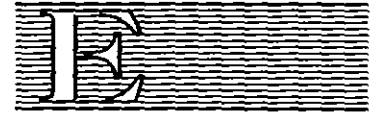


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**Committee on Regional Cooperation and Integration  
Fourth Session**

**24-25 March 2005  
Addis Ababa, Ethiopia**

**Work Programme of TRID:  
Review of activities and priorities for  
the 2006-2007 biennium**

## **REVIEW OF THE WORK PROGRAMME**

**October 2003 - March 2005**

### **I. Review on the Work of the Sub-programme TRID**

#### **1.A Mission of Sub-programme**

The overall mission of the sub-programme is to serve Africa better by promoting trade and regional integration in African countries so that they can attain the overarching development goal of poverty reduction and improving living standards

For the period of review, the specific expected accomplishments of TRID are (a) Improved capacity of African countries for mainstreaming trade in national and sub-regional development policies and for effective participation in bilateral and multilateral trade negotiations, (b) The process of rationalization of regional economic communities (RECs) streamlined as a result of continuous assessment of regional integration in Africa, and (c) Strengthening of national machineries and policy-making for trade development and regional integration

#### **1.B The Committee on Trade, Regional Cooperation and Integration: Background and Recommendations**

The Committee on Regional Cooperation and Integration was established in 1997 to assume the tasks of the former Conference of African Ministers Responsible for Trade, Regional Cooperation and Integration and Tourism Meeting every biennium, it is a useful review mechanism for ECA's current and proposed programmes in the Trade and Regional Integration Division (TRID)

The first session of the Committee, which took place in April 1999, was combined with a forum on "The Challenges of Regional Economic Integration in Africa, with Particular Focus on Resource Mobilization to Support the Process " The Organization for African Unity (OAU), African Development Bank (AfDB), all the Regional Economic Communities (RECs), UNDP, the World Bank, the European Investment Bank, and the African Economic Research Consortium participated in the session Among other things, the Committee reviewed progress made towards the African Economic Community (AEC), and the role of the RECs in fostering the integration process

During the second session of the Committee held in March 2002, members recommended that invitations should also be extended to African experts from academia and the private sector with experience of regional integration issues, in order to enrich the work of the Committee. This recommendation was implemented in October 2003, when the Committee met for its third session

The third session held in October 2003 reviewed the status of regional integration in Africa with a particular focus on air transport development, and explored options for accelerating the process. The ECA secretariat and invited experts presented papers on the role regional integration plays in economic development, options for financing regional integration in Africa, presented a report on the implementation of the Yamoussoukro Decision on air transport liberalization in Africa, and the political dimensions of regional integration. Regarding air transport, the Committee noted that service had not significantly improved across the continent despite the adoption of the Yamoussoukro Decision by African Union (AU) heads of state.

The Committee approved ECA's proposal to collaborate with the AU in studying options for the rationalization and harmonization of RECs as the main institutional building blocks of regional integration. The Committee also recommended that the Trans Africa Highway be extended to South Africa, and that ECA's report on transit transport corridors include South Africa.

### **1.C Major Challenges Facing and Addressed by the TRID**

It has been widely acknowledged that trade is a vital engine for economic growth and poverty reduction. Although global trade expanded exponentially over the past twenty years, Africa's share of this trade, and sub-Saharan Africa's share in particular, has fallen sharply. Between 1980 and 2000, Africa's share of global exports fell from 4.1 percent to 1.6 percent. Reasons for this decline include a deterioration of the terms of trade for African exports, the narrow export base of most African countries, a lack of market access and supply-side constraints.

Moreover, given small size of domestic market, most African countries have been severely constrained in utilizing economies of scale. Small and fragmented market coupled with underdeveloped infrastructure has imposed high transaction costs on African industries and businesses. Cross-border trade and investment flows have been stagnant due to lack of coordination and cooperation between countries. Therefore, regional integration becomes a crucial first step towards achieving greater participation in, and benefits from the global economy.

Although ECA and other actors have been working on trade promotion and regional integration for several years now, the results are not commensurate with the efforts thus far. According to ECA's ARIA, progress towards integration has been very slow, with an array of institutional and political issues needing urgent resolve. Regional institutions are not equipped with the resources, both financial and human, to administer the complex issues on integration. Nation states have also often been slow to ratify and implement treaty obligations, in other words, have been reluctant to cede sovereignty to regional bodies.

