aid. Date of Access: 12 December 2008

<http://www.actionaid.it/fileViewAction.do?xclass=Multimediafile&field=file&width=0&height=0&mime=application/pdf&id=23855>.

increases in quantitative figures have been reported since the 2008 Hokkaido-Toyako Summit for Aid for Trade funding to African countries.

Thus, Italy has been awarded a score of 0, as it has failed to announce increased funding for Aid for Trade in this compliance cycle.

Analyst: Adriano Marchese and Anna Vekshina

Japan: 0

Japan has partially complied with its Hokkaido-Toyako Aid for Trade commitment. Japan has continued to support a number of Aid for Trade programs, but it has not increased its support in this compliance cycle.

According to a 2007 OECD report on Japan's Aid for Trade, Japan has made it clear it will provide USD10 billion to fund assistance in trade, production, and distribution infrastructure over the period of 2006-2008.⁹⁹⁷ There will also be an exchange of ten thousand trainees and experts for the purpose of technical assistance. Japan has not specified how much of this funding will be allocated to Africa specifically.

As of 28 February 2009, Japan had allocated USD180,180 for the Integrated Framework for Trade-Related Technical Assistance to LDCs.⁹⁹⁸ On 13 December 2008, Japan and the Asian Development Bank provided a USD900,000 grant to improve trade policy formation and strengthen institutional capacity within the region.⁹⁹⁹ Nevertheless, Japan made no mention of African countries.

Thus, Japan has been awarded a score of 0. Despite a general commitment to Aid for Trade, Japan has not strengthened its support for the program in the current compliance cycle.

Analyst: Joshua Xiong

Russia: -1

Russia has failed to comply with its Hokkaido-Toyako Aid for Trade commitment. Unlike other G8 members, Russia is not a full member of the WTO. Nevertheless, it has taken several steps on governmental and intergovernmental level in order to support sustainable economic growth in Africa.

Russia continues to strengthen cooperation with several African countries. During the visit of Angola's president José Eduardo dos Santos, authorities from both countries

⁹⁹⁷ Aid for Trade at a Glance: Japan, OECD (Paris) 2007. Date of Access: 21 December 2008. <http://www.oecd.org/dataoecd/46/3/39639093.pdf>.

⁹⁹⁸ Donor Pledges Contributions, The Integrated Framework (Geneva) 30 September 2008. Date of Access: 20 December 2008. <http://www.integratedframework.org/status.htm>.

⁹⁹⁹ Japan and ADB Promote Regional Trade Integration, Solomon Times Online (Manila) 13 December 2008. Date of Access: 20 December 2008. <http://www.solomontimes.com/news.aspx?nwID=3210>.

collaborated on the final phase of establishing a program of economic, trade and technical-scientific cooperation for a period of five years.¹⁰⁰⁰

Within the framework of the International Trade Initiative, which was organized by Industry and Trade Department of the Republic of South Africa, a special business forum and the exhibition of the African products and services was held on 19-20 November 2008 in Moscow.¹⁰⁰¹

On 17 March 2009, Nigerian Foreign Minister Ojo Maduekwe and his Russian counterpart Sergey Lavrov held a review meeting of the two countries' intergovernmental commission on economic and technical cooperation. They agreed on a broad range of bilateral economic issues such as nuclear technology for peaceful purposes, oil and gas, ferrous and nonferrous metals industry, and trade and investments. During the visit, the Ministers analyzed a package of intergovernmental agreements aimed at boosting bilateral "business and humanitarian contacts."¹⁰⁰²

Russia has worked to strengthen trade partnership and economic relations with several African countries. The efforts have been undertaken only on a bilateral basis. However, Russia has not made any contributions to Aid for Trade. Thus, Russia has been awarded a score of -1.

Analyst: Yulia Ovchinnikova

United Kingdom: +1

The United Kingdom has fully complied with its Hokkaido-Toyako Aid for Trade commitment.

The UK's Aid for Trade Strategy is designed to complement and contribute to the broader EU Aid for Trade Strategy.¹⁰⁰³ On 3 December 2008 Secretary of State for International Development Douglas Alexander launched the UK Aid for Trade Strategy 2008.¹⁰⁰⁴ The strategy commits a minimum of GBP400 million per year to Aid for Trade by 2010.¹⁰⁰⁵ Further, on 8 June 2009, Secretary Alexander announced that Aid for Trade will increase to GBP800 million, a 60 per cent increase over 2005.¹⁰⁰⁶

¹⁰⁰⁰ Angola: President's Visit to Russia Boosted Cooperation, All Africa (Washington, DC) 29 October 2008. Date of Access: 6 December 2008. <http://allafrica.com/stories/200810300309.html>.

