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REPORT ON SELF-EVALUATION

Sub-programme 12: Trade Development and Cooperation

Biennium 1992-1993

Trade Development Section

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REPORT ON SELF-EVALUATION 1992 AND 1993

Sub-programme 12: Trade Development and Cooperation

I. INTRODUCTION

1. In accordance with ECA's Agenda for Programme Evaluation 1992-1997 Ref. E/ECA/CM.19/23, the current self-evaluation of the above sub-programme refers to the implementation of activities carried out during biennium 1992-1993.

II. RATIONALE FOR SELF-EVALUATION

2. The Self-evaluation of Sub-programme 12: Trade Development and Co-operation, is being undertaken to assess if the planned outputs and activities have attained their envisaged objectives in addressing the problems ascribed in the Medium Term Plan (1992-1997).

3. It is also intended to assess to what extent the implementation of planned activities have addressed the real needs of member States. The results of the self-evaluation will enable ECA's Conference of Ministers take necessary measures for effective improvement in future plans and it will also help to redefine the objectives of the Secretariat in terms of effectively assisting member States.

III. COVERAGE AND METHODOLOGY

4. This self-evaluation covers the period 1992 and 1993. The most ideal situation would have been to launch an assessment mission to a number of member States to find out the real impact of the activities carried out. Unfortunately no such resources have been made available when this self-evaluation was designed. Another alternative should have been to send a questionnaire form to member countries, for their evaluation of the activities undertaken under this subprogramme.

5. Thus, under the present circumstances the methodology used combines the feedback received from the Conference of African Ministers of Trade (October 1993) for which purpose the outputs were geared and other sources for which feed-back has been received among which we could cite the Trade Bulletin and Flash on Trade Opportunities (recurrent publications of the sub-programme).

IV. OBJECTIVES

6. Strategically the medium-term plan 1992-1997 sets objectives of the sub-programme. The objectives for the biennium 1992/1993 were as follows:

- (a) Assist African countries in their efforts in trade facilitation both at national and sub-regional levels;
- (b) Assist member States in the implementation of the Trade Strategies embodied in "Strategies for Revitalization, Recovery and Growth for Africa in the 1990s and Beyond";
- (c) Assist African countries improve their export performance and foreign exchange earnings;
- (d) Disseminate trade information, assisting in upgrading skills through workshops, expert group meetings, trade fairs and published materials;
- (e) Render technical support to African countries in the International Trade Negotiations.

7. Pursuant to the above objectives, the main focus of sub-programme 12: Trade Development and Cooperation during the biennium 1992-93 was to render assistance to African member States realize the strategy of self-sustaining and self-reliant development through the trade sector. The key components of achieving these objectives were designed at three levels:

- (i) National;
- (ii) Sub-regional; and
- (iii) International levels.

8. At the national level programme aimed at assisting member States overcome obstacles related to domestic trade which continues to be characterized by serious shortages of basic food materials as a result of lopsided distribution channels and marketing policies. Promoting domestic trade aims in particular at re-orienting Africa's production towards domestic demands.

9. At the Sub-regional level the objective was to assist member States develop and expand intra-African trade as an important component towards attainment of the Abuja Treaty. The major thrust here include; the reduction and/or elimination of tariff and non-tariff barriers to regional and intra-community trade.

10. At the international level, programme aimed at supporting member States in international negotiations, alert them of pros and cons of the New International Trade Order, resulting from the emergence of regional economic and trading blocs coupled with the potential threat posed by growing protectionism and discriminatory terms of trade. These underlined the need to assess the impact on

Africa's external trade relations and alert Africa of benefits and potential dangers.

11. Moreover pursuant to these objectives, the programme aimed in particular at enhancing the implementation of the "Strategies for Revitalization, Recovery and Growth of Africa's Trade in the 1990s and Beyond" adopted at a Special Session of the Conference of African Ministers of Trade.

V. ASSESSMENT OF ACTIVITIES UNDERTAKEN IN 1992 AND 1993

A. Promoting domestic trade

12. The studies undertaken reflected on the following main areas which were discussed by the Twelfth Session of the Conference of African Ministers of Trade.