### **1.D Main Activities Undertaken to Promote Regional Integration and Impacts**

On the issue of regional integration in Africa, building consensus and defining priorities among a broad spectrum of actors have been the most important task ECA took initiative on these issues by carrying out the African Development Forum III (in 2002) TRID has exerted efforts to promote regional integration in line with the vision highlighted from the Forum

**Assessing Progress toward Integration:** ECA launched a major new publication, *Assessment of Regional Integration in Africa (ARIA)* The publication was produced with advice from a Steering Committee including ECA, OAU/AU and AfDB and with support from the European Union (EU) and the World Bank For tracking progress towards regional integration in Africa from the early years to the creation of the AU, ECA developed innovative performance indicators, which provided a clearer comparative picture of the relative pace of integration at the sub-regional and continental levels The first edition of ARIA qualitatively analysed the content and impact of various policies, plans and interventions In addition to institutional aspects, the assessment covered integration performance in major sectors such as trade, money and finance, infrastructure, natural resources, commodity production, and human resources development The quantitative analysis helped anchor the report with credible statistical measures The report is serving as an objective tool for analysing and spurring member States towards greater action for integration

**Fostering the Regional Economic Communities:** The Regional Economic Communities (RECs) have been declared by the AU as the main building blocs of African integration, and are ECA's main clients at the sub-regional level As such, the Commission and its Sub-Regional Offices (SROs) work closely with the main RECs to harmonize membership strengthen policy and build technical capacity to pursue regional integration Examples of work done by ECA to foster the RECs during the review period include the following initiatives

ECA is collaborating with the AU for the proposal on the rationalization of RECs planned to be submitted to African Heads of States for a decision ECA's forthcoming *ARIA II, which deals with the issue of rationalization of RECs*, will assist African leaders make an informed decision through its in-depth analysis on the costs of current duplication, the benefits of rationalization, and appropriate modalities for rationalization Progress continues to be made in towards the publication including in-depth analysis based on a comprehensive questionnaire The report will produce best practices and policy recommendations for rationalization, which will help Member States, optimize use of limited resources

For successful regional and sub-regional integration in Africa, there is a need to find a sustainable way to finance their integration process, rather than through annual subscriptions from over-stretched national coffers TRID conducted detailed *feasibility*

*studies on the establishment of self-financing mechanisms* by exploring alternative financing mechanisms. Feasibility studies included the COMESA, SADC, and ECCAS. SADC has examined the study for possible adoption. COMESA has reviewed the study in the context of its relevancy with the REC's recent initiative to establish a Development Fund. On the basis of these feasibility studies, TRID organized an Ad-hoc Expert Group Meeting on *Financing Regional Integration*. The meeting examined and recommended alternative sources other than assessed contributions to sustain financing regional integration in those sub-regions and Africa.

TRID also organized an *Experts Group Meeting on Promotion of Intra-African trade* (March 2005) to examine the situation and thus provide the way forward to improve current stagnant situation. Trade linkages in Africa have been very weak even though both economic and political arguments suggest that increased intra-African Trade can foster a regional take-off. Based on in-depth studies, the meeting discussed progress and challenges as well as experiences of some RECs and successful experiences in other regions. With a view to improving the current internal African trading system, the meeting suggested a conceptual framework for more productive African trading schemes required for the successful implementation of regional integration programmes.

### **1. E Strengthening Transportation Infrastructure**

The main sectoral area of ECA's integration work is in transportation. The framework for a good deal of this work was the UN Transport and Communications Decade in Africa (UNTACDA), which ended in 2002. ECA had been the secretariat for this two decade-long effort. It organized a thorough evaluation at the end of this programme. Clear progress was made on policy coherence, as for example in the field of liberalizing air transportation under the *Yamoussoukro Decision*.

ECA has been instrumental in the preparation and adoption of competition rules for air transport liberalization in RECs such as ECOWAS, CEMAC, COMESA, SADC, and EAC. For effective implementation of the Yamoussoukro Decision (YD), ECA built *SSATP programme* with 11 partners in 28 countries, and chairs the SSATP programme. For the implementation of YD, ECA also assisted to mobilize resources to strengthen the Secretariat of ECOWAS and CEMAC.

The Annual General Assembly meeting of SSATP was organized by TRID in cooperation with the SSATP and the Ethiopian government in September 2004. The main conclusion of the meeting included improvement in the level of collaboration with RECs; increased participation of countries in the programme (33 countries joined the SSATP in 2004), increase in the number of donors partners, and the inclusion of road safety in the SSATP action plan.

Furthermore, in collaboration with ECOWAS and CEMAC, TRID organized the “Third Meeting of the Coordination and Monitoring Committee for the Implementation of the YD in West and Central Africa” in Libreville, Gabon in November 2004. The meeting mainly reviewed reports on the assessment of the implementation of the YD that included the number of member countries complying with the YD as well as impacts of the liberalization in their respective sub-regions. The meeting called for speedy implementation of YD and solutions to the challenges facing member countries.

