



ECONOMIC COMMISSION FOR AFRICA



**REGIONAL WORKSHOP**

**TRADE CAPACITY BUILDING:  
EXPERIENCES IN AN AFRICAN  
CONTEXT**

**Sponsored jointly by  
OECD Development Co-operation Directorate, Development Centre,  
and the United Nations Economic Commission for Africa**

**in collaboration with  
UNDP, ITC, UNCTAD, the World Bank and WTO**

**BACKGROUND NOTE  
&  
AGENDA**

**Mombasa, 26 and 27 August 2002**

**REGIONAL WORKSHOP**

**TRADE CAPACITY BUILDING:  
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*26-27 August 2002*

*Introduction*

Since the late 1980s, most African countries have implemented, albeit at varying degrees, macroeconomic stabilisation and structural adjustment programmes. Trade policy is one of the areas to which reform efforts have been directed in earnest. Countries such as Mozambique and Uganda have made significant progress in opening up their markets to foreign competition, whilst at the same time attracting foreign firms into export-oriented industries. There are positive indications in these and other reforming countries in which both domestic and foreign investments are on the rise. Nonetheless, the supply response thus far has been weak or fragile and export diversification remains a major challenge in Africa's commodity-dependent economies.

African governments are increasingly aware of the importance of strengthening trade capacity\* in order to achieve effective participation in the world trading system and to reap the full benefits of improved access to OECD markets. At present, various regional and international initiatives are being undertaken to help them improve their capacity to negotiate and implement WTO rules. These initiatives must be complemented, however, by simultaneous endeavours at the national level to raise the productivity of domestic firms and improve their international competitiveness.

One of the key challenges in strengthening trade capacity is to put in place a trade policy process or framework which is locally-owned and inclusive of all key stakeholders from the public and private sector and from civil society and academia. What is needed is a solid public - private sector dialogue at the highest level of decision-making. However, these participatory and consultative processes are weak or lacking in many countries and private sector associations often lack the capacity to articulate private-sector interests in the trade policymaking process and to meet new challenges and opportunities arising from the rapidly-changing international business environment. The effective use of information and communication technologies (ICTs) in these processes is a case in point. Development co-operation has an important role to play to this end.

Donors can offer valuable support to strengthening trade capacity if it is demand-driven, well targeted and part of a coherent strategy. A number of initiatives are underway which aim to strengthen trade policymaking capacity through stakeholder dialogue (Joint Integrated Technical Assistance Programme - JITAP) or to strengthen supply side responses and mainstream trade into national development and poverty reduction strategies (Integrated Framework). The WTO Trade Policy Review

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\*. Trade capacity building can be defined as enhancing the ability of partner country policy-makers, enterprises and civil society actors to:

- Collaborate in formulating and implementing a trade development strategy that is embedded in a broader national development strategy. (*The trade policy process*)
- Strengthen national trade policy and institutions. (*Trade policy reform and supply side agendas*)
- Participate in – and benefit from – the institutions, negotiations and processes that shape national trade policy and the rules and practices of international commerce. (*WTO agenda*)

Mechanism, while principally a peer review tool for assessing the status of trade policy reforms, has the potential for strengthening stakeholder dialogue and the trade policy process. Similarly, UNCTAD's Investment Review Mechanism can help to identify the investment capacity constraints and facilitate the process of developing trade and investment strategies. There are also a number of other bilateral and multilateral programmes, which are providing support to the trade development process. It is important that these various initiatives are complementary and based on the particular expertise or comparative advantage of each supporting institution. Systems must be put in place, which allow for enhanced information sharing and co-ordination. The opportunity for dialogue between donor and partner countries on trade capacity building will be valuable in drawing lessons and identifying good practices.

### ***Purpose of workshop***

The aim of this OECD regional workshop is to bring together key stakeholders from the public sector, private sector, civil society, research and regional institutions to foster dialogue on the trade policy process and to identify good practices for donors in supporting this dialogue. National and regional experiences and policy lessons drawn from them will be fed back into the ongoing international initiatives for trade capacity building in the post-Doha context.

More specifically, this workshop aims to:

- Discuss current approaches to trade capacity building in African countries;
- Pinpoint and explore mechanisms through which a participatory trade policy process can be fostered and mainstreamed into the national development and poverty reduction strategies;
- Explore the role of donors in facilitating and supporting the trade policy process;
- Consider tools and methods for strengthening the trade policy process and trade capacity.

### ***Background documents***

Two OECD documents provide a basis for discussion in this workshop:

- *The DAC Guidelines on Strengthening Trade Capacity*, endorsed by the High Level Meeting on 25-26 April 2001, provide a common reference point for the trade, aid and finance communities on coherent approaches to trade capacity building.
- *Trading Competitively: Study of Trade Capacity Building in Sub-Saharan Africa*, prepared by the OECD Development Centre, considers the key obstacles to competitiveness and ways to overcome them in low-income countries in Sub-Saharan Africa.

