

**United Nations Economic  
Commission for Africa**



**AFRICAN TRADE POLICY CENTRE**

**OUTCOME DOCUMENT**

**Workshop on Trade Facilitation and Aid for Trade: Sustaining Trade  
Facilitation Gains through Effective Aid for Trade**

**Addis Ababa, Ethiopia**

**12-13 March 2009**

## **I. Introduction**

1. The Workshop on Trade Facilitation and Aid for Trade was held at the United Nations Conference Centre (UNCC) in Addis Ababa from 12-13 March 2009 under the theme “Sustaining Trade Facilitation Gains through Effective Aid for Trade Strategies”. The workshop was organised by the African Trade Policy Centre (ATPC) in collaboration with the ICT & Science and Technology, and the NEPAD and Regional Integration Divisions of the Economic Commission for Africa (ECA). The Pan-African Alliance on E-Commerce was launched as part of the workshop. The overarching objective of the workshop was to share experiences and assess progress in the implementation of regional and national trade facilitation programmes and projects; identify ongoing donor support and funding gaps in regional and national trade facilitation programmes and projects as well as priority areas for consideration under the Aid for Trade Initiative (AFT). The workshop was also aimed at identifying elements for national and regional AFT strategies and contributing in articulating an African common position on the implementation of AFT.

## **II. Participation**

2. More than 70 participants representing African ministries of trade and transport, customs authorities, chambers of commerce, ports and road authorities, transit agents, transport operators, shippers councils, Regional Economic Community (REC) Secretariats, academia and the private sector attended the workshop.

3. Participants came from the following countries: Angola, Burkina Faso, Cameroon, Congo, Côte d’Ivoire, Canada, Djibouti, Ethiopia, Gabon, Ghana, Ireland, Kenya, Libya, Madagascar, Mali, Mauritius, Morocco, Namibia, Niger, Nigeria, Rwanda, Senegal, South Africa, Tanzania, Togo, Uganda, and Zimbabwe. The following Regional Economic Community (REC) secretariats were also represented: the West African Economic and Monetary Union (WAEMU) and the Economic Community of West African States (ECOWAS).

4. The workshop also benefited from the participation of the following regional organizations: the African Development Bank (AfDB), Central Corridor, Walvis Bay Corridor Group, Southern Africa Railways Association, Ports Management Association for Eastern and Southern Africa (PMAESA), Institute for Global Dialogue (IGD), the European Center for Development Policy Management (ECDPM), and Crown agents. The full list of participants is attached as annex to this document.

## **III. Issues Discussed**

### Emerging Trade Facilitation issues

5. Several interventions focused on the issue of checkpoints along transport corridors. The workshop observed that besides inadequate infrastructure, numerous checkpoints contributed to high transport costs in Africa. These checkpoints were generally random

and appeared to be increasing despite efforts such as the establishment of observatories of malpractices in some sub-regions. However, it was noted that a few corridors, notably in Southern Africa have succeeded in significantly reducing checkpoints.

6. The workshop noted that Government pronouncements in favor of the removal of checkpoints were not sufficient in addressing the problem and stressed that what was needed was concrete action. It was suggested that action needed to be taken not only to identify the number of checkpoints per country but also to establish the underlying factors contributing to their persistence. It was also suggested that the institution of a sanctions regime could serve as a deterrent against malpractices along transport corridors.

7. The workshop emphasized that high-level political will was indispensable for removing obstacles to trade. In that regard, the example of Kenya was cited whereby, a Presidential Decision helped to reduce the number of checkpoints from 72 to 15. The workshop noted with appreciation the efforts of ECA and other organizations in developing and advocating for the implementation of sound trade facilitation policies, but stressed that it was incumbent upon member States to take all necessary measures to dismantle trade barriers.

8. The workshop took note of some laudable examples of countries that were making efforts to address trade facilitation challenges including Morocco where the Government was in the process of establishing a Single Window facility designed to simplify international trade procedures and reduce the cost of doing business. The workshop was informed that Morocco had plans to launch the initiative in April 2009 and was inviting other countries, sub-regional and continental institutions to take part in the event. Relevant information on the event could be accessed online at the following website: [www.douane.gov.ma](http://www.douane.gov.ma).