To the extent that effective implementation of the YD requires coordination and feasible action plan in RECs. In this context, TRID, SSATP and the RECs held a joint technical coordination meeting in February 2005 to review REC’s “transport action plan” within the framework of SSATP. A main achievement of the meeting was an establishment of ‘transport coordination committee’ for RECs with an elected chair to coordinate the transport programme between the RECs under SSATP.

TRID provided a forum for the exchange of experiences on the *practices of multi-modal transport* through an ad-hoc expert group meeting. The meeting examined perceived obstacles in the continent and consolidated the recommendations and conclusions of a study on “the development of multi-modal transport in Africa” prepared by ECA. Based on those recommendations, the meeting adopted a future plan of action in order to enhance the use of this mode of transport.

TRID also undertook a study on the best practices related to commercialization, privatization, and corporatization of rail, air, road and maritime transport. The study aimed at examining the current situation in the continent in connection to private sector involvement in transport infrastructure and services provision. It contributed to establish best practices for those countries that are still lagging behind.

The vision of a well inter-connected Africa, however, has not yet turned into reality. The final evaluation called for follow-up work in the sector, and much of the focus is now on NEPAD for that work, particularly for intra-regional connections. ECA played a major role in the preparation of NEPAD’s Infrastructure Short-term Action Plan.

#### **1.F Major Activities Undertaken To Enhance Capacities in Trade Promotion**

As the agenda of the multilateral trade negotiations has expanded in recent years, most African countries have found their capacities inadequate to deal with the complex issues that have emerged in the WTO processes. The heavy workload imposed by the agenda is a mismatch with the small size of many of the Permanent Missions of African countries in Geneva. Many African countries expressed concern at Doha about this. This led the Coordinator of the Africa WTO Geneva Group to request ECA to provide support to the Africa WTO Geneva Group. Against this background, ECA did open an office of *Geneva Interregional Advisory Services (GIAS)* in late 2003.

to support African missions to the WTO and to strengthen African negotiating positions

GIAS has been providing trade negotiation-related technical assistance and capacity building to African countries through the continuous assistance and technical support to the Geneva African Group (AG) in the preparation of their negotiating positions in the DDA as well as in the preparation of their proposals and submissions on various WTO issues under negotiation. The GIAS has been actively participated in the negotiation-related capacity-building activities of the TRID by involved in the organization of High-Level Brainstorming Meetings, workshops, and expert-group meetings as well as research relevant to the AG negotiations including *Cancun Briefing Papers*

GIAS in collaboration with the AU has also supported three retreats for the AG in Geneva to brainstorm on WTO issues. The retreat held in October 2003 focused on the outcomes of the Cancun Ministerial and the way forward. This retreat and the post-Cancun Expert Group meeting held in Ghana allowed African trade experts and ministers to quickly take note of the urgency of making their positions and priorities clearly for the coming negotiations at the WTO. Another retreat organized in May 2004 provided African Ministers and negotiators with an outcome of the main issues and positions before the conference of the AU Ministers of Trade in Kigali (May 2004). The most recent retreat held in October 2004 aimed at, first, undertaking an evaluation and implications of the key issues in the July Package. The retreat secondly aimed at facilitating refinement of strategies for the modalities of the negotiations as well as identifying requirements of future work to chart the road map for Africa's participation in the negotiations up to the 6<sup>th</sup> Session of the WTO Ministerial Conference. Through these retreats, African states are better able to synchronize negotiating positions than in the past.

To expand assistance in all trade-related areas in support of NEPAD's trade objectives, ECA has begun to operationalize the *Africa Trade Policy Centre* (ATPC) since 2003 with the strategic partnership of the Canadian government. ATPC activities have involved advisory services on such issues as accession to the WTO and negotiations on the trade protocol of the African, Caribbean and Pacific Group of States and the European Union (ACP/EU) Agreement, national and sub-regional forums for stakeholders on trade issues, and support to the African WTO Geneva Group.