- (i) Enhancing Domestic Trade;
- (ii) Enhancing the Role of Women in Domestic Trade; and
- (iii) Facilitating Development of Rural Trade Through Provisions of Services, Trade Financing and Rural Credit.

13. The studies focused on various factors contributory to the poor performance of domestic trade in Africa's development process. Among the obstacles identified are, inter alia, the lack of infrastructure, financing and an appropriate enabling environment for the development of domestic trade in the rural areas.

14. The studies proposed measures needed to revitalize domestic trade including the promotion of production for domestic markets, rationalization of domestic distribution channels, improvement of physical infrastructures, strengthening of the financial sector and establishment of an effective financial institutional framework in both the urban and rural areas.

15. Women are the major actors in the domestic activities of Africa. In this regard, the process of enhancing their role in domestic trade was given great prominence. Studies undertaken detailed the various factors that have hindered women from gaining full benefit in the activities of domestic trade in spite of their untiring efforts. The report proposed policy measures that are likely to improve women's situation in domestic trade. It particularly heightened the need for the provision of appropriate framework for facilitating advancement of credit to businesswomen.

16. Furthermore, studies were undertaken for discussion with the African experts on trade facilitation mechanisms in rural areas of African countries, with emphasis on financing, services and rural credit. It was also intended that trade facilitation measures in rural areas are to take into account the need to deal with problems such as transportation, marketing and distribution infrastructure.

B. Intra-African Trade

17. In the area of expansion and development of Intra-African Trade, the secretariat devoted its efforts on studies to alleviate declining trend in Intra-African trade; a situation which has been aggravated by continuous prohibitive tariffs and non-tariffs barriers. This has occurred notwithstanding various treaties that have been adopted at the bilateral and sub-regional Level for economic cooperation and integration.

18. A number of studies have been undertaken to try and build a new framework for Intra-African trade expansion and prospects for expanding intra-African trade through planning of production on sub-regional basis. Studies carried out such as "Growth Prospects for intra-African Trade and Elimination of Tariff and Non-tariff Barriers" and "Prospects for Expanding Intra-African Trade Through Planning of Production on Sub-regional Basis" revealed significant constraints encountering efforts to reduce tariff and non-tariff barriers within most of the sub-regional groupings. The studies recommended the accelerated implementation of sub-regional trade liberalization programmes and assistance to be rendered to member States to withstand temptations of resisting change.

19. Pursuant to the Abuja Treaty, ECA has gone ahead to assist member States with a "Manual on the Application of Rules of Origin and Elimination of Tariff and Non-tariff Barriers" (Doc, E/ECA/TRADE/92/1).

20. Other studies prepared such as "Obstacles of Promotion of Intra-African Trade Drawing on Experiences of Sub-regional Economic Groupings" and "New Framework for Intra-African Trade Expansion as an Alternative Solution to problems Emerging from International Economic Situations" discuss the problems hampering intra-African trade and recommended to member States the various measures to be taken.

21. Indications are that lack of attention towards transforming production patterns in African countries contributed to the slow expansion of intra-African trade as countries are unable to respond to the opportunities created by sub-regional markets. Another negative factor is that production is geared to competitive instead of complimentary products. The studies recommended measures to expand intra-African trade which include stable political environment and the harmonization of national and sub-regional development policies and strategies which will be required.

22. The lack of adequate trade information networks, lack of proper exchange of market information between African countries and infrequent contacts between business operators and commercial institutions have long remained to be one of the major obstacles hampering the development and expansion of intra-African trade. It was in order to overcome these obstacles that the Ministerial council of the Organization of African unity adopted a Resolution in September 1967 calling for the organizing an All-Africa Trade Fair.

23. So far six such fairs have been organized and the last one being held in Bulawayo, Zimbabwe in September 1992. There is no doubt to the fact that the Sixth All-Africa Trade Fair has served not only as a forum for exchange of relevant and up-to-date market information but it was also used as one of the important means in the promotion of intra-African trade.