Both documents emphasise the role of an effective public and private sector dialogue in the formulation of national trade policies and in enhancing competitiveness. While the former highlights the role of donors and multilateral agencies in supporting this process, the latter addresses the question of trade capacity building in six commodity-dependent economies in Sub-Saharan Africa (Ethiopia, Kenya, Madagascar, Mozambique, Tanzania, Uganda and South Africa).

### ***Structure of workshop***

The OECD workshop will be held on 26-27 August 2002 and will be divided into six sessions and one round table as follows:

Session I sets the stage with a view to reach a common understanding on the concept and purpose of trade capacity building in the post-Doha context.

Session II addresses the challenge of building a sustainable trade policy process with strong public, private and civil society participation.

Session III considers the lessons learned from WTO's Trade Policy Review Mechanism and UNCTAD's Investment Policy Reviews for mainstreaming trade and investment in national development strategies and building capacity for trade and investment.

Session IV provides the opportunity for countries in the region to share experiences and identify good practices from the Integrated Framework and JITAP.

Session V considers tools for national and regional stakeholders to strengthen their competitiveness agendas, including the process of developing a trade strategy.

Session VI will conclude this workshop with a discussion summing up key policy lessons and indicating future directions.

### ***Workshop participants***

The workshop is of interest for representatives of the following institutions and organisations:

- Public and private sector from Eastern and Southern African countries
- National facilitators/focal points for the IF and JITAP
- AERC, SATRN and other research institutes and trade policy networks,
- African Capacity Building Foundation
- COMESA secretariat
- SADC secretariat
- East African Community
- UN Economic Commission for Africa
- UNDP, ITC, WTO, UNCTAD, World Bank
- Bilateral and multilateral donors
- AITIC

## AGENDA

### TRADE CAPACITY BUILDING: EXPERIENCES IN AN AFRICAN CONTEXT

*26-27 August 2002, Mombasa, Kenya*

**Monday 26 August 2002**

**8.30 – 9.00**

#### **WELCOME**

**Mr. Richard Carey**, OECD, Development Co-operation Directorate

**Mr. Isaac Chivore**, UNDP Nairobi, Kenya

**H.E. Ms. Amina Chawahir Mohamed**, Ambassador Plenipotentiary of the Republic of Kenya and Co-ordinator of the Africa WTO Geneva Group

#### **SESSION I - TRADE CAPACITY BUILDING – THE POST-DOHA CHALLENGES**

**9.00 - 12.00**

*Chair: H.E. Ms. Amina Chawahir Mohamed, Ambassador Plenipotentiary of the Republic of Kenya and Co-ordinator of the Africa WTO Geneva Group*

*Lead speakers: Mr. Patrick Asea, UNECA, Economic and Social Policy Division  
Ms. Ebba Dohlman, OECD, Development Co-operation Directorate*

*Mr. Ki Fukasaku, OECD Development Centre*

*Discussants: Mr. Patrice Chiwota, UNDP  
Mr. Dominique Njinkeu, AERC*

This session will try to identify the key trade capacity challenges and opportunities for countries in the region, with the view to reaching a common understanding on the concept and purpose of trade capacity building. This common understanding will provide a basis for the two days of discussion. Issues that will be covered include the Doha Development Agenda, the Cotonou agreement, market access initiatives such as the United States' African Growth and Opportunity Act (Agoa) and the European Union's 'Everything but Arms' (EBA), as well as regional trade arrangements. These trade challenges also have repercussions for the national development agenda. The discussion will centre on the following questions:

- What are the regional challenges and opportunities for building trade capacity?
- How do countries in the region reconcile regional and multilateral trade challenges with national development priorities?
- What is meant by trade capacity building in the post-Doha context?

<b>10.00 – 10.30</b>	<i>Coffee</i>
<b>10.30 – 12.00</b>	Discussion resumes
<b>12.00 – 13.30</b>	<i>Lunch</i>

## **SESSION II - FOSTERING A TRADE POLICY PROCESS – STRENGTHENING THE STAKEHOLDER DIALOGUE**

<b>13.30 - 16.00</b>	<b>Chair:</b>	<i>Mr. Raj Makoond, Joint Economic Council, Mauritius</i>
	<b>Lead speakers:</b>	<i>Mr. Samuel Mwaura, Chairman of the Kenya Private Sector Foundation</i>
		<i>Mr. Nimrod Waniala, Director of Private Sector Foundation, formerly senior advisor to the Minister of Tourism Trade &amp; Industry, Uganda</i>
	<b>Discussant:</b>	<i>Mr. Leonard Simwanda, World <u>Tr@de</u> Net co-ordinator, Zambia</i>

This session addresses the challenge of building a sustainable trade policy framework with strong public, private and civil society participation. It will examine the roles of the stakeholders and seek to identify the tools that are available to strengthen the stakeholder dialogue. Speakers are invited to address the following issues based on their concrete experiences:

- What mechanisms are used to foster consultations and co-ordination among ministries and with parliament? To what extent do regional consultations complement and strengthen the national trade policy process?
- What is the role of private sector associations in the trade policy dialogue at national and regional level? How effective are the consultation mechanisms between the public and private sector? How are the interests of the informal sector promoted? What is the role of trade promotion organisations in the trade policy process?
- Are trade-related training and university programmes sufficient at national and regional level to contribute to the trade policy process? How can the contribution of national/regional research be strengthened?
- What are the barriers to building an effective trade policy process?
- How is trade policy mainstreamed into national development agendas? What is the role of donors?

