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OECD POLICY DIALOGUE WITH NON-MEMBERS ON AID FOR TRADE:

FROM POLICY TO PRACTICE

AID FOR TRADE AND AGRO-BASED PRIVATE SECTOR DEVELOPMENT IN AFRICA

LESSONS FROM TANZANIA AND ZAMBIA

EXECUTIVE SUMMARY

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EXECUTIVE SUMMARY

1. The need for greater coherence in global economic policy-making to ensure effective development outcomes is increasingly acknowledged. At the 2001 Doha Ministerial Conference, trade ministers made clear their appreciation that the developmental challenges facing developing countries cannot be addressed through trade negotiations alone. If developing countries, especially the least-developed ones, are to exploit fully the emerging trade opportunities arising from further trade liberalisation, then their national policy response will have to include the strengthening of productive and trade capacities. More concretely, these countries will have to tackle, in a comprehensive manner, several trade and development objectives, such as reducing trade costs at the border, enhancing the ability of domestic firms, especially small- and medium-sized enterprises (SMEs), to meet the price, quality and technical requirements of their clients, and building the legal and physical infrastructures conducive to spur domestic and foreign direct investment (FDI) flows and international business developments. Dealing with these and other supply-side issues is fundamental for them to realise the full benefits of more open trade at both global and regional levels.

2. Overcoming trade-related supply-side constraints and building competitive capacity in the private sector, notably SMEs, are indeed among the key challenges facing African countries today. There is no shortage of literature discussing and analyzing the multi-faceted problems of the region's weak capacity to trade, particularly in connection with the region's declining share in world trade (see Part I of this report). The international policy debate on trade capacity building (TCB) and more recently "Aid for Trade" has highlighted the need for OECD and African countries to work more closely and better understand the main bottlenecks to productivity growth in the latter group of countries.

3. Given this background, the objective of this study is provided as follows:

> "The study will review how donors (both bilateral and multilateral) are contributing, through their assistance programmes, to the efforts of African countries in overcoming trade-related obstacles and stimulating the supply-side response to increase productivity and competitiveness of the private sector, so as to facilitate their smooth integration into the multilateral trading system. In particular, the study aims to identify and analyze the gaps between the demand for and supply of donor assistance in the agricultural sector (i.e. whether donors are effective at delivering concrete measures and programmes to tackle the supply-side constraints faced by African producers). An initial focus on agro-food supply chains is justified, given its overwhelming importance in production and employment as well as its link with ongoing multilateral trade negotiations. To obtain a better picture of the current situations on the field with concrete examples, it takes a close look at two country cases, Tanzania and Zambia, whose economies depend critically on the sustained development of the agricultural sector."

4. This study was initiated in conjunction with the recent international initiatives put forward at the G8 Gleneagles Summit in 2005, including the *Enhanced Private Sector Assistance* (EPSA) for Africa and intended to contribute to ongoing deliberations on the role of aid for trade and private sector development (PSD) in Africa and elsewhere.

5. Donors have long been providing funds and technical assistance both in the area of agriculture and trade. In the agricultural sector, donor support has traditionally focused on enhancing food security, often relying on state agencies for supervision and implementation. More recently, attention has shifted towards addressing the root causes of vulnerability of poor farm households, by providing them with critical inputs and services necessary to cope with highly volatile environments, including assistance for promoting agricultural intensification and commercialisation. As far as trade-related technical assistance is concerned, its conventional focus was on strengthening developing-country capacities to (1) formulate a locally-owned trade development strategy, (2) participate more effectively in the World Trade Organisation (WTO) and other trade negotiation forums and (3) implement WTO and other trade agreements.[1] These areas of technical assistance are now increasingly complemented by trade-related infrastructure and assistance aimed at building supply-side capabilities.[2]

6. This study consists of three parts. Part I discusses the growth potential for Africa's agriculture and agribusiness sectors and reviews trade-related technical assistance and capacity building (TRTA/CB) programmes provided to these sectors, with special reference to Tanzania and Zambia. Parts II and III, respectively, present a detailed report of these two country studies, based on field missions and interviews. In the following we provide an overview of main points of discussion and key lessons learned and conclude by suggesting ways forward.