The ATPC played a key role for major meetings such as the second and third *High-Level Brainstorming Meetings* of African Trade Negotiators. The Centre has undertaken a number of advisory services in response to Member States' requests. It also contributed to the capacity building in trade promotion through publishing a series of relevant policy-oriented research. – (see Annex)

In response to the requests of Member States to be better prepared for complicated WTO trade negotiations, ECA and the AU, in collaboration with the UN Conference on Trade and Development (UNCTAD), WTO, the African Economic Research Consortium (AERC) and the Southern Africa Trade Research Network (SATRN), organized **two High-Level Brainstorming Meetings** of African Trade Negotiators from 26-29 June 2001 in preparation for Doha, and from 11-13 June 2003 (back-to-back with a meeting of Africa's Ministers of Trade) in preparation for the Cancun WTO meetings. These sessions were structured to allow real substance to be debated and real positions to be agreed upon. The positions were later debated by African ministers of trade, and formed the basis for the African Position, both at Doha and Cancun.

With the failure of the Cancun, there was a need for undertaking a comprehensive evaluation of *the implications of the Cancun WTO Conference* for African countries. In this line, the Commission, AU, and the Government of Ghana organized an experts group meeting in November 2003 to assist countries of the region to develop and refine strategies for further negotiations, and identify the immediate research needs of African countries in this context. Further, a training workshop on enhancing capacities in agricultural trade negotiations was conducted in Tunisia in April 2004.

In the context of the Cancun Conference, TRID organized another **Expert Group Meeting in collaboration with Maghreb Arab Union (UMA)** and the Moroccan government in March 2004. With the background paper entitled "*The Status of Multilateral Negotiations: Cancun and its Consequences on Maghreb Countries*", the meeting discussed the impact and consequences of the failure of the Cancun WTO Ministerial Conference on Maghreb countries. It also facilitated the sharing of country experiences of multilateral trade negotiations. The meeting also outlined mechanisms for harmonizing of trade policies within UMA in order to enable the countries form a common negotiating position for Maghreb countries.

TRID also organized an Experts Group Meeting on the **Impacts for Africa of the Multi-Fibre Agreement (MFA) Phase out** in collaboration with Northern Africa SRO and Maghreb Arab Union (UMA) and the Government of Tunisia. TRID presented two papers. The first paper, which formed a major input to the discussion focused on the results, obtained from analytical work that implement the MFA. Several scenarios were provided to these countries on how they could mitigate against the losses by deepening integration among themselves and with major textiles and clothing producing and consuming countries namely Turkey, the EU and the USA. Through the meeting, UMA countries were presented with possible options of how they could deal with the expected negative impacts of the MFA phase out.

To light emerging evidence from trade policy research and analysis in the context of the Post-July Framework, i.e., agreements in the July Package, TRID organized an **Expert Group Meeting on Market Access** in Tunis in November 2004. Besides providing an opportunity to the African trade experts to receive new evidence, the



meeting provided the opportunity for these experts to have deep deliberations that fed into the Tunis Roadmap that charts out the areas of focus during the modalities negotiations at the WTO, and focus on those aspects that more work needed to be done before the Hong Kong Ministerial in December 2005

Furthermore, ECA organized the *third High-Level Brainstorming Meeting* of African Trade Negotiators entitled "*WTO Post-Framework Meeting for African Trade Negotiators and Officials*" in November 2004. The purpose of the Meeting was to assist African countries to develop and refine their strategies for further negotiations under the DDA that includes undertaking a comprehensive evaluation of the outcome and implications of July Package for African countries, and identifying key areas of importance to African countries in the various *modalities* to be negotiated, particularly for agriculture and non-agricultural market access (NAMA) as well as for negotiations on trade facilitation. The brainstorming sessions focused on areas that African countries needed to address pertinent questions that emerged from the *July Package*. The Meeting mapped out a strategy for future negotiations in those areas based on research provided by ECA and key partner institutions

#### **Activities and contributions for EPAs negotiations**

The second phase of *Economic Partnership Agreements* (EPAs) negotiations between ACP/EU countries has begun. Although the EPAs are expected to generate enormous benefits to ACP countries, these will not materialize spontaneously and instantaneously. Moreover, the implementation of EPAs is deemed to impose a number of severe challenges for ACP countries that include managing the expected losses of fiscal revenue, coping with more competition expected to be entailed under the principle of reciprocity, ascertaining net benefits from the EPAs, especially in LDCs, and dealing with limited negotiations capacity. In response to these challenges, ECA undertook a comprehensive impact assessment of EPAs on which Africa can build an effective strategy and positions for successful negotiations with the EU.

To enhance negotiation capacity of each sub-region and RECs, TRID organized three sub-regional Expert Group Meetings in collaboration with respective ECA Sub-Regional Offices – Central Africa SRO, Western Africa SRO, and Eastern African SRO. The objective of these meetings was to examine the main challenges facing the region with regards to the on-going multilateral trade negotiations for the EPAs with the European Union, and at the World Trade Organization (WTO)

In the Central Africa, the meeting focused on the following with four presentations made by the TRID: i) Assessment of EPAs economic and welfare implications for the CEMAC countries; ii) Main results obtained in the July Package; iii) Assessing the implications of the July Package on agriculture, and iv) Assessing the implications of the July Package on non-agricultural market access.

