

## **Effect of Aid for Trade on Bilateral Trade between OECD Donor Countries and Recipient Countries in sub-Saharan Africa**

**Dazoue Dongue Guy Paulin**

*Faculty of Economics and Management,  
University of Maroua-Cameroon  
Email: dazouedongue@gmail.com*

**Abstract:** This study evaluates the effect of aid for trade on bilateral trade between OECD donor countries and recipient countries in sub-Saharan Africa by examining its relationship with export and import flows between SSA and OECD countries from 2005 to 2017. Employing two gravity models estimated using the Poisson Pseudo-Maximum Likelihood (PPML) method, the research demonstrates that AfT exerts a negative influence on SSA export flows and a positive influence on import flows in trade with OECD nations. Consequently, AfT is shown to be ineffective in improving the trade balance, contributing instead to persistent trade deficits for SSA countries. The study recommends that development partners reallocate AfT resources to support import substitution strategies within recipient countries reallocate AfT resources to support import substitution strategies within recipient countries.

**Keywords:** Aid for Trade, Gravity Model, Trade Balance, Poisson Pseudo-Maximum Likelihood

**JEL Classification Number:** F14, F21, F35, F41