¹⁰⁰¹ Press Release, International Trade Initiative (Moscow) November 2008. Date of Access: 6 December 2008. http://www.iti-moscow.econsa.ru/press_release.php.

¹⁰⁰² Nigeria, Russia plan joint commission to promote ties. Date of access: 10 May 2009. <http://english.people.com.cn/90001/90777/90855/6615667.html>.

¹⁰⁰³ Sharing the Benefits of Trade Strategy 2008, Department for International Development (London) 4 December 2008. Date of Access: 21 December 2008. http://www.dfid.gov.uk/pubs/files/Aid_for_trade.pdf.

¹⁰⁰⁴ Aid for Trade, Department for Business Enterprise and Regulatory Reform (London) December 2008. Date of Access: 14 December 2008.

<http://www.berr.gov.uk/whatwedo/europeandtrade/Trade%20Policy%20Unit/Aid%20for%20Trade/page42808.html>.

¹⁰⁰⁵ Aid for Trade, Department for Business Enterprise and Regulatory Reform (London) December 2008. Date of Access: 14 December 2008.

The 2008 Strategy consists of four strategic objectives including building countries' capacities to trade through national growth and competitiveness strategies, ensuring that trade results in poverty reduction and inclusive growth, facilitating regional trade and integration and ensuring that EPAs are beneficial for ACP partners, and building an international system that delivers more and better Aid for Trade.¹⁰⁰⁷ At least GBP100 million a year will be spent on covering trade policy, trade regulations and trade development.

On 13 December 2008, the Department for International Development announced USD30 million to support improvement of key transport corridors linking member states of the East African Community.¹⁰⁰⁸ The donation is as part of the 2008 Aid for Trade Strategy. Further, on 30 March 2009 Secretary of State for Foreign and Commonwealth Affairs David Miliband announced that the UK Government would support the North-South Corridor Program in Southern and Eastern Africa under the TradeMark program, "which will bring GBP100 million of transport cost savings and quicker, more reliable access to markets and ports for eight countries."¹⁰⁰⁹

As of 28 February 2009, the United Kingdom had contributed its pledged USD5.5 million to the Integrated Framework for Trade-Related Technical Assistance to LDCs.¹⁰¹⁰

Thus, the UK has been awarded a score of +1 for its proactive support and increasing funds for Aid for Trade.

Analyst: Maria Robson

United States: +1

The United States has fully complied with its Hokkaido-Toyako Aid for Trade commitment. The US has increased its absolute Aid for Trade contributions since the Hokkaido-Toyako Summit.

<http://www.berr.gov.uk/whatwedo/europeandtrade/Trade%20Policy%20Unit/Aid%20for%20Trade/page42808.html>.

¹⁰⁰⁶ World Trade Week UK – defending open trade, Department for International Development, 8 June 2009. Date of Access: 14 June 2009. <http://www.dfid.gov.uk/Media-Room/Press-releases/20091/World-Trade-Week-UK---defending-open-trade/>.

¹⁰⁰⁷ Sharing the Benefits of Trade Strategy 2008, Department for International Development (London) 4 December 2008. Date of Access: 21 December 2008. http://www.dfid.gov.uk/pubs/files/Aid_for_trade.pdf.

¹⁰⁰⁸ Britain to give EAC \$30m for road network, East African (Nairobi) 13 December 2008. Date of Access: 21 December 2008. <http://www.theeastafrican.co.ke/news/-/2558/501660/-/rm61mkz/-/>.

¹⁰⁰⁹ Foreign Secretary David Milliband's speech on Africa at House of Commons at House of Commons Debate, Foreign and Commonwealth Office (Washington, DC) 30 March 2009. Date of Access: 7 May 2009. <http://ukinusa.fco.gov.uk/en/newsroom/?view=News&id=15682171>.

New dawn for trade in Africa as UK Government commits to North South Corridor, Department for International Development (London) 6 April 2009. Date of Access: 7 May 2009.

<http://www.dfid.gov.uk/Media-Room/Press-releases/20091/New-Dawn-for-Trade-in-Africa-as-UK-Government-Commits-to-North-South-Corridor/>.

¹⁰¹⁰ Donor Pledges Contributions, The Integrated Framework (Geneva) 30 September 2008. Date of Access: 20 December 2008. <http://www.integratedframework.org/status.htm>.