24. At its Tenth Session held in Addis Ababa from 17 to 18 November 1989, the Conference of African Ministers of Trade requested the secretariats of the ECA and the International Trade Centre (UNCTAD/GATT/ITC) to assist the OAU and the Host Country Trade Fair Authorities in the areas of market surveys, technical planning, management and evaluation of the Sixth All-Africa Trade Fair. ECA fulfilled this responsibility by virtue of its being a member of the Organizing Committee. As was the case in all the previous All-Africa Trade Fairs, ECA also has actively participated in the Sixth Fair.

25. It is also in line with the above that the Division continued to regularly publish periodicals such as the "African Trade Bulletin" and "Flash on Trade Opportunities". The main objectives of these publications are to bridge the trade information gap by making the African business community aware of intra-African trade possibilities.

26. The Division also continued to publish occasional directories such as the "Directory of Chambers of Commerce, Industry, Agriculture and Mines" of African member States of the Commission. The last issue (Fourth Edition, June 1993) was expanded to include additional sections giving information on African Ministers of Foreign Trade, Sub-regional Federations of Chambers of Commerce, trade Promotion Organizations, Import/Export Promotion Institutions and Associations operating in the field of trade. This edition was published in conjunction with the First Arab-African Trade Fair.

27. As an interim secretariat of the Federation of African chambers of Commerce, the Division collaborated with the International Business Centre (IBC) of Côte d'Ivoire in publishing an African Trade Directory. The First Volume of such publication which includes the countries of the West African sub-region was issued in 1993. It contains information and data such as country profiles, natural resources, production, trade regulation as well as addresses of trade promotion institutions for each country included in Volume I. The expected impact is that such a directory will be a step forward in decreasing the information gap that has so far been one of the obstacles to the expansion of intra-African Trade.

28. The Section has realized tangible results indicated by the number of requests for assistance in the trade promotion issues, trade information and Trade Fairs. The FLASH publication is a popular publication and widely circulated to about 1,500 readers and users both within and outside Africa. The request for inclusion of offers and demands from several enterprises, both within and outside Africa is a manifestation of the useful information this publication contains.

29. Requests for technical assistance by the Ethiopian Women Entrepreneurs Association in the organization of their first Trade Fair, exhibition and Bazaar helped to get their organization recognition.

C. International Trade

30. The emergence of regional economic and trading blocks and potential threat of growing protectionism and discriminatory terms of trade underline the urgent need for Africa to assess the impact of these developments on its external trade. This is particularly important with regards to Africa's traditional market such as the European Economic Community. In this respect the Division has undertaken studies to review future competitiveness of African products and the implications of the ongoing changes within the Uruguay Round and the impact of East/West rapprochement on Africa's external trade relations.

(a) The Uruguay Round of Multilateral Trade Negotiations

31. The Trade Division followed closely the whole process of the negotiations and strived to inform African policy makers of the developments in the negotiations and its implications, because its outcome is of utmost importance to developing Africa. Documents entitled "Africa's Export Prospects: The Uruguay Round and Beyond" and "Implications of the Current Round of Negotiations on Africa's Trade", were discussed by the Twelfth Session of the Conference of African Ministers of Trade in a Forum.

32. The Conference observed that Africa remained uncertain as to what the conclusion of the Uruguay Round would bring to the continent and its people. The possible benefits from its conclusion are still unpredictable. The Conference reiterated Africa's specific concerns about the negotiations, taking into account that African countries were less equipped to compete and take advantage of expanding market opportunities after the conclusion of the Uruguay Round. As net importing region, Africa would possibly be faced with higher food prices. The Meeting called upon the UNECA, UNCTAD and GATT to assist African countries to adapt to the new world trade system.⁽¹⁾ The Conference discussed the implications for Africa of the emerging trading blocs. The completion of the Single European Market and the challenges it poses for Africa as a major traditional trading partners will require further studies. All these areas need a careful follow-up on a regular basis¹.