Growth Opportunities in Africa's Agriculture

7. Sub-Saharan Africa as a region is more open to international trade than any other developing regions except East Asia and the Pacific. In spite of its trade openness, the region has witnessed a substantial decline in the share of exports relative to world total (from 3.4 per cent in 1970 to 1.5 per cent in 2003). This decline seems even more worrisome, given a marked rise in the relative importance of developing countries as a whole in world exports. The share of sub-Saharan Africa in this group of countries fell sharply from 18 to 5 per cent during the same period.

8. Many African economies still rely heavily on a narrow range of primary-commodity exports. Given the relative land abundance per worker, they will likely remain, at least in the foreseeable future, net exporters of primary products, rather than manufactured products. Agricultural products, mostly unprocessed, will continue to have a considerable weight in their export profile.

9. These African countries have two options, though not mutually exclusive: learn to live better with commodity dependence or diversify. Improving natural resource management is a compelling priority, especially for oil- and mineral-exporting countries. Diversification away from primary

[1] For a detailed account of trade capacity building in an African context, see Bonaglia and Fukasaku (2002, Chapter 1). See also OECD (2003) for further discussions.

[2] There is, however, no clear agreement on what constitutes an "aid-for-trade" agenda. OECD (2006, p.4) notes:

> "There seems to be an emerging consensus that the aid-for-trade agenda includes at least trade-related technical assistance, capacity-building and infrastructure. There is less agreement on whether support to address *supply-side constraints* should remain confined to reducing trading costs (i.e. trade facilitation), or should in addition include support to increase more generally the productive and competitive capacity of the private sector.

There is even less agreement on whether adjustment costs should be part of the [aid-for-trade] agenda."

Nonetheless, within the context of the Doha round, many developing countries, notably those in sub-Saharan Africa, have raised concern over the need for assistance to support trade-related structural adjustment, including mitigating the impact of preference erosion and the potential revenue loss resulting from further tariff reduction.

commodities (including toward services) is a medium- to long-term goal. As for the second option, agro-based industrialisation and diversification into higher value, agricultural and food products would appear more promising for many African countries than moving into labour-intensive manufacturing products[3]. A combination of different factors, including changing consumer patterns in OECD countries, globalisation of retailing activities and a likely increase in domestic demand in more advanced developing countries in association with urbanisation, represents significant trade opportunities for African producers in the coming decades.

10. Even if the development of non-traditional agricultural exports represents a promising opportunity for African countries, the potential gains from traditional export crops would also remain sizeable, at least for some of them. Growing world trade, fuelled by further trade liberalisation an rising incomes in the developing world, could provide them with an ample opportunity to expand their exports and break into new dynamic markets, including several rapidly-expanding markets in Asia. A positive growth of world demand for various primary commodities is expected to continue, thanks to a strong expansion of demand in the world's most populous countries, China and India.

11. Exporters of traditional agricultural products could also benefit significantly from product differentiation, targeting higher-value market niches. This is the case, for instance, of specialty coffee in Tanzania, where initiatives are underway to accomplish certification and improve marketing, which could increase income for coffee growers. Likewise, by raising the average quality of traditional products and establishing grading systems, many countries in the region could secure better rewards for their exports. However, tariff peaks and tariff escalation, compounded by complex not-tariff trade measures, remain a major concern for developing-country producers to move up along the value chain. As Part I and the country cases (Parts II and III) will document, diversification is also hampered by domestic weaknesses, both in the business environment in which firms operate and at the firms' level. Improving domestic policies and strengthening firms' capabilities is therefore a key to export success.

12. Africa is a continent rich in natural resources, and its problem is not that the region lacks sufficient elements for export success, but that it has "lacked catalytic agents that put a cumulative process in motion" (Fox, 2004: p.4). There is indeed an emerging consensus among both governments and their donor partners on the need for stimulating private investment and for creating a strong pro-active private sector as a critical driver of growth and poverty reduction. To this end, many countries have substantially reformed their investment and business legislations so as to reduce the cost of doing business and taken various steps to remove remaining anti-export biases – legacies of the import-substitution era.