In the Western Africa and Eastern Africa, the meetings focused on the Doha process, market access issues and impact assessment of the EPAs with TRID presentations. The presentation/agenda on Doha process was aiming at helping the Member States to understand where the process started and where it is headed. Two other presentations by the TRID were focused mainly on market access issues for agriculture and NAMA in particular, with scenarios of different formulas for tariff reductions. The Member States were then appraised on the EPAs negotiations with two presentations: the first one was a background study that focused on the implications of the EPAs on SSA with general focus on ECOWAS countries. This was then followed with detailed presentations on country effects of the EPAs.

Through those Expert Group Meetings, Member States were made aware of the potential implications of the EPAs for their individual economies and the sub-region. Moreover, the meetings were appraised on the challenges of some of the principles in the July Package that Member States needed to take cognisance of as they negotiated at the modalities stage. Contributions were also made through certain focuses on the potential impacts of the EPAs reciprocity principle on regional integration in the CEMAC, ECOWAS and COMESA countries respectively. Further to four sub-regional meetings, ECA is to organize a continent-wide meeting to draw common Africa positions for the future negotiations.

#### **1.G Other Technical Assistance and Advisory Services: Cooperation with RECs**

ECA has received a number of requests from RECs for technical assistance in the areas of trade liberalization and promotion, multilateral trade negotiations, and regional integration. While ECA was implementing those programmes, synergy with RECs has been critical for effective delivery of these result-oriented technical assistances.

The technical assistance programmes of TRID included collaboration with (i) Maghreb Arab Union (UMA) to organize an Experts Group Meeting on the status of Multilateral Trade Negotiations and its impact on Maghreb countries that led to a harmonization of negotiating positions of Maghreb countries; (ii) Economic Community of Central African States (ECCAS) and Community of Sahel and Sahara States (CEN-SAD) to conduct a technical study on the establishment of free trade areas in the sub-regions, (iii) ECOWAS to undertake a study of the UEMOA trade liberalization scheme and determine conditions for its applicability to the entire ECOWAS region that will lead to the acceleration of regional integration in the West African sub-region (work in progress); and (iv) UMA to organize an Experts Group Meeting on the Impacts for Africa of the phase-out of the Multi-Fibre Agreement (MFA), providing UMA countries options for addressing the likely negative impacts.

TRID has also rendered regional advisory services that included regular workshops with parliamentarians and civil society on EPAs. For example, ECA made a major presentation on EPAs to African Ambassadors accredited to the AU and to the Ethiopian Government. The presentation examined the challenges that ACP countries

will face during the negotiations and made concrete suggestions on negotiating strategies

In preparing and launching the major publication of the sub-programme, ARIA that aims at providing assessment of the status of regional integration, ECA has worked closely with RECs in all sub-regions of the continent in particular, for external peer review. In the area of transport infrastructure, ECA has been collaborating with RECs in defining appropriate legal policy measures for ensuring the implementation of the Yamoussoukro Decision in COMESA, EEC and SADC. ECA also assist to mobilize resources to strengthen the Secretariat of ECOWAS and CEMAC in implementing the Yamoussoukro Decision.

## **II. TRID Work Priorities for 2006 – 2007**

### **2.A Objectives and Strategic Framework of Work Programme**

#### **Objective of the sub-programme**

To accelerate the effective integration of Member States in the global economy and strengthen the process of regional integration in Africa through promoting intra-regional and international trade as well as physical integration, with particular emphasis on the transport and communications sector

**The expected accomplishments** for the next biennium to attain the objectives of the Division are (i) Improved capacity of African countries to participate effectively in bilateral and multilateral trade negotiations, (ii) Strengthened national capacities for policy-making in the areas of trade for development and regional integration with consideration given to gender equality, and (iii) Increased national capacities to adopt policies and programmes for rationalizing and streamlining the regional and economic communities (RECs) and other institutions of regional integration in Africa

#### **Strategic framework**

(a) In the area of trade and cooperation, the efforts will focus on conducting in-depth policy and analytical studies on trade-related issues, promoting intra-African trade, mainstreaming trade into national development policies and programmes, addressing issues related to the World Trade Organization and the trade negotiations between the African, Caribbean and Pacific Group of States and the European Union, the implementation of a comprehensive trade-related capacity-building, research and training programme for Africa through the African Trade Policy Centre, recently established by the Commission, and the provision of advisory services and technical support to African Governments to enable them to participate effectively in the process of trade negotiations of the World Trade Organization,

