



COMESA-EAC-SADC Task Force
High Level North-South Corridor Aid for Trade Meeting
6-7 April 2009 LUSAKA, ZAMBIA

ITC: 100% AID FOR TRADE

DELIVERING ON AFRICA'S PRIORITIES

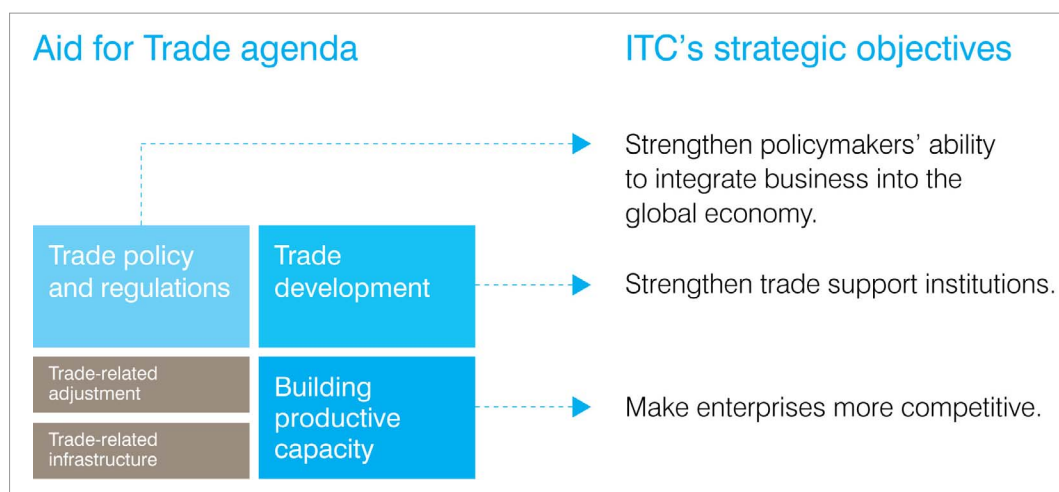
The first Aid for Trade Regional Review for Africa (November 2007, Dar-es-Salaam) set forth nine priorities for Aid for Trade:

- Country leadership and mainstreaming
- Focus on regional projects and integration
- Identify key priorities
- Reduce trade costs
- Mobilize the private sector
- Harness public-private partnerships
- Leverage regional development banks
- Increase and improve financing
- Coherence and cooperation

REGIONAL TRADE FOR GLOBAL GAINS

Developing on the outcome of the Dar-es-Salaam meeting, ITC -- with its mandate of Trade-Related Technical Assistance -- sat with stakeholders and developed a number of new regional programmes in response. Designed to enable more African businesses to compete in global markets, these regional trade development programmes are critical for Private Sector Trade Development and will contribute to the optimization by business of the new North-South corridor.

These programmes are part of ITC's mandate, as the joint agency of the United Nations and the World Trade Organization that enables small business export success in developing countries.



INNOVATION FOR EXPORT IMPACT

Our new regional programmes bring:

- **Stronger support to the private sector by regional institutions**

COMESA, ECCAS and ECOWAS will be better placed to support African exporters with ITC's **Programme for Building African Capacity for Trade (PACT II)**. ITC is working with these institutions to provide a new business model for region-wide and inter-regional trade development services.

Building the capacity of RECs to respond to private sector needs in trade development is the focus of the new programme. By linking the regional economic communities with regional and national trade support institutions, common challenges of realizing the potential of trade can be addressed. COMESA, ECCAS and ECOWAS are each hosting PACT II regional technical advisers who are building new networks among trade institutions in the regions; sharing knowledge on market research and analysis; and providing training on compliance with sanitary and phytosanitary (SPS) and health standards, collective marketing, access to trade finance and better product packaging.

By pooling available resources and expertise, regions achieve economies of scale. Small and least developed countries may not have the resources to establish trade institutions for their own key export sectors. This programme also promotes and aligns the interests of regional and national institutions to regional integration priorities. The outcome will be stronger regional capacity to support trade, build on existing business networks, identify promising industry sectors and rationalizing regional supply chains.

Funded by the Canadian International Development Agency, this CAD\$ 20 million programme is running from 2009 to 2014.

- **Agricultural exports with a regional perspective**

Regional development strategies for agricultural exports for regional and European markets are the focus of ITC's **ACP (African Caribbean Pacific) Commodities Development Programme**. In Africa, the programme targets cotton and textiles; hides, skins, leather and leather products; and fresh and processed food. This European Union-funded programme runs from 2008 to 2013, with Euro 4.1 million for the first phase, and Euro 3 million for the second phase.