See Report of the Technical Meeting of Experts of the Twelfth Session of the Conference of African ministers of Trade (E/ECA/TRADE/93/21) 24 October 1993
Report of The Twelfth Session of the Conference of African Ministers of Trade (E/ECA/TRADE/93/23) 24 October 1993

33. Studies prepared such as "Africa's Competitiveness in the Markets : Past Experiences and Questions for the Future" and "New Markets for Africa's Exports" and "Trends and Development in Africa's Trade and Economic relations with Developed and other Developing Regions" amply discuss the problem and the implications of the ongoing changes on Africa's trade relations.

(b) Review with respect to UNCTAD VIII

34. Advisory mission was undertaken to Zambia in January 1992 on preparations and participation of Africa in UNCTAD VIII. This was pursuant to the request made by the Zambian Minister and the then Chairman of the Conference of African Ministers of Trade who was also the Chairman of the African Group in UNCTAD VIII. The Mission helped in updating pertinent information on the issue and in the preparations for the Conference. Letters sent through the Trade Minister of Zambia helped to increase the number of African participants in the discussions of UNCTAD VIII.

35. A mission was undertaken to Cartagena des Indias, Columbia in February 1992 with the objective of rendering technical backstopping to the African delegations (37 African member States had participated both in the Preparatory and the Conference) and to participate in the Eight Session of the United Nations Conference on Trade and Development (UNCTAD VIII). The discussion focused on the new role of UNCTAD in the face of changes taking place in the international scene.

36. Documents addressing "Review with respect to UNCTAD VIII" (Report on Africa's Preparations and Participation in UNCTAD VIII, document E/ECA/CM.18/14 and its addendum 1; and Implications of the Current Uruguay Round of Negotiations on Africa's Trade, document E/ECA/CM.19/25) were presented to the Thirteenth and Fourteenth Meeting of the Technical Preparatory Committee of the Whole. The same documents were presented to the Twenty-seventh and Twenty-Eighth Session of the Commission/Eighteenth and Nineteenth meeting of the ECA Conference of Ministers held in Addis Ababa in April 1992 and May 1993 respectively.

(c) Issue of Commodities

37. The Division collaborated with other international organizations in specific issues which aimed at improving international trade relations. Such activities for example include the Common Fund for Commodities which held a seminar on "Commodity Development Measures in the Context of International Commodity Strategies". The Division participated in the seminar which discussed among others, steps towards elaborating on international commodity strategies that would improve the situation of the commodity sector.

38. A study prepared on "Africa and the Current Crisis in the International Commodity Agreements" attempted to highlight various measures and specific policies that can help African countries to stabilize the export earnings from commodities. It also pointed out the dependence of the majority of African countries on a few primary commodities. In a discussion Forum on the above topic, the Conference was made aware of a "Coffee Retention Plan" proposed following the meeting of Coffee Producers in Kampala, Uganda and Brasilia. This was in response to drastic fall in coffee prices. The Conference urged that such schemes could be replicated to other major commodities.

(d) Promotion of South-South trade

39. As a result of disappointing achievements in their trade and economic relations with the traditional developed market economy partners, developing countries have in many fora decided to strengthen trade and economic co-operation among themselves.

40. It is therefore the realization of these facts that influenced the establishment of the Afro-Arab Commission pursuant to the OAU resolution CM/Res. 718 (XXXV) which emphasized the strengthening of Afro-Arab co-operation.

41. As one of the means to increase awareness of trade opportunities to the trade operators of both regions, the League of Arab States (LAS) and the Organization of African Unity (OAU) jointly and in collaboration with the United Nations Organizations embarked upon the organization of the First Arab-African Trade Fair which was held in Tunis, Tunisia from 22 to 31 October 1993. A total of thirty three member countries of LAS and OAU participated in the Fair.

42. Trade and Development Finance Division not only actively participated in the Fair but also jointly organized the following major activities of the First Arab-African trade Fair, namely: Symposium of Arab-African Cooperation in the light of International Changes; Symposium on Promotion of the Arab-African Investments; and Symposium on promotion of Arab-African trade.

43. The document on "Development of Chambers of Commerce and Industry and their Role in promoting South-South Trade" discusses the policy actions to be undertaken by African chambers of commerce and industry with a view to taking full advantage of the trade potential existing among African countries themselves and between the regions of the South.