13. Poverty reduction is best achieved through a holistic approach to rural development, emphasising both on-farm and off-farm productivity. As the interface between markets and rural households, agro-enterprises are key actors in the process of agricultural modernisation and industrialisation, and create synergies between agriculture and industry. Efforts should therefore be made to favour the parallel development of agricultural production and of downstream, agro-based industries and activities. The agribusiness sector in Africa is small and dominated by a few large enterprises.[4] The size of Africa's agribusiness is just under $70 billion, representing approximately 1 to 2 per cent of the world agribusiness,

[3] Africa's diversification and trade strategies should be reconsidered in light of increasing Chinese and Indian competition in textiles and clothing and other labour-intensive manufacturing industries. See Goldstein *et al.* (2006) for further discussion of the economic ascendancy of China and India and its implications for Africa.

[4] A good example of such large-scale enterprise is Homegrown, Kenya's largest horticultural exporter. Homegrown is a highly vertically integrated company: 90 per cent of its crops are grown on its own farms, it controls storage, cooling and logistics from field to packaging stations, and has a joint-venture with an airfreight company and a dedicated importer based in the United Kingdom (FAO 2004).

or about the same as that of Thailand and one-fourth of that of Brazil (see Part I for further discussion).[5] The structure of agribusiness mirrors that of Africa's private sector at large, which is polarised into two extremes. At one extreme, micro and small enterprises, often informal and serving local markets, constitute the backbone of the private sector; at the other extreme, there is a small number of large firms, often foreign-owned and generally engaged in export activities. There is thus a "missing middle" of SMEs (OECD/AfDB, 2005). If the agro-based private sector has to play a significant role for growth and employment generation, adequate attention needs to be paid to, *inter alia*, the three specific issues outlined below that constrain the growth of such enterprises.

14. First, the underdevelopment of domestic and regional markets for agro-food products represents a major hindrance to the further expansion of this sector in Africa. At the country level, a better integration of rural and urban areas is vital, as a rapid urbanisation of population and per capita income growth can lead to a strong rise in food demand. In fact, for many small-scale producers, the combined demand for agro-food products from supermarkets, traditional and informal markets may offer far greater potential than the export market (IIED, 2004). Unfortunately, producers are often disconnected from major urban markets. The collapse of agricultural marketing boards, though favouring a full transmission of price signals to producers, have also resulted in the elimination of the sole channel for villagers to bring their products to the urban market.

15. Second, the crippling effect of inadequate transport and communication infrastructure on private sector development and export expansion in Africa is well documented. Transport costs amount on average to twice those for comparable services in South Asia and up to four times higher than in OECD countries (Commission for Africa, 2005; Jaffee et al. 2003). Transport networks developed in the colonial era in response to the need to ship commodities out of Africa towards Europe, rather than connecting rural and urban areas and integrating domestic and regional markets. A typical African railway, for instance, only connects one natural-resource extraction point in the interior of the country to the nearest commercial port with access to Europe. The consequence is that today's infrastructure stock and geography is the residue of many distinct communication and transport networks, built a century ago and poorly integrated and maintained (OECD/AfDB, 2006).

16. Africa needs a sizable amount of investment to improve the coverage and reliability of its rural and cross-country infrastructure. Although international assistance to this sector has improved the situation over the past years, often in the framework of multi-donor sectoral programmes (e.g. the ROADSIP Programme in Zambia), this remains a huge challenge for most African countries, especially for landlocked ones. Given its large, financial requirements, often beyond a country's means, adequate attention should be devoted to improving the regulatory framework and administrative capacities to stimulate private-sector participation in infrastructure financing, for instance through public-private partnerships (PPPs). Although still on a small scale, PPPs are on a rising trend in Africa (OECD/AfDB, 2006).