<b>16.00 – 16.30</b>	<i>Coffee</i>
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### Session III Lessons from the Trade Policy and Investment Policy Reviews

<b>16.30 - 18.00</b>	<b>Chair:</b>	<i>Ms. Maggie Kigozi, CEO of the Ugandan Investment Authority</i>
	<b>Lead speakers:</b>	<i>Mr. Khalil Hamdani, Director of Investment Capacity Building, UNCTAD</i> <i>Mr. Rabson Wanjala, First Secretary, Permanent Mission of the Republic of Kenya in Geneva</i>
	<b>Discussant:</b>	<i>H.E. Mr. Ali Mchumo, Deputy Secretary General of the East Africa Co-operation Secretariat</i>

This session will consider lessons learned from the WTO Trade Policy Review Mechanism and UNCTAD's Investment Policy Reviews as tools for strengthening the trade policy process as well as trade and investment capacities. Issues for discussion include:

- How do these reviews strengthen the trade policy process? How can the participating countries make best use of the results?
- How can these reviews contribute to mainstreaming trade and investment in the national development and poverty reduction strategies?
- How are the TPRs and IPRs linked up with JITAP and the IF? What is the role of donors?

Tuesday 27 August 2002

## Session IV - Lessons from the Integrated Framework and JITAP

8.30 - 11.30

**Chair:** *Mr. Leelanda de Silva, JITAP Consultant, UK*

**Lead speakers:** *Mr. David Mohlomi Rantekoa, Principal Secretary, Min. of Trade, Industry & Marketing, Lesotho*

*Mr. Abraham Pallangyo, JITAP co-ordinator Tanzania*

**Discussants:** *Mr. David Luke, Trade, Debt and Globalisation Advisor, UNDP*

This session will consider the experiences of donors and their partners with regard to initiatives such as the Integrated Framework and JITAP with a view to further strengthening these approaches and to identify good practices in this area. It will also draw lessons from the experience of countries in the region in integrating trade strategies into the national development and poverty reduction strategies. Issues for discussion include:

- What lessons can be drawn from country-level experiences from the Integrated Framework and JITAP? Can these approaches be replicated in other countries?
- How can the Integrated Framework contribute to strengthening the trade policy process? How can JITAP support the process of mainstreaming trade into national development strategies?
- What is the most appropriate role for donors? How can donors strengthen the various stakeholders of the trade policy process? What is their role in up-stream 'sensitisation'?
- How can donors better harmonise their procedures and accelerate their disbursements with regard to trade capacity building? How is donor co-ordination managed?

10.00 – 10.30

*Coffee*

## Session V Fostering competitiveness - strategy and partnership

11.30 - 15.30

**Chair:** *Mr. Njuguna Sospeter Ndungú, IDRC, Kenya*

**Lead speakers:** *Mr. Brian Barclay, ITC*

*Mr. Ian Sayers, ITC*

**Discussants:** *Mr. Teshome Kebede, Genuine Leather Craft Pvt Ltd Co, Ethiopia*

*Ms. Florence Kata, Uganda Export Promotion Board and JITAP facilitator*

This session will consider tools for strengthening the public-private sector dialogue, the trade strategy-making process and for identifying and resolving obstacles in the value chain process. Specifically it will, be an opportunity to test the relevance and usefulness of some of the new tools, such as the "Secrets of Strategy" template currently being developed. It will also be an occasion to present and discuss outcomes from national workshops on the value chain concept. Some questions to consider include:

- How do the existing tools address obstacles to effective public-private sector dialogue?
- What are the lessons learned through the use of these tools? What can be done to maximise their effectiveness?
- What new types of tools would contribute to strengthening the trade policy and competitiveness agendas?
- How are these tools utilised to support the process of mainstreaming trade into national development strategies? What are the links to the IF and JITAP?

**12.30 – 14.00**      *Lunch*

**14.00 – 15.30**      Discussion resumes

**15.30 – 16.00**      *Coffee*

## **Session VI    Summing up and ways forward**

**16.00 - 18.00**      *Chair:*                      **Mr. Patrick Asea, UNECA**

*Commentary:*            **H.E. Ms. Amina Chawahir Mohamed, Ambassador Plenipotentiary of the Republic of Kenya and Co-ordinator of the Africa WTO Geneva Group**

**Mr. Henri-Bernard Solignac-Lecomte, OECD Development Centre**

**Mr. Richard Carey, OECD**

### ***Open discussion***

This last session will conclude this workshop with a discussion summing up key policy lessons and indicating directions for future progress in creating effective national trade policy processes. It will also explore how developing countries can influence and make best use of the evolving set of tools and frameworks for trade capacity building, including tools which they can use to monitor their progress.

Each participant will be requested to fill in a workshop evaluation questionnaire in the beginning of the session indicating also action points for their organisation/country.