



ATPC NEWS

Africa Trade Policy Centre

The quarterly newsletter of the African Trade Policy Centre

Editorial

The importance of crosscutting issues to trade development cannot be overemphasised. That is why mainstreaming gender, environment, and HIV/AIDS in trade policy constitute one of the pillars of the African Trade Policy Centre (ATPC). As part of its work programme, ATPC recently organized two workshops on trade and gender in Addis Ababa, Ethiopia on 21-22 April and 18-19 June 2009; as well as a workshop on trade and environment in Lusaka, Zambia from 27 to 29 May 2009. The outcomes of these three workshops are reported in this edition of ATPC News.

ATPC also continues to be closely involved in shaping the debate on key issues of trade development such as Aid for Trade (AfT) as well as in the decision making process related to such issues. To that end, the Centre participated at the high-level seminar on the North-South Corridor, which is a pilot AfT project, on 6-7 April 2009 in Lusaka, and at the second Global Review on AfT on 6-7 July 2009. The outcome of the Lusaka seminar and an article on donors and recipients perspectives on AfT are included in this edition of ATPC News.

Finally, ATPC undertook a programming mission to the Secretariat of the Economic Community of West African States (ECOWAS) on 16-17 April 2009 as part of ongoing efforts to strengthen collaboration with Regional Economic Communities. Similar missions had already been undertaken to the Secretariats of the East African Community (EAC) and the Southern African Development Community (SADC). The outcome of the ECOWAS mission is covered in this edition of ATPC News.

Best Regards.

Ambassador Peter Robleh

Vibrating on Different Frequencies: Donor and Recipient Perspectives on Aid for Trade

By Robert Tama Lisinge ¹

The rationale for Aid for Trade (AfT) - that developing countries, particularly least-developed countries, need help to develop their trade-related skills and infrastructure required to implement and benefit from World Trade Organisation (WTO) agreements and to expand their trade - is generally accepted. However, when it comes to analyzing progress in the implementation of AfT, the same cannot be said. Contrasting messages are coming from donor countries and institutions on the one hand; and developing countries, especially those in Africa, on the other.

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For instance, the view expressed by WTO, which is generally similar to that of developed countries, is that there has been good progress in coordinating AfT projects and that AfT flows have increased by 20 per cent since 2006. This is anchored on the use of average flows for the period 2002-2005 as the baseline for measuring progress. This benchmark was agreed at the first global AfT review held in Geneva in 2007. In that context, and based on the Organisation for Economic Co-operation and Development (OECD) data and definition of AfT categories, there has indeed been growth in total AfT flows.

An OECD report launched in July 2009 indicates that AfT support to Africa had grown faster than to any other region by 2007. According to the report, there was an additional US\$ 4.3 billion AfT to developing countries during the period under consideration out of which at least US\$ 2.6 billion had gone to Africa. It is worth mentioning that up to 90 developing countries

Continued on page 2

Continued from page 1

and 50 bilateral and multilateral donors responded to questionnaires used in preparing data for the report. Substantial commitments for additional AfT resources were also announced at the second global review of AfT held in Geneva on 6-7 July 2009. This included 12 billion US dollars for the period 2009-11 by Japan, 1 billion pounds per year by the United Kingdom, 550 million euros per year by the Netherlands, and 850 million euros per year by France.

Notwithstanding of these positive statistics and new commitments, Africa remains a region that appears to be at a preparatory stage in terms of harnessing AfT resources and the message from the continent regarding progress in that regard is less optimistic for several reasons. First, AfT activities on the continent have so far focused on needs assessments and efforts by member States as well as Regional Economic Communities (RECs) to secure technical and financial support to develop strategies and action plans. These actions are considered as prerequisites for effective use of AfT resources. Second, reflections are ongoing on how member States and RECs should ensure coherence of AfT strategies and action plans with existing national and sub-regional projects and programmes as well as with initiatives such as the Almaty Programme of Action for landlocked and least developed countries. Third, there still appears to be lack of consensus on basic issues such as a delivery mechanism. African countries are insisting that additionality should be the underlying principle and some experts and observers are even suggesting the creation of a separate AfT fund as the best way forward. Moreover, African countries are urging development partners to deliver, in a timely manner, on all existing pledges.