17. Third, despite progress made so far in donor co-ordination on the ground, there is a long way to go for developing a comprehensive and integrated framework of aid for trade and private-sector development which can ensure greater impact and sustainability. Each issue-specific donor intervention (i.e. productivity enhancement, crops-diversification, agro-processing, market linkages, sanitary and phytosanitary regulations and standards) should tackle priorities identified by the recipient country in its sectoral and overall development strategy, in order to ensure overall consistency among donor. Agribusiness is a rapidly growing sector, with a potential to create new opportunities for farmers through backward linkages from agro-processing companies and buyers. This is an area where donors can take a

[5] Agribusiness, in the context of this study, encompasses a wide spectrum of on-farm and off-farm activities from production, post-harvest handling, processing, distribution, marketing, and other agro-based commercial activities.

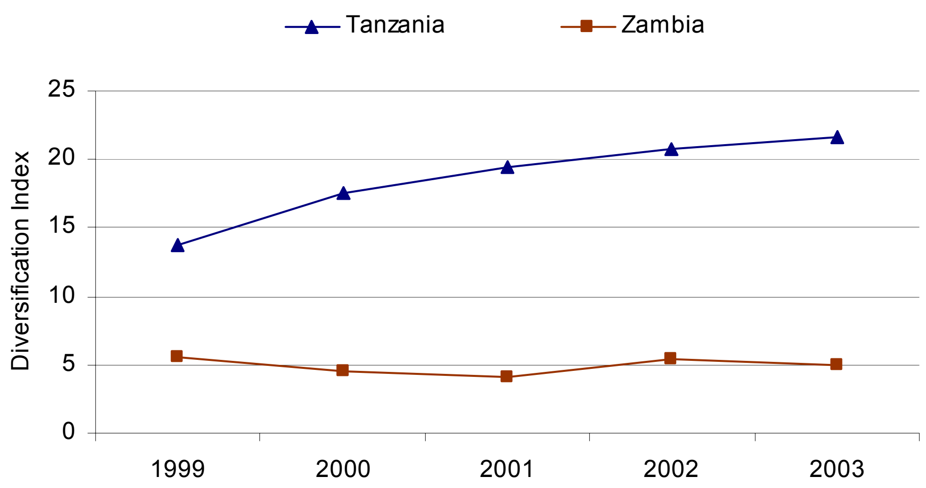
more pro-active role, to strengthen production capacity and diversification of agricultural activities, beyond food security concerns.

Lessons Learned from Tanzania and Zambia

18. Parts II and III provide the results of two country studies, Tanzania and Zambia, with special focus on donor-supported programmes for trade and agro-based private sector development. They review major ODA-funded programmes in these areas and discuss factors explaining successes – or the lack thereof – from such interventions. More specifically, they seek to examine main characteristics of donor-supported programmes, their implementation strategies and documented results. The aim of these country studies is to draw lessons and insights from the reviewed programmes to inform the donor community of how best to provide aid to promote trade in agriculture and agro-based private sector development.

19. Both Tanzania and Zambia have great potential for agricultural and agribusiness development, though these two economies are still heavily dependent on the export earnings from unprocessed primary commodities (see Annex Table 1). While diversification is more advanced in Tanzania than Zambia (Figure 1), gold and copper tend to dominate the recent export development of these two countries, respectively.

Figure 1. Export diversification of Tanzania and Zambia



The diversification indicator measures the extent to which exports are diversified. It is constructed as the inverse of a Herfindahl index, using disaggregated exports at 4-digits of the Standard International Trade Classification (SITC, revision 3). Higher values of the index indicate a more diversified export basket.

Source: OECD/AfDB, 2006

20. Several important lessons are drawn from these country studies reported in Parts II and III. First of all, the fundamental problem in both countries lies in the low productivity of the agricultural sector, which is often attributed to the predominance of traditional smallholder production system and the inadequate use of fertilisers and extension services. This partly reflects a legacy of the past development strategies in both countries. For instance, Tanzania's development strategy adopted in the past maintained 80 per cent of the population in the smallholder production system. The market-oriented reforms of the 1990s removed many obstacles and triggered necessary adjustments. However, the remaining structural

and policy constraints and institutional weaknesses have combined to limit the development of commercial farming and contribute to the sluggish productivity growth of the rural sector (see Part I for further details).