On 18 December 2008, then-US Trade Representative Susan C. Schwab announced that the United States had increased its annual spending on Aid for Trade programs to USD2.3 billion in the 2008 fiscal year, an increase of 60 per cent from the 2007 fiscal year.¹⁰¹¹

The United States also continues to implement Aid for Trade assistance through crown corporations, partnership with national level governments, African Regional Organizations, and the private sector.¹⁰¹² Through the Millennium Challenge Corporation, the United States finances programs and projects by offering direct assistance to stimulate natural economic growth in Africa. Over 60 per cent of the USD5.5 billion MCC has approved in compacts benefits sub-Saharan Africa.¹⁰¹³ USAID has provided USD40 million over 2008 as part of its 5 year African Global Competitiveness Initiative.¹⁰¹⁴ The Millennium Challenge Corporation engaged with 19 IF participants through trade-related programs amounting to about USD1.7 billion.¹⁰¹⁵

As of 28 February 2009, the United States had disbursed its USD1.2 million pledge to the Integrated Framework for Trade-Related Technical Assistance to LDCs.¹⁰¹⁶ The US has also provided specific Trade Building Capacity funds to Africa amounting to USD1 billion dollars by the end of 2008.¹⁰¹⁷

Recently, USAID launched the Competitiveness and Trade Expansion (COMPETE) project, aimed at enhancing economic growth and food security in Eastern and Central

¹⁰¹¹ USTR News, The United States Trade Representative (Washington, DC) 16 December 2008. Date of Access: 21 December 2008.

http://www.ustr.gov/assets/Document_Library/Press_Releases/2008/December/asset_upload_file461_15247.pdf.

¹⁰¹² AID-FOR-TRADE Meeting in Dar es Salaam, Tanzania - October 2007, The USAID (Washington, DC) 2 October 2007. Date of Access: 21 December 2008. <http://eastafrika.usaid.gov/en/Article.1118.aspx>.

¹⁰¹³ Budget Justification 2009, Millenium Challenge Corporation, (Washington, DC) 2007. Date of Access: 21 December 2008. <http://www.mcc.gov/documents/mcc-fy09-cbj.pdf>

¹⁰¹⁴ AID-FOR-TRADE Meeting in Dar es Salaam, Tanzania - October 2007, The USAID (Washington, DC) 2 October 2007. Date of Access: 21 December 2008. <http://eastafrika.usaid.gov/en/Article.1118.aspx>.

2009 Trade Policy Agenda and 2008 Annual Report, the USTR (Washington, DC) March 2009. Date of Access: 13 May 2009
http://www.ustr.gov/assets/Document_Library/Reports_Publications/2009/2009_Trade_Policy_Agenda/asset_upload_file340_15406.pdf.

¹⁰¹⁶ USTR News, The United States Trade Representative (Washington, DC) 16 December 2008. Date of Access: 21 December 2008.
http://www.ustr.gov/assets/Document_Library/Press_Releases/2008/December/asset_upload_file461_15247.pdf.

¹⁰¹⁷ 2009 Trade Policy Agenda and 2008 Annual Report, the USTR (Washington, DC) March 2009. Date of Access: 13 May 2009
http://www.ustr.gov/assets/Document_Library/Reports_Publications/2009/2009_Trade_Policy_Agenda/asset_upload_file340_15406.pdf.

Africa (ECA).¹⁰¹⁸ Through this program, USD6 million and USD10 million will be invested over the next four years to help promote growth, development and trade.¹⁰¹⁹

Thus, the United States has been awarded a score of +1 for increasing the absolute value of Aid for Trade.

Analyst: Adriano Marchese

European Union: +1

The European Union has fully complied with its Hokkaido-Toyako Aid for Trade commitment.

On 6 April 2009, the European Commission pledged EUR115million for North-South Corridor project in Eastern and Southern Africa.¹⁰²⁰ The North-South Corridor is a pilot Aid for Trade project that aims to “improve infrastructure and remove regulatory barriers, thereby creating a reliable and efficient transport network and reducing bottlenecks that restrict trade.”¹⁰²¹

On 18 December 2008, the European Commission signed a EUR4 million contribution agreement with the Enhanced Integrated Framework (EIF), which is a mechanism for Aid for Trade that supports sustainable development in Least Developed Countries (LDCs).¹⁰²² The EIF Partnership should help integrate trade and development strategy, and attract and coordinate donors.¹⁰²³ It can be assumed that African countries will receive some of this aid, since it is targeted towards LDCs, several of which are located in Africa.