The above considerations have led to the suggestion that it may be premature, at this point in time, to talk about monitoring and evaluating AfT, especially as basic issues such as definition, scope, and delivery mechanism remain contentious. Skepticism on the idea of progress in AfT flows is also fueled by lack of visible progress in areas identified by African countries as their priorities including economic infrastructure, trade facilitation, productive capacity, and meeting international trade standards. Furthermore, current AfT indicators are being challenged on the ground that they are not consistent with African priorities. While the continent's priorities are included as AfT categories

in the OECD monitoring system, their share of funds is reduced because support to several other sectors is also categorized as AfT.

The contentious issues of AfT are mostly related to its content, notably the broad range of categories and sub-categories, as well as with its context. This could be partly attributed to the multiplicity of stakeholders including experts in sectors such as trade, transport, industrial development, agriculture, finance, and energy, among others. Indeed, there is a huge gap in perceptions of AfT by experts of these different sectors.

For many African countries, it is mostly trade policy professionals, especially staff of ministries of trade and staff of diplomatic missions in Geneva, who are involved in AfT decision-making process. The situation is similar for RECs where trade units handle AfT issues. However, the priority areas identified at the African Regional Review in Dar es Salaam in 2007, and mentioned above, are mostly in sectors such as infrastructure, transport, industrial development, and agriculture. Those leading AfT efforts are therefore not necessarily fully aware of development assistance in the various AfT categories - some of which do not appear to have direct impact on trade, such as education and training in transport and storage; radio/television/print media; tourism policy and administrative management, among others. They therefore challenge total AfT flows as presented by OECD because they are either unaware of, or disagree with the categories of aid lumped under AfT.

Experts in other sectors such as transport contest statistics on AfT flows on a different basis. They generally feel that development assistance provided to them is not in the context of AfT and therefore view the initiative as repackaging of existing donor support. They often cite ongoing donor support in transport infrastructure development and trade facilitation, as examples. In that regard, they point out that many African countries have been receiving donor support for road sector development programmes for many years and well before AfT was conceived. They are therefore surprised that support for such programmes is considered as AfT under the current monitoring system.

Overall, the large number of stakeholders involved complicates the implementation, monitoring, and evaluation of AfT as it is difficult to ensure effective participation of all of them in the decision-making process at

Continued on page 3

Continued from page 2

the national, sub-regional, continental, and multilateral levels at the same time. As a result, discussions on AfT remain fragmented and often repetitive due to inadequate consultations between concerned parties.

Globally, what the AfT initiative has achieved so far is to flag out the scale of trade-related support provided by the donor community to developing countries, irrespective of whether such support was provided in the context of AfT or not and without clearly indicating the extent to which support to various intervention areas actually promote trade. This could be misleading. That is why many African countries want AfT to focus on supporting priority areas that directly contribute to increasing trade flows. To that end, they expect additional funds to be channeled to such areas. The North-South Corridor pilot AfT project aimed at improving transport infrastructure and trade facilitation along the corridor and in Southern and Eastern Africa in general is therefore laudable and could be used as a model. To avoid misunderstandings on what constitutes AfT, many African countries would also prefer to have a separate fund created for it.

The apparent disconnect between donors and recipients on AfT could be addressed if the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action of 2008 were implemented effectively. Accelerating efforts to mainstream trade in national and regional development strategies as well as in Aid Programmes could also close gaps in perceptions of AfT between stakeholders within African countries and RECs. This is because such efforts would improve the awareness of experts in sectors such as transport and communication of AfT.

The Economic Commission for Africa (ECA) has been closely involved in the AfT initiative since its inception. It is part of the African Working Group on AfT, the other members being the African Development Bank (AfDB), and WTO. In that capacity, the Commission has made major contributions to the ongoing debate. For instance, its research revealed that non-AfT has grown faster than AfT and that AfT was not directed to those countries that deserve it the most, which raises the challenge of matching demand and supply. It is also advocating for studies to demonstrate the effectiveness and impact of AfT.

Furthermore, ECA, through its African Trade Policy Centre (ATPC), has supported specific AfT related ac-

tivities such as organising study tours to the ports of Djibouti and Walvis Bay in 2008 and 2009 respectively. In addition, ATPC was instrumental in the creation of the Pan African Alliance on E-Commerce and is currently working with Ethiopian authorities to undertake a feasibility study on dry ports in the country. The Centre is also currently exploring ways to assist RECs in developing their AfT strategies.

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North South Corridor Programme is ready for Take-off following High-Level Conference in Lusaka

Introduction

The North South Corridor Programme is a Model Aid for Trade Programme that has enabled three Regional Economic Communities - COMESA, EAC and SADC -, their Member States and the International Community, to implement an economic corridor-based approach to reducing costs of cross-border trade in Sub-Saharan Africa.