9. Participants were informed that lack of compliance by member States of regional agreements adversely affected the overall implementation of trade facilitation measures such as axle load control limits. They were also informed that the establishment of stakeholders committees involving the ministries responsible for finance, transport and trade at national and regional levels could assist in addressing trade facilitation challenges.

10. Participants noted that efforts have been made to address trade facilitation challenges on the Central Corridor linking the port of Dar-es-Salaam in Tanzania with the landlocked countries of Uganda, Burundi and the east of the Democratic Republic of Congo. They also noted that a transit transport agreement had been signed and ratified by Parliaments of the countries concerned, and that this could serve as an example for other corridors.

11. The workshop recognized the central role of the RECs in efforts to address trade facilitation challenges, including the removal of checkpoints long transport corridors.

12. The workshop took note of the FALTICE-COM concept aimed at addressing trade facilitation challenges from a holistic perspective using ITC and e-commerce. The workshop also noted that it would be useful to integrate FALTICE-COM into the Pan-African Alliance on E-Commerce in order to optimize the benefits that could result from applying the concept.

13. The workshop stressed the importance of ensuring that assistance from development partners related to addressing supply side constraints take into consideration the decisions and recommendations of the African Union Summit and the Council of African Ministers of Industry on the subject of industrialization in Africa.

14. The workshop noted that it was critical for African countries to prepare themselves adequately to take advantage of the opportunities offered by the Aid for Trade (AFT) initiative as well as WTO negotiations on trade facilitation. To that end, the importance of using priority areas identified in the Almaty Program of Action as a starting point in preparing AFT strategies as well as in undertaking trade facilitation needs assessments within the framework of World Trade Organisation (WTO) negotiations was highlighted. Other readily available programs within the RECs also needed to be considered when preparing AFT strategies with the view to avoiding “reinventing the wheel”.

15. Many participants emphasized the issue of low competitiveness of Africa’s products. They called for greater efforts not only to harmonize trade standards across the continent but also to align them with global standards. However, the workshop noted that global standards seemed to be too stringent and therefore difficult for many African countries to meet.

16. Participants were informed that issues related to standards were part of the challenges the AFT initiative intended to address. However concerns were raised about delays in the materialization AFT. The workshop noted the high expectations from AFT and emphasized the need for relevant actors to ensure that AFT resources were made available to African countries and regional organizations.

17. The workshop also noted the example of Ethiopia that had received assistance from a development partner to enable the country adhere to paperless trade standards in coffee. It also noted that the capacity of Ethiopia to export its coffee to the EU market had been strengthened under the global paperless trade initiative. The workshop emphasized the need not only for more African countries but also more sectors to benefit from such assistance.

#### Regional and National Trade Facilitation Experiences

18. Participants acknowledged the importance of ICT in promoting trade and in that regard stressed the necessity for African countries to select appropriate technology that would be beneficial to all stakeholders. They emphasised the need for the staff operating ICT systems as well as potential users to have the skills required to make optimal use of systems installed. To that end, they agreed that the introduction of new systems should be

accompanied by capacity building of local staff operating such systems as well as sensitisation of all stakeholders on how best to use the systems. Overall, participants agreed that introducing ICT systems alone was not sufficient to facilitate trade and that this had to be accompanied by a change in the attitude of end users and a re-engineering of business processes. While ICT was important as a trade facilitation tool, there was need to pay equal attention to putting in place the institutional, manpower and infrastructure capacity to make the application beneficial. The workshop highlighted the need to ensure that the views of end users and not just those of the promoters were taken into consideration in evaluating the impact of ICT projects.

19. The workshop also underscored the need for Governments to be sufficiently informed on the available options of Single Windows models as well as on the cost implications of each model, noting that this was necessary to guide the selection of appropriate models.

