



ECOWAS AID FOR TRADE REVIEW MEETING

"GLOBAL AND REGIONAL OUTLOOK ON AID FOR TRADE"

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I would like to begin my remarks by thanking President Chambas, Vice-President Jean de Dieu Sonda and his team at the ECOWAS Commission for putting this ECOWAS Aid for Trade Review meeting together. My thanks also to the Nigerian Presidency, and in particular Minister Abah, for hosting us here in Abuja. I also extend my gratitude to our other partners in this event, the African Development Bank, UEMOA and UNECA for the considerable efforts they have made to make this meeting happen. I congratulate President Chambas for his leadership in making this meeting happen.

I acknowledge the presence of Ministers and senior officials from ECOWAS member states, senior members of the diplomatic and development community based here in Abuja and from capitals. Finally, I recognize the presence of the heads of and senior officials from regional and multilateral organizations. I thank you all for joining us at this event. I hope it will prove a catalyst for Aid-for-Trade implementation in the West African region.

The Aid for Trade initiative was launched in December 2005 at the Hong Kong Ministerial Conference. In September 2007, many of us present here today participated in an African Review of Aid for Trade hosted by the Government of Tanzania. We have held two Global Review of Aid for Trade, the first in November 2007 and the second in July 2009. What have we achieved thus far?

It is clear that we have succeeded in raising awareness about the support developing countries, and in particular Least-Developed Countries (LDCs), need to overcome the barriers that constrain their ability to benefit from trade

expansion and reduce poverty. Partner countries are raising the profile of trade in their development strategies and donors are responding by providing increasing resources to build trade capacity - whether in terms of policies, institutions or infrastructure. The flow of Aid-for-Trade resources has increased by 10 percent per year since 2005.

The OECD estimates that the global financial envelope for Aid for Trade reached US\$ 25.4 billion in 2007. This figure was 4.3 billion higher than in 2005. Of this additional US\$4.3 billion, some US\$ 2.9 billion went to Aid for Trade in Africa. Total Aid for Trade to the continent reached US\$ 9.5 billion in 2007. West Africa's share was a little over one quarter –some US\$ 2,7 billion. And despite the more challenging global economic environment, donors have reaffirmed commitments to respect their Aid-for-Trade funding commitments, or even to increase them.

In short, a global Aid-for-Trade partnership has been forged. Our objective at this meeting must be to construct a similar spirit of partnership around Aid for Trade at a regional level. I am confident that under the guidance of President Chambas, Vice-President de Dieu Sonda and his team, with the input of our partners UEMOA, and with the broad participation of ECOWAS member states and development partners we will be construct a similar spirit of partnership. The elements are there in the form of the Community Development Programme, the UEMOA Aid for Trade Strategy, the ECOWAS-wide sectoral programmes, the Development Programme prepared in the context of the EPA negotiations and the Regional Poverty Reduction Strategy Paper. Indeed, in my analysis the challenge now lies in turning collective vision into common endeavours; Passing from strategy to implementation.

The "why" of Aid for Trade for ECOWAS is evident. Indeed, President Chambas outlined the case during the Second Global Review in Geneva in July last year. The region's trade profile is still focused on a narrow basket of commodities, leaving countries exposed to external shocks – a factor which the economic downturn has served to underline. Intra-regional trade is low by international comparisons and hampered by inadequate infrastructure and burdensome regulatory procedures, both formal and informal in nature. Power generation, in cost terms, reliability and network coverage, leaves much to be desired, particularly from the perspective of manufacturing industry across the region.

Attaining the ECOWAS 2020 Vision of a borderless West African region where people are able to move freely and to take advantage of the resources, human and natural, with which the region is endowed requires that these supply-side and trade-related infrastructure constraints be addressed. It means that the right policy environment to facilitate trade must be put in place. This will require action on two fronts: facilitating growth in regional trade and helping the region to take its rightful place in the international trading system.

If the case for Aid for Trade in West Africa is indisputable, recovery from the global recession makes it imperative. The global economic downturn has served to aggravate many of the constraints the region faces and has emphasized the urgency of addressing these needs. Operationalization of Aid for Trade needs to adapt to promote strategies to stimulate recovery.

And the role of WTO in all of this ? Let me recall first and foremost that conclusion of the DDA negotiations would be an enormous stimulus package for the regional and global economy. We are a trade rules' organization. But we recognize that for a substantial proportion of our membership to enjoy the opportunities offered by trade, they need to address the factors limiting their participation in the global economy. Our role in Aid for Trade is thus that of advocacy, analysis and debate. It means using our convening power and monitoring function to mobilize Aid-for-Trade financing, to highlight the needs of our Members and Observers, and to showcase effective Aid for Trade implementation, including through regular reviews. We leave the work on-the-ground to the development community.

And if you want the donor community to come behind a pro-growth agenda, you must identify your priorities clearly, ideally through broadly-based consultations, and reflect them in the national or regional development strategy or Poverty Reduction Strategy Paper. Our Director-General has stated in the past that if you have 100 priorities, you have no priorities. For LDCs, the Enhanced Integrated Framework can play a key role both from the perspective of establishing the appropriate consultative mechanisms and ensuring that priority trade-related activities are mainstreamed into national planning processes. Integrating the priority actions from the Diagnostic Trade Integration Study into the PRSP shows you mean business.