The High Level Conference on the North South Corridor held in Lusaka, Zambia on 6-7 April 2009, was



attended by Presidents Rupiah Banda of Zambia; Mwai Kibaki of Kenya, who is also the Chairperson of the Common Market for Eastern and Southern Africa (COMESA); Kgalema Motlanthe of South Africa, who was also the Chairperson of the Southern Afri-

Continued on page 4

Continued from page 3

can Development Community (SADC) at the time; and Yoweri Museveni of Uganda, representing the East African Community (EAC). Donald Kaberuka, President of the African Development Bank; and Pascal Lamy, Director General of the World Trade Organisation, also attended.

The Economic Commission for Africa (ECA) was represented by Mr. Abdalla Hamdok, Director of the NEPAD and Regional Integration Division (NRID) and Ms. Jennifer Kargbo, Director of ECA Southern Africa Sub-regional Office. ECA made a presentation on key issues and the state of implementation of Aid for Trade in Africa.

Key decisions at the conference include the following:

1. An agreement on the critical importance of high level political commitment at the national level to ensure implementation of agreed policy reforms.
2. Strong financial and technical support for the North South Corridor. About US\$1.2 billion of funding was committed by the development partners for upgrading road, rail, ports and energy infrastructure.
3. The need to develop other Aid for Trade programmes, notably improving the Central Corridor from the Port of Dar es Salaam in Tanzania to Rwanda and Burundi; the Northern corridor from Mombasa in Kenya to Uganda, Rwanda, Burundi and DRC; and the Lamu – Southern Sudan – Ethiopia Corridor.
4. Identified the need for Member States to show greater commitment by providing counterpart project funding.
5. Underscored the need for establishing an institutional arrangement to manage the programme including a mechanism to access and disburse the committed funds; the sequence of implementation; and a mechanism for the private sector to participate in financing projects.
6. Recognised the weak nexus between regional and national project planning and highlighted the need to align national and regional priorities.

A Project Steering Committee to manage the overall policy of the North South Aid for Trade Programme has been established. In addition, a Project Implementation Unit (PIU) will be established and charged with the following tasks:

More information is available at www.northsouthcorridor.org

ATPC and ECOWAS Move a Step Closer

ATPC and the Commission of the Economic Community of West African States (ECOWAS) moved a step closer by identifying several trade-related activities to be jointly implemented by the two institutions..

The activities were identified during a meeting at the ECOWAS headquarters in Abuja, Nigeria, on 16-17 April 2009. Adeyemi Dipeolu, Stephen Karingi, Robert Lisinge and Therese Ouedraogo represented ATPC at the meeting.

The Commissioner for Trade, Customs, and Free Movement of Persons and Goods welcomed the ATPC delegation to ECOWAS on behalf of the President of the Commission. He emphasised the strong collaboration



and partnership between ECOWAS and the ECA and ATPC, and expressed appreciation on the initiative of the ECA in creating ATPC.

The areas identified includes building ECOWAS capacity in trade policy making particularly for international negotiations at the World trade Organisation and for a new Economic Partnership Agreement with the European Union; to jointly conduct a study and collate data on informal trade in the ECOWAS region; capacity building to the ECOWAS Commission on market analysis tools for trade flow analysis;

Continued on page 5

Continued from page 4

and jointly undertake a study on trade and climate change from a competitiveness, adaptation and resilience perspective.

Other areas for joint activities include gender mainstreaming in trade; and a study of women and trade in ECOWAS – what are the challenges that women traders face within the region – in order to benefit women at the grassroots.

The two institutions will jointly work towards realising the long term objective of ECOWAS, which is to have a common trade policy for the region.

ATPC Conducts a Gender Mainstreaming Workshop

An Inception Workshop on Mainstreaming Gender into Trade Policies was organized by the African Trade Policy Centre (ATPC) of ECA in Addis Ababa, Ethiopia on 21 – 22 April.

The Officer-in charge of ECA’s Trade, Finance and Economic Development Division, Mr. Abdoulati Mahamat, reiterated the important contribution that women traders are making to Africa’s development. “Gender discrimination and marginalization reduces growth by crippling a significant part of a country’s human resources,” he said.

Mr. Mahamat said it was important to build capacity within governments and the private sector for integrating gender analysis in trade policies and assured



participants that ATPC would remain engaged in the effort to place the role of women at the centre of trade policy formulation and implementation.