(e) Twelfth Session of the Conference of African Ministers of Trade

44. The Twelfth Session of the Conference of African Ministers of Trade that took place in Tunis, Tunisia from 22 to 24 October 1993 adopted the "Tunis Declaration of African Ministers of Trade on Uruguay Round of multilateral trade Negotiations" and four subsequent resolutions on:

- (i) "Strategies for Revitalization, Recovery and Growth of Africa's trade in the 1990's and Beyond";
- (ii) "Promotion and Expansion of Intra-African Trade";
- (iii) "The Uruguay Round of Negotiations";
- (iv) "Africa and the Crisis in International Commodity Prices".

45. It can be concluded that the activities of the sub-programme which culminated in the Conference of African Ministers of Trade had rendered an opportunity to the member States to discuss pertinent trade related issues and to adopt necessary resolutions for future action.

VI. PROBLEMS ENCOUNTERED DURING 1992 AND 1993

46. The following are some problems identified during the biennium:

- (a) The delivery of outputs was affected by the continued vacancies of key posts in the Division;
- (b) The activities could have benefitted from missions for data collection, however due to the restrictions on travel in the commission, most of the studies undertaken and documents prepared for the Conference of Ministers of Trade were mainly based on desk studies and research;
- (c) Experts Group Meeting could not take place due to the poor responses of invited participants and internal administrative and managerial problems;

VII. CONCLUSIONS AND RECOMMENDATIONS OF THE SELF-EVALUATION

47. The planned activities for the biennium 1992 and 1993 were mainly geared to the preparation of reports and studies to be considered by the Twelfth Session of the Conference of African Ministers of Trade which took place in Tunis, Tunisia from 22 to 24 October 1993. Studies undertaken on other pertinent trade issues are disseminated to member States through various means.

48. The Twelfth Session was an important forum where African Ministers responsible for trade shared experiences, discussed strategies and passed resolutions that pertain to trade. The issues discussed and the resolutions adopted reflect on the activities of the programme.

49. In spite of the various problems that the division faced in carrying out the activities of the sub-programme, it had fulfilled its target and produced tangible impacts by delivering most of its planned activities and a substantial number of ad-hoc activities. The number of requests for assistance for example in trade promotion issues is a good indication.

50. More time should have been given to undertake this evaluation as some of the outputs were completed in December 1993 only. Provision must be made to carry out continuous evaluation of the sub-programme either through questionnaires or missions. The evaluation of the sub-programme could be made on a yearly basis.

51. It is also important to note that because the evaluation is undertaken by the programme manager, resources budgeted be made available at the programme level for undertaking self evaluation in priority areas which call for comprehensive data and information collection at the country level. Self evaluation exercises should be undertaken continuously in tandem with the implementation of the programme delivery of outputs.

DOCUMENTS PREPARED BY THE TRADE DEVELOPMENT SECTION

DOCUMENTS OF 1992

<u>SYMBOL NO.</u>	<u>TITLE OF DOCUMENT</u>
E/ECA/TRADE/92/1	Report on Self Evaluation of Sub-Programme 12: Intra African Trade, TDFD.
E/ECA/TRADE/92/3	The Uruguay Round of Multilateral Trade Negotiations (Note by the Secretariat).
E/ECA/TRADE/92/4	Structure et problèmes de gestion des organismes de Commerce d'Etat (OCE) en Afrique (Propositions de solutions à la Crise des OCE africains).
E/ECA/TRADE/92/5	Politiques et techniques de gestion des importations.
E/ECA/TRADE/92/8	The Situation of Women in Trade in Both the Formal and Informal Sectors: The case of Malawi.
E/ECA/TRADE/92/9	Enhancing Domestic Trade.
E/ECA/TRADE/92/13	Intra-African Trade: A Pillar of Development prepared by OAU/ADB/ECA (Note by the joint Secretariats).
E/ECA/TRADE/92/16	Perspectives du Commerce intra-Africain et ses obstacles y compris les barrières tarifaires et non-tarifaires.
E/ECA/TRADE/92/17	Traditional Trade Financing Mechanisms, their Structures, Role, Functions and Possible Linkages with the Modern Financial Sector.
E/ECA/TRADE/92/19	Mécanismes de stabilisation des revenus d'exportation des pays africains (les accords internationaux de produits de base et les bourses de matières premières).
E/ECA/TRADE/92/20	Manuel sur l'application des règles d'origine et l'élimination des barrières tarifaires et non tarifaires à l'intérieur des groupements d'intégration économique en Afrique.
E/ECA/TRADE/92/21	Intégration des Femmes dans le secteur formel et informel des affaires, (Etude de cas de la Mauritanie).