20. Participants noted the availability of a wide range of experiences in the use of Single Windows and trade facilitation concepts in general within Africa. With the view to harnessing such experiences in boosting trade within the continent as well as between the continent and other regions of the world, they underscored the need to introduce a channel for communicating such experiences and suggested that the newly created Pan-African Alliance on E-Commerce could play such a role. The Alliance could present such experiences at Single Windows and other relevant conferences.

21. Participants noted the existence of very long transit corridors in Africa, some of which are almost 2000 km long, and agreed that this posed special challenges in terms of infrastructure maintenance and provision of transport services. They pointed out that the lack of adequate infrastructure along transport corridors was a constraint in the movement of goods both for transit and landlocked countries.

22. Participants observed that some regional transport corridors seemed to be performing better than others in terms of efficiency in the movement of goods and in attracting donor support. In that regard, they called on officials of such corridors to share information on the contributing factors to their success with those of other corridors.

### Recommendations

23. In light of the issues discussed and challenges identified, the workshop made the following recommendations:

- i) Studies on malpractices along transport corridors should, among other things, identify the number of checkpoints per country and assess why some countries perform poorly in that regard;
- ii) Governments and RECs should strengthen/establish Trade Facilitation Committees with the view to reducing transport barriers, notably checkpoints;
- iii) Governments should make efforts to improve transit transport corridor infrastructure. Both transit and landlocked countries should also make efforts to implement the Almaty Programme of Action;

- iv) Governments and other relevant authorities should build their capacity to select appropriate Single Windows models that are beneficial to all stakeholders and to use selected systems optimally;
- v) Organisations in the same sub-regions should coordinate their efforts to develop sub-regional Single Windows;
- vi) Corridor management institutions should develop a mechanism for sharing of experiences, especially on measures used in improving performance and attracting donor support;
- vii) The Pan-African Alliance on E-Commerce should act as a channel for communicating national and regional experiences in the use of Single Windows in particular and e-commerce in general; and
- viii) The Pan-African Alliance on E-Commerce should explore how best to use FALTICE-COM concept.

#### State of Play of the Aid for Trade (AFT) Initiative

24. Participants made comments and sought clarifications on a number of issues relating to the presentation on the state of play of the AFT initiative made by ECA. Below is a synopsis of the issues and comments raised:

#### Issues and questions raised

- Was AFT aimed at fostering Africa's traditional position as exporter of primary commodities, or was it geared towards strengthening secondary industries to boost Africa's trade in processed goods?
- What was the political economy of AFT?
- What does trade-related adjustments refer to?
- How does AFT benefit the private sector given its important role in trade facilitation?
- In most African countries, senior officials are not sufficiently aware of AFT. In light of that, there was a need raise awareness and build capacity at the national level with the view to empowering countries to take full advantage of AFT.
- The methodology for monitoring AFT was not clear. It also appeared that African countries had not developed their own indicators for monitoring AFT. Furthermore, there was a need for an independent monitoring system to ensure objectivity in the reporting on AFT.
- On adjustment costs, there seemed to be conflicts in data presented in AFT monitoring reports and data available to African governments.
- During the WTO meeting in Hong Kong which, among other things, led to the AFT initiative, a number of developed countries such as USA and Japan made pledges to provide funds to help build Africa's trade capacity. There was a need to clarify the status of those pledges?
- There was a need to determine the correlation between the emerging upward trend in Africa's trade performance in recent times and AFT. It was desirable to know the contribution of AFT to the upward trend.

- The evidence presented on the allocation of AFT to various sectors and countries showed that AFT was not adequately supporting critical sectors and the countries most in need of AFT support.
- There was a need to give priority to the areas of economic infrastructure and supply-side capacity. In essence, significant AFT resources had to be allocated to those areas as well as to countries whose needs far outweigh the support they are getting from AFT. In that regard, African LDCs needed to be given top priority.