21. A second lesson concerns the key role aid could play in strengthening the capacity of rural farmers as "micro-entrepreneurs" and in linking them to processing firms, so as to exploit the existing potential to develop agro-food industries. Indeed, agro-based, private-sector growth is an area to which all donors in both countries attach considerable importance, but there is a multiplicity of (often small) interventions, and the majority of these interventions are targeted at increasing rural incomes and improving household and national food security. What is less frequent is support to the development of commercial farming and specific production capabilities which are relevant for higher value addition (e.g. compliance with safety and quality standards, packaging, processing, and marketing) and the development of new crop varieties.

22. The renewed attention to the growth and poverty-reduction potential of private business has triggered a significant change in approach. While food security remains very high on the agenda, donors acknowledge that a successful agricultural sector should manifest vibrancy and growth across the whole value chain. They have put an increasing emphasis on diversifying the income sources of rural households and promoting transformation from subsistence to commercial farming. In both countries, donor co-ordination at the sector level is progressive, and donor interventions are consistent with, and supportive to, the priorities set out in nationally-driven Poverty Reduction Strategies. They also adhere to the basic principles of the *Paris Declaration on Aid Effectiveness*.

23. Third, the importance of "trade components" of agriculture and agribusiness should not be overlooked. Trade can be a powerful engine for growth and poverty reduction. Both countries recognise in their development strategies that agricultural trade can have a strong impact on the livelihoods of the poor, which predominantly live in rural areas. In Zambia, between 250 000 and 300 000 small farmers participate in exports through out-grower schemes in the cotton, tobacco and fresh vegetables and floricultural sectors. This number should be compared with the size of the formal sector which currently employs 500 000 people. No other sector directly affects the lives of the poor people in the same way that agriculture does. The mining sector at its peak employs only 35 000 people. Although efforts are underway to develop small-scale projects in the mining and the precious stone sector (for instance, through an EC-funded project), mining remains highly capital-intensive and will thus have less impact on employment even when copper production increases.

24. Fourth, the amount of trade-related technical assistance and capacity building (TRTA/CB) committed to Tanzania and Zambia has been relatively small. According to the WTO/OECD database, Tanzania and Zambia received some $103 and $71 million respectively in TRTA/CB over 2001-2004 (Annex Table 2). Only a very small part of such assistance went to finance agro-related projects (Annex Table 3).[6]

25. Moreover, there are only modest interventions to address "behind-the-border" constraints, which are recognised as the most serious impediments to build productive capacity and enter into global value chains. The following areas are seriously underdeveloped and poorly supported in Tanzania: post-harvest handling and processing, preservation and packaging, quality enhancement and management, meeting SPS and other technical requirements for entry into international markets. Similar concerns are voiced in Zambia as well. Support to these areas, particularly if channelled *via* local organisations that have some

[6] These data do *not* include assistance to agricultural development projects and programmes that are not directly trade-related. The country case studies provide a stock-taking of the most important projects implemented in the agricultural sector, aiming at strengthening productive capacity, irrespective of their trade-relatedness (see Part II and Part III).

proved track record and reputable exporter associations, can stand a good chance of success in improving the countries agro-product exports.

26. Fifth, even if assistance to trade development should substantially rise, there would remain deep-seated problems in both countries that may reduce its impact and undermine the long-term sustainability of donor interventions. As stated earlier, the problem in Africa is not that insufficient elements for export success exist, but it is that they have lacked catalytic agents that put a cumulative process in motion. A key ingredient in the success of several Asian countries, for example, has been the continual upgrading of productive capabilities, which depends critically on the provision of an enabling business environment and the skill formation of managers and workers. To upgrade productive capabilities, these two countries need to place greater emphasis on the improvement of their business environment and the development of organisational and entrepreneurial skills.

27. Aid can help tackling these impediments and create synergies to attract investment to the agribusiness sector. Ultimately, however, the sustainable development of the sector rests on endogenous sources of growth, which cannot be replaced by foreign assistance. Addressing these problems is up to domestic governments and private sectors themselves. Governments can provide a business-friendly policy environment and build the administrative, legal and physical infrastructure, thereby promoting mutually-beneficial partnerships between local firms and export-oriented foreign investors. In this context, Zambia's case study points to the importance of enhancing contract enforcement and loan repayments as a necessary condition for attracting investment and developing inter-firm linkages in the agribusiness sector. The high cost of doing business, as documented in both countries, remains a major hindrance to the international competitiveness of Tanzanian and Zambian firms.

