

## European Commission pledges EUR115million for trade project in Eastern and Southern Africa

*The European Commission has today pledged EUR115million for an ambitious project to improve infrastructure and remove regulatory barriers to trade in Eastern and Southern Africa. The North-South Corridor project is being driven by three of Africa's main Regional Economic Communities – the Common Market for Eastern and Southern African (COMESA), the East African Community (EAC) and Southern African Development Community (SADC). EU Trade Commissioner Catherine Ashton represented the European Commission at a conference on the North-South Corridor in the Zambian capital of Lusaka. Other international partners supporting the project include the European Investment Bank, the World Bank, the African Development Bank and the UK government.*

Commissioner Ashton said: "Trade is a source of growth and jobs for developing countries, but they cannot reap the benefits if that trade falls at the first hurdle. This initiative is a perfect example of how targeted funding can remove barriers to trade caused by poor infrastructure and cumbersome regulation."

EU Commissioner for Development and Humanitarian Aid Louis Michel added: "It's very clear that Africa is being hit by wave after wave of aftershocks from the financial crisis. This regional response to free-up trade and stimulate growth and jobs is essential at this time and for the long-term development of Africa's economy."

The North-South Corridor is a pilot Aid for Trade project to improve infrastructure and remove regulatory barriers, thereby creating a reliable and efficient transport network and reducing bottlenecks that restrict trade. The goal is to improve regional trade and give countries faster access to international markets, thereby boosting growth and jobs. The contribution from the European Commission consists mainly of funding from the 10<sup>th</sup> European Development Fund, either directly for the North-South.

### Background

EU Trade Commissioner Catherine Ashton is visiting the Zambian capital Lusaka from the 5<sup>th</sup> to 7<sup>th</sup> April. Aside from attending the North-South Corridor conference, Commissioner Ashton will also meet with trade ministers from the Eastern and Southern African (ESA) group in order to push forward the Economic Partnership Agreement (EPA) process in the region.

The EU is by far the largest contributor to Aid for Trade initiatives worldwide, with a commitment of more than EUR 7 billion per year. By 2010, EUR 2 billion of Aid for Trade support will be dedicated to 'Trade Related Assistance' covering trade policy and regulation, trade development, and building of productive capacity.

For more information on Aid for Trade, see the attached [MEMO/09/150](#) or go to [http://ec.europa.eu/trade/issues/global/development/aid\\_for\\_trade\\_en.htm](http://ec.europa.eu/trade/issues/global/development/aid_for_trade_en.htm)