(b) In the area of policy and institutional aspects of regional cooperation and integration, particular attention will be given to assisting Member States, the African Union and the regional economic communities in identifying opportunities and challenges at the regional and global levels. This will include enhanced support for the strengthening of sectoral integration at the regional level and continent-wide in the fields of trade, industry, agriculture, money and finance, transport and communications, as well as support for the regional economic communities integrating their programmes with the objectives and programme for the establishment of the African Economic Community Performance indicators for tracking progress towards regional integration at the regional and subregional levels will be also developed,

(c) In the area of transport and communications, support will be provided to infrastructure component of NEPAD, including support to Member States in integrating the new air transport policy into their national transport programmes and monitoring

progress in the implementation of the Yamoussoukro Declaration on the Liberalization of the Air Transport Market Access in Africa, known as the Yamoussoukro Decision

## **2.B Current Challenges and Rationale for Major Activities**

On trade issues ECA has made several important contributions in the area of research, policy advocacy and technical advice. However, all these activities have not led to a significant improvement in the continent's participation in global trade. In many cases, trade policies have been static and applied indiscriminately with little reference to overall development strategy. Most African countries have not succeeded in providing incentives for production and export.

To reverse the trend of marginalization in the global economy, Africa needs to effectively participate in the international trade negotiations on the one hand. On the other hand, effective integration into the global economy requires Africa overcoming non-competitiveness of its industry, the narrow export base of its economies, and small fragmented domestic markets. Thus, ECA needs to continue its support to African countries in trade negotiation issues for them to maximize potential gains and materialize the gains from the negotiations on on-going WTO round and the Economic Partnership Agreements (EPAs). ECA will also exert efforts to assist African countries in mainstreaming trade policies into their national strategies so that trade can play the role of an engine of growth.

While the onset of the African Union now gives ECA the momentum necessary to advance regional integration, challenges facing the continent remain enormous to reap benefits from the integrated African economy. Key challenges include such issues as overlapping of membership and mandates in RECs through rationalization, integration of institutions, and macroeconomic policy-convergence indispensable for economic integration.

Strengthening infrastructure in the continent is critical, in particular transportation so as to enhance regional integration and promote intra-African trade. Despite efforts to integrate transport, gaps still exist in policies and implementation across RECs and countries, which cause high costs of doing business in cross-border transaction and impediments for factors and goods movement. Therefore, ECA need to focus on coordination and rationalization of relevant transport policies and services in African countries.

## **2.C TRID Strategy and Modalities for Programme Delivery**

### **Research and policy analysis**

The research agenda for the biennium will be relevant in terms of responsiveness to a felt problem and need and should either be new research or an additional research to consolidate or add value to existing studies. The issues for research would normally

be drawn from the TRID's objectives, with particular emphasis on the niches confronting Africa's integration and its participation in globalization

#### **Knowledge sharing, outreach and dissemination**

The division is oriented toward and focused on knowledge-based activities. Information will be serving as a raw material for the Division's activities, or processed as a refined product for dissemination to clients. On one hand, underpinning what TRID does and is capable of doing will be appropriate information and database. In this regard, the division's research agenda and activities should benefit enormously from a conscious effort to develop, organize and sustain its information networks and database. On the other hand, in terms of information as a finished product, the division should try to organize and polish its outputs for dissemination to clients. Such information can draw its sources from the division's research findings, past, present and future outputs, results of seminars, workshops, training activities, advisory services, etc. The information as a final product could also take different forms such as flagship publications, working papers, and position and advocacy papers.

#### **Partnership**

As part of its core activities, the division will continuously seek the collaboration and active support of clients, stakeholders, and partners towards fulfilling its objectives for the benefit of its clients (AU, RECs, member states, etc). In all its trade-related activities, ECA will build synergies with other trade-related activities taking place on the continent, such as the Integrated Framework, Joint Integrated Technical Assistance Programme (JITAP), and coordinate its activities to ensure that its contribution is additive. Major partners include UNDP, AU, AfDB, RECs and other UN agencies; as well as African universities, policy and research centres and NGOs, such as the African Economic Research Consortium (AERC), ENDA Tiers Monde, the International Lawyers and Economists Against Poverty (ILEAP), the Southern African Trade Research Network (SATRN), and the Third World Network.