The European Union’s Aid for Trade is administered through the EU’s Joint Aid for Trade Strategy. The financing of Aid for Trade is administered via the Community

¹⁰¹⁸ USAID project to bolster economy, food security in East Africa, Afrique en ligne 11 May 2009. Date of Access: 14 May 2009. <http://www.afriquejet.com/news/africa-news/usaid-project-to-bolster-economy.-food-security-in-east-africa-2009051127335.html>.

¹⁰¹⁹ USAID project to bolster economy, food security in East Africa, Afrique en ligne 11 May 2009. Date of Access: 14 May 2009. <http://www.afriquejet.com/news/africa-news/usaid-project-to-bolster-economy.-food-security-in-east-africa-2009051127335.html>.

¹⁰²⁰ European Commission pledges EUR115million for trade project in Eastern and Southern Africa, European Commission (Brussels) 6 April 2009. Date of Access: 14 May 2009. http://ec.europa.eu/trade/issues/global/development/pr030409_en.htm.

¹⁰²¹ European Commission pledges EUR115million for trade project in Eastern and Southern Africa, European Commission (Brussels) 6 April 2009. Date of Access: 14 May 2009. http://ec.europa.eu/trade/issues/global/development/pr030409_en.htm.

¹⁰²² European Commission contributes EUR 4 million to the Enhanced Integrated Framework for Least Developed Countries (LDCs), European Union (Geneva) 18 December 2008. Date of Access: 20 December 2008. http://7thspace.com/headlines/300457/european_commission_contributes_eur_4_million_to_the_enhanced_integrated_framework_for_least_developed_countries_ldcs.html.

¹⁰²³ European Commission contributes EUR 4 million to the Enhanced Integrated Framework for Least Developed Countries (LDCs), European Union (Geneva) 18 December 2008. Date of Access: 20 December 2008. http://7thspace.com/headlines/300457/european_commission_contributes_eur_4_million_to_the_enhanced_integrated_framework_for_least_developed_countries_ldcs.html.

instruments under the regular Community budget and the European Development Fund (EDF), given that Aid for Trade is part of the EU Official Development Assistance.¹⁰²⁴ The EU provides around a third of total Aid for Trade ODA flows. Sub-Saharan Africa receives 39.5 per cent of the total Aid for Trade funds.¹⁰²⁵

The Joint Aid for Trade Strategy specifies that a total contribution on behalf of the EU to Aid for Trade will reach EUR2 billion by 2010, with EUR1 billion being contributed by the European Communities, to be matched with an additional EUR1 billion contribution from the member states.¹⁰²⁶ Furthermore, The EU Strategy consists of five sections addressing quantitative ambitions (for Trade Related Assistance and wider Aid for Trade), the pro-poor focus and quality of assistance, EU capacity to deliver Aid for Trade, and monitoring and reporting.¹⁰²⁷

On 3 December 2008 at the UN Conference on Financing for Development, the EC delegation stated that “the EU is also committed to improving both the quality and the volume of the Aid for Trade it provides to developing countries to reinforce their ability to exploit the potential of trade to support their own development.”¹⁰²⁸

Thus, the European Union has been awarded a score of +1.

Analyst: Josh Xiong

¹⁰²⁴ Fact Sheet on Aid for Trade, European Union (Brussels) 1 October 2008. Date of Access: 13 December 2008. http://trade.ec.europa.eu/doclib/docs/2008/october/tradoc_140837.pdf.

¹⁰²⁵ Fact Sheet on Aid for Trade, European Union (Brussels) 1 October 2008. Date of Access: 13 December 2008. http://trade.ec.europa.eu/doclib/docs/2008/october/tradoc_140837.pdf.

¹⁰²⁶ Fact Sheet on Aid for Trade, European Union (Brussels) 1 October 2008. Date of Access: 13 December 2008. http://trade.ec.europa.eu/doclib/docs/2008/october/tradoc_140837.pdf.

¹⁰²⁷ Fact Sheet on Aid for Trade, European Union (Brussels) 1 October 2008. Date of Access: 13 December 2008. http://trade.ec.europa.eu/doclib/docs/2008/october/tradoc_140837.pdf.

¹⁰²⁸ Statement by the European Commission delivered at the UN Conference on Financing for Development, eGov Monitor (London) 3 December 2008. Date of Access: 21 December 2008. <http://www.egovmonitor.com/node/22369>.