Conclusions and Ways Forward

28. The case studies showed that progress is underway in both countries. Governments give the highest priority to agricultural development and private sector-led growth through diversification and trade expansion. Donors, for their part, emphasise the need to align their interventions with recipient-country priorities and make them more effective. They strongly support the promotion of private sector development and rural industrialisation, while at the same time reinforcing the implementation capacity of domestic line ministries and agencies (e.g. in the area of SPS testing). Nonetheless, the scale and coverage of such interventions remain limited. More efforts must be made to better co-ordinate donors' interventions in the agribusiness sector which cuts across various industries and sub-sectors along the whole value chain, with horizontal and vertical linkages between them. The synergies of different areas of donor interventions (i.e. rural development, private sector development and trade) are not always realised. To maximise the potential impact of different TCB programmes, it is of the utmost importance to strengthen "local ownership" of partner governments.

29. No single donor can respond to all the needs required for trade capacity building in these countries. It is therefore important to ensure that aid is delivered through partner-country systems so as to be in line with the principles of the *Paris Declaration on Aid Effectiveness* (see OECD/DAC, 2005). Although dialogue and formulation of current programmes in agriculture and agribusiness sectors are centred on harmonisation and on adopting sector-wide approaches using the government systems, further concerted efforts are required to sustain this momentum.

30. Tanzania is a case in point, as the country is advancing the aid alignment and harmonisation agenda under the National Strategy for Growth and Reduction of Poverty, the country's the second-generation PRSP (locally known as MKUKUTA). While existing donor programmes (both bilateral and multilateral) still display significant differences with regard to modalities they are currently using to deliver aid, there are genuine efforts being made to align their activities with government strategies and

policy frameworks. Donors are gradually focusing their interventions on those areas that they are acknowledged to have comparative advantages. Harmonisation efforts are apparent in the steps taken to improve donor coordination (see Part II for further details).

31. As for the agricultural sector, Tanzania has undertaken a sector-wide approach to implement its Agricultural Sector Development Strategy (ASDS). This is not in itself a new aid instrument or modality. This is an approach to create an environment that is conducive to enhance agricultural productivity, improve farm incomes and attract private investors into the sector. It aims to develop a comprehensive and coherent sector policy with a unified expenditure framework for local and external resources under a common management and reporting system. How to operationalise it and deliver concrete results is a major challenge for all stakeholders in Tanzania.

32. In the case of Zambia, a number of important challenges stem from the peculiar characteristics of its mineral-based economy. The rapid appreciation of the local currency, Kwacha, resulting from large capital inflows into the tiny domestic financial market, due to booming copper export revenues, debt forgiveness and scaling up of aid, is perhaps the biggest challenge to the country's trade development today.[7] There is fear that the gains made in rising non-traditional (agricultural) exports may be significantly eroded. Whether this is only a transitory cost has yet to be seen. But there are serious concerns that poverty will be further entrenched, as many small farmers participating in export businesses through out-grower schemes will get much less for the current crop when it is harvested in April/May 2006 than they anticipated when they were planting at the end of 2005.[8]

33. Related to this is the challenge of building trade capacity in such an economy that is susceptible to the so-called "Dutch disease" effect – the real currency appreciation that hurts the development of non-traditional (export and import-substituting) industries. How to improve the management of commodity-related revenues remains a big issue. However, there are things that Zambia can do to limit the negative impact of the appreciation of the Kwacha, such as maintaining fiscal discipline and refraining from running up domestic debts. Government borrowing from domestic financial markets, including serious delays in paying suppliers of goods and services to the public sector, is an important aspect of managing the country's fragile macroeconomic environment. Donors, for their part, can make aid disbursement more predictable.

34. Finally, the experiences reviewed in these two countries suggest some specific recommendations on how to improve the effectiveness and sustainability of TCB and private sector development programmes in agriculture and agribusiness in terms of design, content and implementation.