For effective regional integration, ECA will strengthen its partnership with the AU. Synergy with RECs such as COMESA, UMA, ECCAS, and UEMOA will be also strengthened through direct cooperation in such areas as negotiation on the EPAs and demand-driven technical assistances, as well as indirect cooperation with SROs. In the preparation of ARIA, the division will work closely with RECs in all sub-regions of the continent to derive coherent, useful and informative research.

## **2.D Priority Activities in 2006-2007**

### **Promoting Regional Integration**

During the biennium, ECA will continue to promote the merits of regional integration to achieve robust and self-sustaining economic recovery and growth for some years. The *second edition of ARIA (ARIA II)* to be published in 2005 involves a *detailed study on the rationalization of the regional economic communities (RECs)*. It investigates the

long-standing issue of multiple RECs and their overlapping mandates and memberships, and the problems posed for Africa's integration. Comprehensive questionnaires and fact-finding missions are being sent to all 14 RECs to clarify legal statutes, programme coordination, and technical and management capacities. ARIA II will propose policy recommendations on streamlining and coordinating activities and combining expertise to minimize duplication and save scarce resources, and on centralizing RECs in each of the African sub-regions to work more effectively as focal points with AU.

**ARIA III** to be published in 2007 would focus on the challenge of Monetary Integration and Macroeconomic Policy Convergence for African Economies. This issue is important because of the greater payoffs to African economies if there is full monetary integration and policy convergence. ARIA III would examine the appropriate supranational monetary institutions (a central bank) and other institutions needed for a successful monetary union. The report would also analyse the set of convergence criteria needed for the economies of member countries would have to embark on as they move through the transition phase to the adoption of one common currency for the continent. A key component of the report would include a study on the cost and benefits of having the financial markets in Africa integrated.

In addition to the flagship publication of ARIA II and III, the next direction consistent with the NEPAD framework, is to research and create policy dialogue among stakeholders on specific challenges, including the integration of institutions and policies, and policy convergence.

#### **Strengthening transportation infrastructure**

In the area of transportation infrastructure, the Commission will be *promoting the physical integration* of the continent through the establishment of an efficient, safe, reliable and affordable transport and communications system. Supporting transport development within the Sub-Saharan Africa Transport Programme (SSATP) Group and NEPAD, ECA will assist Member States in implementing existing transit and transport agreements, analyze their impact on transport cost reduction along transit corridors in Africa as well as on the movement of people and goods; and compile best practices related to the commercialization and privatization of rail, air, road and maritime services in Africa. In particular, working with AU as the leading regional body, ECA will be the designated secretariat for the implementation of the Yamoussoukro Declaration, one of the formative instruments designed to streamline the development of Africa's airline sector.

ECA will continue to conduct studies on implementation, organize meetings and disseminate information. It will collaborate with the Common Market for Eastern and Southern Africa (COMESA), the East African Community (EAC), and SADC on defining appropriate legal policy measures, mobilize resources to strengthen the Secretariats of

ECOWAS and the Central African Economic and Monetary Community (CEMAC) to implement their commitments

### **Promoting Trade through Capacity Building in Trade Negotiations**

ECA will assist African countries to negotiate international trade agreements that are beneficial to them. In this line, ECA is to tackle two major challenges facing Africa in the area that is the *Doha Work Programme* and the negotiation *Economic Partnership Agreements (EPAs) with the European Union*. A key challenge is to enable African countries to negotiate agreements that are beneficial to them. Therefore, ECA is planning to provide in-depth research and analyses to arrive at informed policy positions, which are then widely disseminated, promoted and defended. Only then will the continent have the capacity to fully participate in, and benefit from international trade.

**Economic Partnership Agreements (EPAs)** A successful EPAs negotiation and agreements (with EU) is important for the framework of Africa's development since the EPAs emphasizes an integrated approach based on partnership and promoting cooperation by combining trade, development aid, and a strengthened political dimension.

Given this background, TRID will continue to focus on assessing the economic and welfare impacts of the EU-Africa EPAs in order to provide strategic guidelines of the EPAs negotiations. The empirical results will highlight sub-regional specific issues (as well as a few country case studies). These technical studies will improve the negotiating capacity of African countries and refine their strategies.

### **Mainstreaming trade into development**

To reap the potential benefits from international trade, there is a strong need for African countries to improve the ability of formulating effective trade policies and integrating them into their national development plans. Despite a general understanding that international trade could play the role of locomotive in growth - and thus an important role in lifting the region from the shackles of poverty, African countries have not been able to reap the benefits of trade yet. One of the reasons for Africa's poor performance is that countries in the region have not successfully integrated trade into their national development strategies and so are unable to exploit the gains from trade.