In this regard, I am happy to note that all nine LDCs in ECOWAS are EIF beneficiaries with Guinea Bissau being the latest entrant having validated their DTIS late last year. Three of these countries namely Liberia, the Gambia and Sierra Leone have already accessed funding to assist in

strengthening institutional capacity building and undertaking initial mainstreaming activities.

Improving your business environment also shows you are serious. I am glad to see that the role of the private sector has been given a dedicated session in our programme. Let me be clear. Aid for Trade may be "official development assistance", but what we are looking to do is spur trade. And we cannot talk with legitimacy about Aid for Trade needs or the design and implementation of support strategies without private sector participation. Aid for Trade means, first and foremost, pursuing business-friendly policies.

Aid for Trade is not part of the Doha Development Agenda. It is complementary to the DDA, and important in its own right. Through monitoring and evaluation, our aim is to better bridge the supply and demand for Aid for Trade as a whole and showcase good practice. Over the next two years as we prepare the ground for a third Global Review in 2012, we shall focus more on the path from demand (i.e. mainstreaming and prioritization) to response (i.e. trade-related projects and programmes) through to outputs (e.g., enhanced capacity to trade) and finally impacts (e.g., improved trade performance, lower level of poverty).

An important element of the Work Programme moving forward is to build upon the progress that has been achieved in strengthening the regional dimension of Aid for Trade. We enjoyed particular success in this regard in North-South Corridor Conference held in Lusaka in April 2009. This was the result of the assiduous way in which the tripartite structure of EAC-COMESA-SADC sought to use a flagship Aid-for-Trade infrastructure and trade facilitation programme, the North-South Corridor, to galvanise the

buy-in of domestic stakeholders and international development partners. The Corridor project bundled into one coherent package both hard and soft infrastructure projects along some key trade arteries, such as upgrading roads, railways, ports and one-stop border posts, running north-south from the DRC through Zambia to ports in Mozambique, South Africa and Tanzania. Choosing a sequencing of priorities within SADC-EAC-COMESA which gave emphasis to the North-South corridor does not diminish other needs elsewhere in the region. Instead, it has generated momentum amongst stakeholders to start addressing these other long-standing needs.

None of us are naive as to the difficulties of putting together regional programmes; still less are we naïve of the difficulties in sequencing needs. Supporting regional programmes also poses its own particular challenges for the donor community. But as we saw at the Global Review through the examples of the regional co-operation in the Greater Mekong Delta, the Meso-American Highway and the Initiative for the Integration of Regional Infrastructure in South America, when we get it right, the benefits can be manifold.

Unsurprisingly then, I am keen to impress on the meeting the need to move forward on Aid for Trade implementation in ECOWAS so as to help realize the goals established in the region's own vision of where it wishes to be in 2020. Important progress is being made in this direction.

We cannot talk about economic development in an African context and neglect the key role of agriculture. The Regional Partnership Compact signed in Abuja in November 2009 for the Implementation of the ECOWAS

Agricultural Policy (or ECOWAP) and the Comprehensive Africa Agriculture Development Program is a case in point. Donor funding is coming in behind this sectoral strategy. The challenge now lies in implementation - in turning pledges into disbursements on projects.

The donor community is showing engagement. An important segment of the on-going European Partnership Agreement negotiations concern future development co-operation between the EU and ECOWAS. Individual EU member states also provide a high proportion of the total assistance to the region. USAID and the Millennium Challenge Corporation are active partners in the region. As is Japan through the TICAD process and other initiatives. Other OECD members also have important programmes.

And new partners are also joining the scene. I note that the Islamic Development Bank Group is expanding the portfolio of its operations in the region. I'm not sure that we can call China a new actor in the region. It was when visiting Ghana, Mali and Guinea in 1963 that Chinese Premier Zhou Enlai set out eight principles for China's aid to foreign countries which continue to influence China's relations with south-south partners to this day. What is changing is the intensity of these aid relations. Last year, China announced a doubling of aid to Africa. Other south-south partners, such as India and Brazil, are also upping their assistance to the continent.

Among multilateral partners the African Development Bank is in the process of elaborating a regional integration strategy programme for West Africa. The World Bank unveiled a Regional Integration Assistance Strategy (RIAS) for Sub-Saharan Africa in 2008 and is active in the financing of the West African Power Pool and a broad range of other

different activities across the region. Both institutions are closely involved with the regional PRSP, along with other multilateral and bilateral agencies. UNIDO has been running a project in the area of regional quality infrastructure. ITC is helping ECOWAS with a Programme for building African Capacity for Trade (PACT II). At a more micro-level, the Standards and Trade Development Facility (of the WTO) has been leveraging donor efforts to tackle the problems of fruit fly infestation, which impacts on the region's agri-food exports. And so on, and so forth.

How do we help the region make its 2020 Vision a reality? As I mentioned earlier, the elements are there in the form of the Community Development Programme, the UEMOA Aid for Trade Strategy, the ECOWAS-side sectoral programmes, the Development Programme prepared in the context of the EPA negotiations and the regional PRSP.

The challenge lies in operationalizing the strategies. It means moving from the ECOWAP compact to implementation of bankable projects across the region. As was the case in Lusaka with the North-South Corridor conference, we are happy to rally all sides around implementation.

I hope that this review meeting will be an important spur to Aid for Trade implementation in the ECOWAS region. ECOWAS has the vision. What we need now is "implementation, implementation, implementation" (to paraphrase one delegation at the Global Review last year). In this enterprise, I count on the participation and engagement of all you all.

I thank you for your attention.