*Responses to the issues raised*

25. The following responses were made to the issues raised:

- Ideally, AFT should be used in alleviating supply-side constraints of developing countries. It should also support the diversification of production in Africa. If that were to happen, Africa's dependency on exports of primary commodities would be reduced. To that end, it was imperative that the recipients of AFT had a say in the allocation of available resources.
- On trade-related adjustments, AFT support included assistance to undertaking reforms that countries needed in order to meet their commitments under trade agreements. Under this rubric, AFT was also supporting countries to cope with the impact of revenue shortfalls arising from their membership in Free Trade Areas. Support to trade-related adjustments also included assistance to countries' revenue and tax administration reforms. Overall, support in the area of trade-related adjustments, may not have the same effect as support to strengthen productive capacity and economic infrastructure.
- It was possible that AFT resources were supporting accompanying measures identified under the Economic Partnership Agreements (EPA) since some of these measures were identical to AFT priorities. It was also possible that indirect AFT support to the EPA was not accounted for in AFT reporting. That raised some conceptual issues such as clearly identifying linkages between EPA and AFT.
- Regarding the role of the private sector, the last AFT African Regional Review meeting in Dar es Salaam in 2007 recognized the need for the private sector to be an integral part of the AFT process. In that context, part of AFT resources should be used in strengthening the private sector in African countries. To that end, countries should package their AFT plans and priorities in a way that incorporates the needs of the private sector.
- There were different schools of thought on the issue of AFT indicators. Some developing countries preferred indicators that would show how AFT could help in linking rural areas to urban centers through rural development initiatives including infrastructure development. Some developed countries, on the other hand, were opposed to indicators that are not already being widely used. The debate seemed to be continuing on that matter.

- With regard to the status of the pledges made in Hong Kong, it was explained that the matter would be investigated in the future. Similarly, efforts would be made to study the correlation between AFT and the recent upward export performance trend.

Recommendations:

26. The following recommendations emerged from the discussion

- i) The African Working Group on AFT should work more closely with the RECs and countries to ensure coherence of AFT strategies and Action Plans with other initiatives such as the Almaty Programme of Action as well as with the decisions and recommendations of the African Union Summit of 2009 and the Conference of African Ministers of Industry on the subject of industrialisation of Africa;
- ii) The African Working Group on AFT should indicate how countries and RECs should base their AFT Action Plans on the outcomes of the 2007 Dar es Salaam meeting on AFT;
- iii) African countries should strive to develop appropriate indicators and systems for capturing data required to monitor AFT. Accordingly, The current AFT indicators need to be reviewed and made more consistent with priorities identified by African countries;
- iv) The specific contribution of AFT to the strengthening of Africa's supply-side capacity and export performance needs to be clearly identified. In that regard, empirical work should be undertaken in Africa with ATPC support, preferably under the Africa AFT Working Group, to determine the extent to which AFT contributes to export performance;
- v) AFT supply should be oriented more towards economic infrastructure and productive capacity building as opposed to the current situation where trade-related adjustment seem to be receiving most AFT resources. Overall, African countries should lead the process and have an important say in determining where their AFT resources should be channeled. Similarly, they should mainstream trade in national programmes so as to ensure operationalisation of AFT at national level;
- vi) A database of AFT projects should be developed in order to help in monitoring AFT at country and regional levels;
- vii) AFT should be used in diversifying Africa's productive structure so that the continent does not remain mainly a supplier of primary commodities;
- viii) The private sector should be part of the implementation of AFT especially in infrastructure development and this could be through Public Private Partnerships (PPPs);
- ix) Member states should reinforce their capacity to prepare infrastructure projects. There should also prioritise projects to be funded under AFT;
- x) The African Working Group and other relevant organisations should enhance the awareness of the ATF initiative by different stakeholders in Africa.

#### **IV. Launching of Pan-African Alliance on E-Commerce**

27. The Pan-African Alliance on E-Commerce was launched under this agenda item. The launching ceremony was presided by Mr. Urbain Zadi, Officer In Charge of ECA, on behalf of the Executive Secretary, Mr. Abdoulie Janneh.

28. Participants thanked ATPC for organising the event.

Done in Addis Ababa on 13 March 2009.