- In terms of design of interventions, it is fundamental to involve farmers, agribusiness companies and business organisations, alongside with relevant government agencies. The Agriculture Consultative Forum in Zambia is a good example of how key stakeholders can interact to inform the design of the overall agricultural strategy and the formulation of specific projects and programmes of more immediate need (e.g. how to respond to food shortage or exchange-rate fluctuations). Adequate funding should be devoted to reinforcing the analytical capacities of these

[7] A major reversal in the exchange-rate market took place last year when the local currency *appreciated* by about 30 per cent against the dollar between January and December 2005 (see Part III, Appendix). This has sent shock waves to agricultural exporters. Cotton ginneries have threatened to close (they have signed contract with growers at the beginning of the season on the basis of much weaker Kwacha rates), and many exporters lament that the reduction in import prices that should counter-balance the stronger Kwacha will not be so much beneficial for them, since they mainly employ locally-sourced inputs (labour).

[8] In the case of cotton, the pre-planting price agreed upon between cotton companies and farmers has been reduced from K1,250/kg to K750/kg, or by 40 per cent.

associations and forums, so that they can take a lead in the identification of needs and ways to respond.

- In terms of programme content, more emphasis should be devoted to addressing gaps in farmers' capacity to improve production and linking them up to processors and buyers. Governments, in consultation with donors, should seek to develop comprehensive support packages to cover the whole value chain or a set of co-ordinated interventions that do so in a more comprehensive way. Such an approach is echoed in Zambia's Diagnostic Trade Integration Study (DTIS) and has recently been adopted in some donor-supported projects.

- As far as implementation is concerned, greater attention should be paid to the sustainability of interventions. Apart from the viability of specific projects and programmes, which should be carefully assessed, sustainability depends critically on the ability of local actors to take over the project once donor assistance is phased out. Field interviews suggest that this has not always been the case in both countries. Thus, more attention should be paid to strengthening local implementation capacities.

ANNEX

Annex Table 1. Ten Largest Export Items of Tanzania and Zambia

(SITC rev.2, 3-digit level)

Tanzania								
1990			2000			2004		
SITC code and Product description	Share in the country's merchandise export (%)	Share in world export (%)	SITC code and Product description	Share in country's merchandise export (%)	Share in world export (%)	SITC code and Product description	Share in country's merchandise export (%)	Share in world export (%)
071 Coffee & substitutes	19	0.89	971 Gold, non-monetary n.e.s.	17	0.52	971 Gold, non-monetary n.e.s.	36	1.66
263 Cotton	18	0.82	057 Fruit, nuts, fresh, dried	13	0.31	034 Fish, fresh, chilled, frozen	8	0.43
061 Sugar & honey	14	0.43	071 Coffee & substitutes	13	0.73	289 Precious metal ores, waste n.e.s.	7	3.71
074 Tea & mate	6	0.97	034 Fish, fresh, chilled, frozen	10	0.31	263 Cotton	5	0.98
075 Spices	5	1.36	667 Pearl, precious, semi-precious stones	9	0.11	057 Fruit, nuts, fresh, dried	5	0.25
121 Tobacco, un-manufactured, refuse	4	0.30	121 Tobacco, un-manufactured, refuse	6	0.69	121 Tobacco, un-manufactured, refuse	4	1.00
054 Vegetables fresh or simply preserved	3	0.08	263 Cotton	6	0.48	071 Coffee & substitutes	3	0.56
657 Spec textile fabrics, products	3	0.09	074 Tea & mate	5	1.03	667 Pearl, precious, semi-precious stones	3	0.09
057 Fruit, nuts, fresh, dried	2	0.05	292 Crude vegetable materials n.e.s.	2	0.11	041 Wheat etc, un-milled	2	0.20
667 Pearl, precious, semi-precious stones	2	0.03	222 Seeds for soft fixed oils	1	0.06	074 Tea & mate	2	1.09

Annex Table 1 (ctd.)

