



Estimating the constraints to agricultural trade of developing countries

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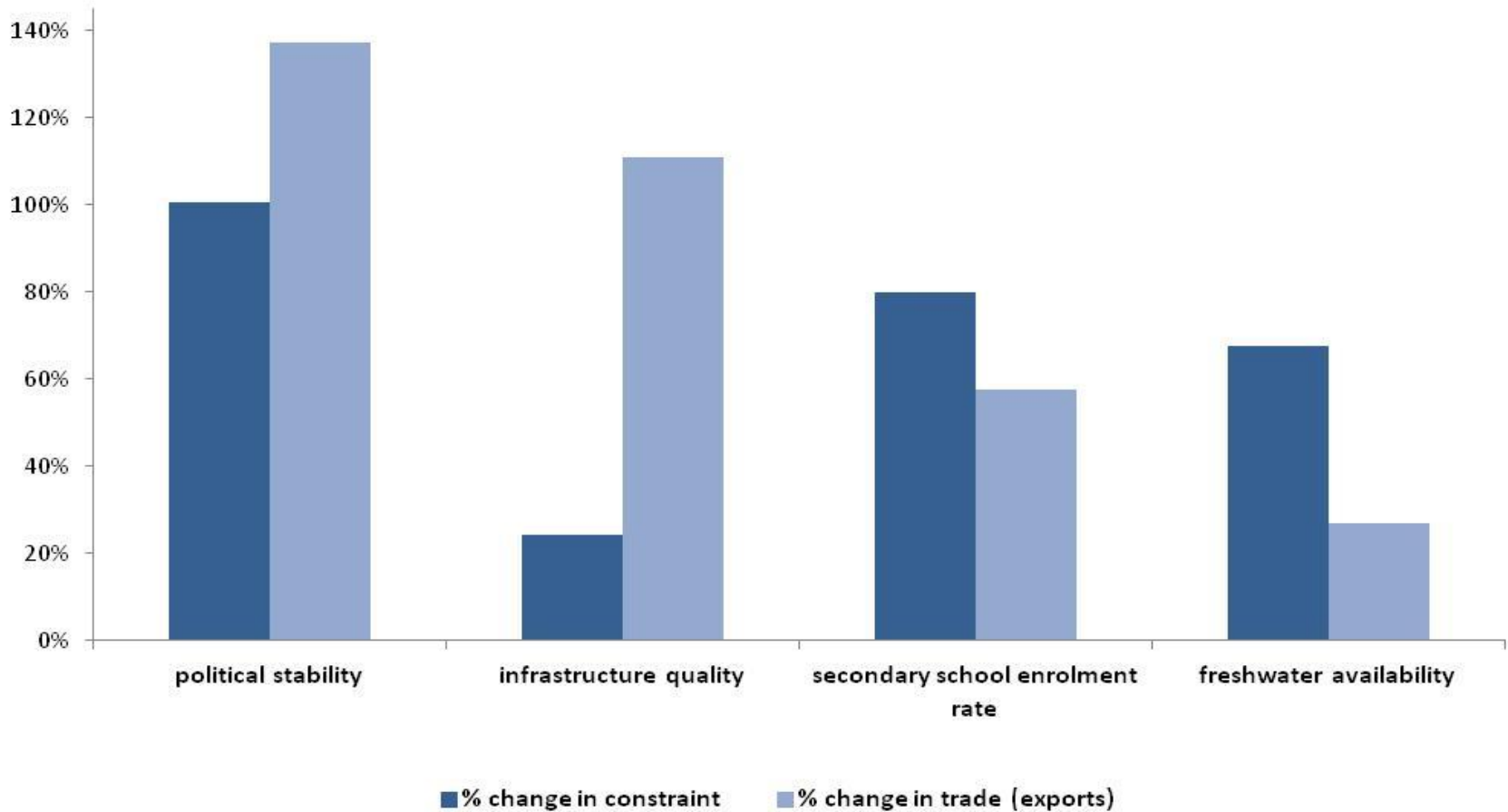


A focus on agricultural trade

- Importance of agriculture in trade of developing countries
- Development dimension of agricultural trade
- Increasing Aid for Trade interventions



A more informative way of ranking constraints



Effects of convergence from the poorest to the better-off developing countries

- The largest trade boost for the poorest countries would come from improvements in *political stability* and *infrastructure*.
- The trade effects and large gap regarding *water availability* and *education* suggest an important role for Aid for Trade in improving the efficient use of existing water resources and in increasing schooling participation.
- The high elasticities of trade to *infrastructure quality* mean that bridging moderate gaps between the poorest and the richest countries in terms of these variables has a relatively large impact on trade potential.



Indonesia: the challenges of standards and conformity assessment

Diagnosis :

- Low quality of processed agricultural export products
- Challenges of compliance with public and private standards applied in foreign markets

Identified constraints :

- Awareness and implementation capacity in the agro-food value chains
- Infrastructure and equipment problems
- Capacity in the testing and certification sector
- Control and enforcement capacity



Zambia: enhancing access to credit

Diagnosis :

- Difficult access to finance, especially for smallholders

Identified constraints :

- High levels of risk in the agricultural sector
 - informality ; lack of collateral
- Risk-averse financial sector
- Unpredictable government policies



Mozambique: improving the cashew value chain to reduce poverty

- Importance of preparatory work
- Focus on increasing employment (targeting SMEs)
- Promoting production adapted to local endowments
- Active involvement of the private sector



How can this information be exploited in designing aid for trade programmes?

- Insights gained from actual experience that could confirm / refute the "ranking" of constraints?
- Prioritising AfT programmes according to the ranking of constraints requires to be supplemented with information on the relative costs of different interventions
→ Evidence on the field ?