Recurrent Publications

No: 58/1992	FLASH On Trade Opportunities.
No: 59/1992	FLASH On Trade Opportunities.
Vol.17, 1992	African Trade Bulletin.

DOCUMENTS OF 1993

E/ECA/TRADE/93/1	Facilitation du commerce dans les zones rurales, l'accent étant mis sur, le financemnet du commerce, les facilités et services de crédit dans les zones rurales.
E/ECA/TRADE/93/2	Implications of the Current Uruguay Round of Multilateral Trade Negotiations.
E/ECA/TRADE/93/3	Africa's Export Prospects: The Uruguay Round and Beyond.
E/ECA/TRADE/93/6	Africa's Heavy Dependency on Primary Commodities and Instability of its Export Earnings.
E/ECA/TRADE/93/7	Promotion des écharges Commerciaux Arabo-Africains (Tunis Trade Fair).
E/ECA/TRADE/93/8	Prospects for Expanding Intra-African Trade Through Planning of Production on Subregional Basis.
E/ECA/TRADE/93/15	Africa's Competitiveness in the Markets: Past Experiences and Questions for the Future.
E/ECA/TRADE/93/16	Enhancing the Role of Women in Domestic Trade.
E/ECA/TRADE/93/17	Progress Report on the Implementation of the Strategies for Revitalization, Recovery and Growth of Africa's Trade in the 1990s and Beyond.
E/ECA/TRADE/93/18	Report of the Sixth All Africa Trade Fair and Modalities for Organization of the Seventh All-Africa Trade Fair, Tunis 9-21 October 1993.
E/ECA/TRADE/93/19	Development of Chambers of Commerce and Industry and their Role in Promoting South-South Inter-Regional Trade: Secretariat Note.

E/ECA/TRADE/93/20	Discussion Forum on "Africa and the Current Crisis in Major International Commodity Agreements". An Introductory note by the Secretariat of the UNECA.
E/ECA/TRADE/93/21	Report of the Technical Meeting of Experts of the 12 th Session of the Conference of Ministers of Trade, Tunis, Tunisia, 19 - 23 October 1993.
E/ECA/TRADE/93/23	Report of the 12th Session of the Conference of African Ministers of Trade, Tunis, Tunisia, 25 - 28 October 1993.
E/ECA/TRADE/93/27	New Markets for Africa's Exports.
E/ECA/TRADE/93/28	New Framework for Intra African Trade Expansion - an Alternative Solution to Problems Emerging from International Economic Situations.
E/ECA/TRADE/93/31	Politiques de mobilization et d'accroissement des investissements étrangers dans les industries de transformation orientées vers l'exportation.
E/ECA/TRADE/93/32	Tendances et faits nouveaux dans le domaine des relations commerciales et économiques de l'Afrique avec les pays développés et les autres pays en développement.
E/ECA/TRADE/93/34	Obstacles of Promotion of Intra African Trade Drawing on the Experiences of the Subregional Economic Groupings.
	<u>Recurrent Publications</u>
No: 60, 1993	FLASH On Trade Opportunities.
No: 61, 1993	FLASH On Trade Opportunities.
Vol.18,1993	African Trade Bulletin.
E/ECA/TRADE/DIRC/4	Directory of Chambers of Commerce, Industry, Agriculture and Mines.
VOLUME I	AFRICAN TRADE DIRECTORY.