The workshop’s aim was to strengthen the capacity of African countries and regional economic communities to formulate more gender responsive trade policies. Increasing capacities to mainstream gender analysis into trade policy in Africa will place the continent in a better position to exploit international trade opportunities.

Gender and trade experts examined the important role currently played by African female traders; the impact of current trade policies and practices on women; case-studies of current women traders; and how to achieve greater coordination between policy-makers, gender advocates, business people, civil societies and academia.

Gender and Trade Workshop calls for Greater Sensitivity among Policy Makers

Given the complicated linkages between trade policy and gender equality, there is urgent need for more research and greater gender sensitivity among policy makers.

This was a key call made at the two-day Gender and Trade Training Workshop from 18 – 19 June at the Economic Commission for Africa (ECA) in Addis Ababa, Ethiopia . The workshop was organized by the ECA’s African Trade Policy Centre (ATPC) and the Gender Equality in Regional African Institutions (GEARI) project of the Canadian International Development Agency (CIDA).

Continued on page 6

Continued from page 5



Regional Economic Communities and non governmental organizations based in Eastern and Southern Africa and ECA staff members took part in the training.

Speaking at the workshop, Mr. Abdoulai Mahamat, the Officer-in-Charge of the Trade, Finance and Economic Division of ECA, said the workshop would assist African trade policy makers in considering female voices while designing future trade policies.

“Gender should play a more critical role in the emerging regional trade discourse in Africa. ATPC has unique advantages in promoting gender and trade issues since it is recognised and accepted as a policy advisor to national governments,” Mr. Mahamat said.

Mr. Mahamat pointed out the differential gender impacts of trade policy. He gave the example of the textiles industry in Africa, where more than 80% of employees in several countries are women. Therefore, a trade policy measure that impacts this industry will have a huge impact on women, he said.



In her remarks to the workshop, Madame Therese Poirier, of the Embassy of Canada in Ethiopia, called on participants to ensure that lessons from the workshop are used to improve trade policies in Africa.

“We know Africa is deeply involved in regional integration through a range of economic trade agreements and partnerships. This training will look at how these processes can be made more women-friendly and provide opportunities for both women and men in regional integration practices,” she said.

The workshop called for more research on gender issues that are directly applicable to policy making. It also called on policy-makers to consider including gender assessments when designing trade policies in order to reach a better understanding of the implications for gender equality. These gender assessments will help the governments to design complementary policies for reducing the negative impact of trade liberalisation policies on women, and to identify measures to help women benefit from trade liberalisation.

The training was conducted by a Canadian consultant on gender issues, Ms Nancy Spence, who has worked in gender mainstreaming for many years. She teamed with Dr Liepollo Pheko, a well known trade and gender expert in Africa.

Trade and Environment Training Workshop for SADC and EAC Member States

The African Trade Policy Centre (ATPC) conducted a Trade and Environment training workshop for experts representing Ministries in charge of Trade and Environment from Member States of the Southern Africa Development Community (SADC) and the East African Community (EAC). The training took place in Lusaka, Zambia from 27 to 29 May 2009.



The training discussed the importance of formulating and negotiating effective trade and environment policies taking into account their implication for market access in multilateral agreements.

It emphasized the importance of information and data sharing and exchange, which is an important activity for ATPC. Participants also call on ATPC to establish an information clearinghouse to facilitate access to, and exchange of information on trade and environment, that would include information on all standards, rules, guidelines and legislations, currently applied in African countries, in the field of trade and environment. This database will be a central component of an interactive website to be created.

The workshop also discussed product standards as they constitute new challenges for trade. Inadequate financial resources and insufficient data and information required for analysis are some of the factors affecting Africa's participation in global trade negotiations. Africa's capacity should be enhanced by establishing standards and certification agencies as well as mechanisms that are supportive of facilitating accreditation to recognized bodies.

Africa lacks a functional network of experts and platforms for the promotion of experience sharing and information exchange on trade and environment issues. The establishment of a network of African environmental and trade experts should be given serious thought. The networks should also have sub-regional/RECs levels chapters.

Full details available on www.uneca.org/atpc

Information/Upcoming Events

Expert Group Meeting and Workshop on Enhancing Africa's Participation in the WTO Negotiations Process, 7-8 September 2009, Nairobi, Kenya

ATPC Advisory Board Meeting; September 2009

Joint ATPC and Crown Agents Workshop on Trade Facilitation (Single Window), October 2009

ATPC News is produced by staff of the African Trade Policy Centre of the Trade, Finance and Economic Development Division, Economic Commission for Africa.

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