The European market and supermarkets in the Southern African Development Community (SADC) region will integrate more small fresh fruit and vegetable producers, largely women, as part of the **SADC Supply Chain Programme**. The programme begins in South Africa, Malawi, Mozambique with the potential to expand to Zambia, Zimbabwe, Lesotho, Swaziland, and Tanzania.

The food crisis opens up opportunities in adversity, to test new approaches. Linking small firms to national and regional supermarkets and export markets through the development of competitive supply chains is just such an example. By 2013, in each country, five institutions will improve their agro-business leadership, ten industry clusters will operate successful agro-food supply chains and four government agencies (customs, Ministries of Agriculture, Trade and Industry) will benefit from supply chain, logistics and market knowledge.

The duration of the programme is from 2009 to 2014, with seed funding of Euro 2 million from the Flemish Government. The programme is expected to expand substantially by attracting funding from additional donors.

MARKET-LED APPROACHES

Market-led, ITC is focusing on opportunities that allow countries along the North-South infrastructure corridor to position businesses to take part in global supply chains that will inevitably rebound after the current financial crisis, and diversify exports beyond commodities. Trade in services sectors and 'green' products need to take a greater share of the African export portfolio.

- **Trade facilitation with a client service culture**

International traders, particularly small firms, feel every bump on the export process road. ITC's Trade Facilitation programme helps exporters and governments to align their investment in trade facilitation in a meaningful and measurable way. Through action-based consultations within the trade stakeholder community, the building of a client service culture at border agencies and establishing a certification process for logistics service providers, international trade can flow more quickly, economically and consistently.

- **Invest in trade in services**

Trade in services underpins all economic activity and are part of global trade in their own right, with opportunities for African countries. New services exports can be developed in the tourism, professional, construction, retail and distribution sectors. Trade in services is essential to overcome the infrastructure and operational challenges associated with the success of the North-South corridor. These services include telecommunications, transport, energy and financial sectors and are essential for competitive agri-business and manufacturing exports.

- **Encourage "green" market opportunities**

Demand for organic foods and sustainable wood products are growing, and environmental technologies can be developed with a view to future exports. Green products resonate with a growing number of consumers with a conscience. These products help preserve forests and reduce pesticides, a development "win-win".

- **Partnerships for private sector development -- with immediate, bottom-line impact**

Linking African suppliers to the humanitarian aid market is an example of ITC's innovative programmes that bring bottom-line impact for business. ITC's **Buying for Africa from Africa** programme encourages international humanitarian agencies to source goods locally and grow local economies.

Lusaka-based Kariba Textiles is a "success story" that demonstrates the benefits of Buying from Africa for Africa. The company, after meeting with the United Nations heads of procurement at an ITC event, secured a five-year agreement to provide blankets for the UN refugee agency (UNHCR) and for UNICEF's emergency relief work. This enabled Kariba Textiles to invest in new machinery, establish a new warehouse closer to market demand and provide technology training for staff. The company improved productivity and product quality, enabling it to meet local and international quality standards. The company increased its turnover and created local employment, increasing its staff from 60 people in 2004 to over 140 in 2008.

- **Continued responsiveness to business through regional support networks**

Standards and packaging are some of the most frequent needs expressed by the private sector. As the regional projects evolve, ITC will phase in more valued-added services. For example, ITC helps Conformity Assessment Bodies (i.e. testing laboratories, competent authorities, certification) get recognized internationally through needs assessment and implementation of action plans. ITC also helps national packaging institutes advance the interests of packaging manufacturers *and* end-users with information, seminars and university-level courses.

A ROAD MAP FOR THE PRIVATE SECTOR

- [The business voice in Aid for Trade.](#)

ITC will work with the business community during the North-South corridor process to highlight private sector concerns, so that the business voice is included in the Aid for Trade process. ITC has a track record in organizing business advocacy events to support inclusion of the voice of business in the Doha Development agenda. The aim is to create a road map of actions to address private sector issues.

ITC also shares inspirational cases of public-private partnership, such as the case study in Ghana to modernize the customs operations. The strategic partnership of a multinational contributed to success and improved Ghanaian export competitiveness. By publishing such examples other African countries can adapt and develop their own approaches for an enabling business environment. ITC also continues to document business interests and concerns through its Aid for Trade and business in trade policy websites.