Zambia								
1990			2000			2004		
SITC code and Product description	Share in the country's merchandise export (%)	Share in world export (%)	SITC code and Product description	Share in the country's merchandise export (%)	Share in world export (%)	SITC code and Product description	Share in the country's merchandise export (%)	Share in world export (%)
682 Copper	88	2.12	682 Copper	45	0.92	682 Copper	52	1.61
689 Non-ferrous base metals n.e.s.	4	1.39	689 Non-ferrouus base metals n.e.s.	7	1.18	689 Non-ferrous base metals n.e.s.	9	2.32
667 Pearl, precious, semi-precious stones	2	0.04	699 Base metal manufactures n.e.s.	7	0.09	699 Base metal manufactures n.e.s.	6	0.10
686 Zinc	1	0.13	651 Textile yarn	4	0.08	061 Sugar and honey	4	0.28
121 Tobacco, un-manufactured, refuse	0.8	0.10	061 Sugar and honey	3	0.23	651 Textile yarn	3	0.07
263 Cotton	0.4	0.03	667 Pearl, precious, semi-precious stones	2	0.03	971 Gold, non-monetary n.e.s.	3	0.08
054 Vegetables etc fresh or simply preserved	0.4	0.01	287 Base metals ores, n.e.s.	2	0.07	667 Pearl, precious, semi-precious stones	3	0.04
652 Cotton fabrics, woven	0.4	0.01	661 Lime, cement and building products	2	0.10	723 Civil engineering equip, etc	2	0.05
661 Lime, cement and building products	0.3	0.03	292 Crude vegetables materials n.e.s.	1	0.07	263 Cotton	2	0.20
651 Textile yarn	0.3	0.01	121 Tobacco, un-manufactured, refuse	1	0.17	121 Tobacco, un-manufactured, refuse	2	0.30

Note: n.e.s. not elsewhere specified. *Source*: UNCTAD Handbook of Statistics.

Annex Table 2. Aid for Trade in Tanzania and Zambia, 2001-04

(commitments, $ million)

Category	*Recipient region / country*	*2001*	*2002*	*2003*	*2004*	*2001-04*
Trade Development	Africa	478.3	463.0	701.2	816.8	2459.3
	Africa - South of Sahara	363.4	215.0	503.2	439.8	1521.4
	Tanzania	19.9	9.6	9.2	47.6	86.3
	Zambia	40.5	5.0	5.7	16.3	67.4
Trade Policy and Regulation	Africa	120.9	166.1	235.5	163.9	686.4
	Africa - South of Sahara	54.8	67.0	120.1	127.5	369.5
	Tanzania	8.6	0.9	0.6	6.7	16.8
	Zambia	1.2	0.6	0.6	1.5	3.8
Total TRTA/CB	Africa	599.2	629.1	936.7	980.7	3145.7
	Africa - South of Sahara	418.2	282.0	623.3	567.3	1890.8
	Tanzania	28.5	10.5	9.8	54.3	103.1
	Zambia	41.7	5.5	6.3	17.7	71.3
Trade-related Infrastructure	Africa	2485.2	1853.2	3007.3	3193.2	10539.0
	Africa - South of Sahara	2138.3	1305.7	2100.0	2679.6	8223.7
	Tanzania	364.2	24.2	38.1	301.8	728.4
	Zambia	28.4	55.7	5.5	151.1	240.7

Source: WTO/OECD TRTA/CB Database.

Annex Table 3. TRTA/CB directed to Agriculture and agro-industries

(commitments, $ thousands)

Recipient Country	*Category*	*sub-Category*	*2001*	*2002*	*2003*	*2004*	*2001-04*
Tanzania	Trade Development	Trade Promotion Strategy & implementation - Agriculture	38	253	415		705
		Market Analysis & Development - Agriculture	93	750		976	1 819
	Trade Policy & regulation	Agriculture		9	5		14
		Sanitary and phytosanitary measures (SPS)		251	100	995	1 346
Zambia	Trade Development	Trade Promotion Strategy & implementation - Agriculture	1 465	39	2 633	2 246	6 383
		Market Analysis & Development - Agriculture	2 980	25	1 714		4 718
	Trade Policy & regulation	Agriculture	4	52	51	131	239
		Sanitary and phytosanitary measures (SPS)	4	113	10	177	304

Source: WTO/OECD TRTA/CB Database.

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