

“The need to focus on key priorities was a recurring theme. Having a hundred priorities means having no priorities.”¹⁰

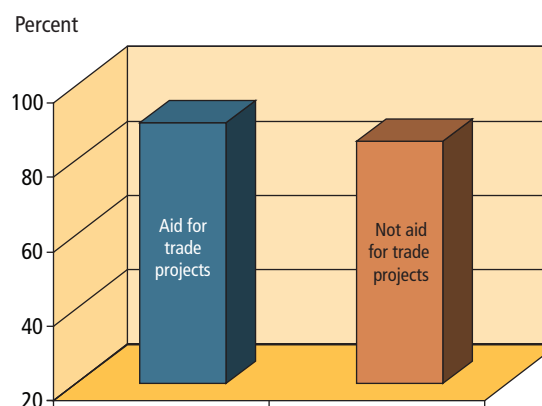
Conclusion

Efforts to promote aid for trade, though perhaps taking a different course from that of the negotiators in Hong Kong, China, would have foreseen, are nonetheless paying dividends. Countries—at least until the onset of global recession—were demanding more aid for trade, donors were supplying it, and countries that needed it were, in general, getting it. Moreover, countries were, with increasing frequency, making trade a central component of their development strategies. Finally, some partial evidence suggests that aid for trade is producing results.

As evident from this report, the World Bank Group has been actively participating in this aid-for-trade process. One measure of the extent to which aid for trade has been integrated into national development strategies is the prominence given to trade and competitiveness in the Country Assistance Strategies developed by the World Bank and partner countries: some two-thirds of CASs now identify trade as a priority area. This is one reason why trade-related lending and other services to countries have grown significantly.

These favorable developments should not lead to complacency. The financial crisis and global recession will undoubtedly put pressure on aid for trade, from

Figure 12: Percentage of Satisfactory Projects, 2006–08



Source: World Bank staff.

both the supply side, as donors turn their attention to paring back deficits, and the demand side, as countries use scarce development assistance for maintaining social expenditures. Yet, if anything, the global recession has increased the urgency of positioning countries to take advantage of a recovery in the global economy—when it occurs. That work must begin now.

¹⁰ WTO Aid for Trade Review, Africa Regional Report, 2007.