TRID will examine the trade policy formulation process and best practices including experience of East Asian countries. It will focus on identifying how and why they were able to effectively mainstream trade into their development strategies, thereby draw lessons for African countries <sup>1</sup>

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<sup>1</sup> East Asian countries are often cited as examples of countries that have been able to take advantage of trading opportunities by effectively mainstreaming trade into their national development strategies



### **Advisory Services and Group Training Activities**

In consort with the African Trade Policy Centre (ATPC), TRID will target African trade negotiators and officials based in Geneva and national capitals, parliamentarians, and civil society organizations that are expected to make a major input into trade issues. ECA has already conducted some training courses in collaboration with UNCTAD and the WTO for African trade officials. These courses are expected to continue in the next few years.

ECA will continue to provide *technical assistance* to African countries, in response to their requests, for negotiations within the WTO and EPAs frameworks. It will include assistance to the *government of Sudan for its accession to the WTO*. As the EPAs negotiations are now moving into the regional phase, the Commission is preparing a number of technical assistance missions to RECs in order to assist in building a cohesive strategy for the talks, on the technical detail of the day-to-day progress of the negotiations.

Further technical assistance will be provided for *enhancing trade facilitation* with selected African countries by disseminating the best practice, i.e., the experience of Tunisia in external trade facilitation via Tunisie Trade Net (TTN). TTN has succeeded through automation to reduce significantly administrative delay for Importers and Exporters in Tunisia. In cooperation with ECA, TTN has visited Niger, Mali, Togo, Benin, Gabon, Congo-Brazzaville. Future visits are planned to Burkina Faso, Senegal, Mauritania, Equatorial Guinea and Guinea.

### **2.E Expected Benefits to Member States in the Longer Term**

It is expected that the process of rationalization of Regional Economic Communities (RECs) streamlined as a result of continuous efforts through assessment of regional integration in Africa, as well as coordination and cooperation of policies within RECs and between countries. Regional integration will be promoted further due to ECA's advocacy activities on policy-convergence at the country and sub-regional level. More countries are expected to adopt policies geared toward macro-economic convergence-criteria of regional and sub-regional integration.

In the area of trade negotiation, national, sub-regional and regional capacities will be enhanced that, in turn, will enable African countries to participate in the process of international trade negotiations more effectively. This capacity building will be accomplished through ECA's efforts of eliciting Africa and sub-regional common positions on the WTO and EPAs negotiations that contain the way to maximize and materialize benefits accrued to increased market access, and expanding global trade and investment.

Some Member States will be also expanding their gains from international trade due to increment of their capacities in mainstreaming trade into development strategy and policies at national level. This will be accomplished by ECA's policy advocacy on cohesive trade policies for sustainable economic growth. Also, more African countries expected to adopt national development strategy that aims at economic transformation through diversified products and exports, improved domestic productivity and international competitiveness.

## Outputs for 2006 – 2007

### A. Servicing of Intergovernmental and Expert Bodies

#### 1 *Substantive servicing of meetings*

Fifth session of the Committee on Trade and Regional Cooperation and Integration (in 2007)

#### 2. *Parliamentary documentation*

Report to the Fifth Session of the Committee on Trade and Regional Cooperation and Integration on progresses in intra-African and international trade, trade negotiations in WTO and EPAs, implementation of regional integration programme and transport policies and programmes (one in 2006)

#### 3 *Ad hoc expert group meetings on.*

- i Fostering effective integration in the global economy for Africa through the WTO and EPAs negotiations (one in 2006)
- ii Mainstreaming trade into national development strategies (one in 2007)

### B. Other substantive outputs

#### 1 *Recurrent publication*

Assessing Regional Integration in Africa (ARIA) (one in 2007)

#### 2 *Non-recurrent publications*

- i Securing effective integration in the global economy through trade. Africa's options in the WTO and EPAs negotiations (one in 2006)
- ii Trade policies and national development plans Best practices (one in 2006)
- iii Assessment of policy convergence in Regional Economic Communities (RECs) for effective regional integration (one in 2007) \*
- iv Effective provision of regional public goods Case of rationalization and coordination of transport sector policies and programmes (one in 2007) \*
- v Status of transport development in Africa (one in 2007) \*

#### 3. *Special event*

Fourth African Road Safety Congress (2007)

### C Technical cooperation

#### 1 *Advisory services*

Four advisory services at the request of Member States and Regional Economic Communities for trade policy and promotion, international trade negotiations, and regional integration issues including transport infrastructure and services development

**2** *Field projects*

- I Trade Capacity building, to increase Africa's share of international trade, through the Africa Trade Policy Centre (ATPC)
- II Implementation of the work programme 2003-2007 of the SSATP