



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 and UNCTAD**

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Draft report for comments

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This note contains:

- 1. Introduction**
- 2. A summary of discussions at the Mombasa regional workshop, 26-27 August 2002**
- 3. A summary of the evaluations filled out by participants at the workshop**

Glossary

DAC	OECD Development Assistance Committee
IF	Integrated Framework on Trade-Related Technical Assistance for Least Developed Countries
IPR	UNCTAD's Investment Policy Review
OECD	Organisation for Economic Co-operation and Development
NEPAD	New Partnership for Africa's Development
JITAP	Joint Integrated Technical Assistance Programme to Selected Least Developed and Other African Countries
PRSP	Poverty Reduction Strategy Paper
TCB	Trade Capacity Building
TPRM	WTO's Trade Policy Review Mechanism
UNECA	United Nations Economic Commission for Africa
WTO	World Trade Organisation

INTRODUCTION

1. The Mombasa Workshop brought together some 86 participants, essentially from East African countries, of which a third were women, to:

- Discuss current approaches to trade capacity building in African countries;
- 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.

2. The OECD contributed two background documents. The Workshop provided an important opportunity to test this work:

- *The DAC Guidelines on Strengthening Trade Capacity for Development*, 2001, which provides a common reference point for the trade, aid and finance communities on coherent approaches to trade capacity building.
- *Trading Competitively: A Study of Trade Capacity Building in Sub-Saharan Africa*, which considers the key obstacles to competitiveness and ways to overcome them in six low-income countries in Sub-Saharan Africa.

3. The Workshop took place against a background of growing co-operation among African countries on their trade agenda. This is exemplified by the WTO Africa Group's preparations for Doha, the African experience to date with systematic approaches to trade capacity building, such as the JITAP and the Integrated Framework, the strong trade and investment content of NEPAD, and new initiatives to build regional institutions for developing African trade policy expertise.

4. The Workshop was characterised by the representation of a broad range of African voices – from governments, regional organisations, the private sector, civil society and the research community – coming together to discuss how Africa can decisively increase its capacity to generate much higher growth and poverty reduction through effective participation in dynamic flows of trade and investment. There was a strong commitment among the African participants to shift the centre of African trade knowledge to Africa with the UNECA becoming the regional institutional anchor for this process. The Workshop was perceived as an important capacity building exercise in its own right – enabling the creation of a regional surveillance capacity to monitor implementation of Doha commitments and subsequent follow-up actions such as through the Integrated Framework and JITAP.

5. There was a clear desire from the Mombasa participants that the OECD disseminate results of the workshop, follow up by feeding good practice discussions into the development policy community and support the efforts of the Africans to take forward their regional networking. The DAC Guidelines were validated in the African context and the Development Centre study was highly appreciated by the participants as providing a roadmap towards export diversification and enhancing competitiveness. There

were specific requests for organising further regional workshops, such as in Asia, and preparing background papers for them.

6. The summary of the Workshop is attached to this note (see also www.oecd.org/dac/trade for further information, including the list of participants and written materials).

PROVISIONAL SUMMARY OF PROCEEDINGS

I. Making trade work for African development: the challenges of trade capacity building after Doha

7. Ambassador Amina Mohamed from Kenya, Chair of the WTO Africa Group, set the tone in her opening remarks, by recalling that trade capacity building (TCB) in the context of the Doha Agenda is one way “to make trade work for development”. Negotiations and implementation of WTO rules and disciplines must be made relevant for the development objectives of the Africans. Others emphasised that it is only Africans themselves who can define their development agenda and trade capacity must be strengthened to reflect these development and pro-poor objectives in their negotiating positions.

8. African countries have become considerably more active in the multilateral trading system since the Uruguay Round. However, the trade capacity gaps with the rest of the world remain large and may be increasing. The growing complexity of global markets and the new challenges of the multilateral trading system which include “behind the border” (or “border-in”) requirements confront developing countries with major competitiveness and policy challenges. African countries may be among the least well prepared of all with their small economies and limited capacity to operate within complex trade negotiations processes. Having to reconcile the competing demands of regional, bilateral and multilateral trade negotiations and agreements further stretches African capacity in trade and trade policy.

9. Strengthening the institutional and human resource capacities to overcome these challenges and generate the “supply-side” capacities to exploit emerging opportunities in the regional and global economies will require new approaches, improved co-ordination and a significant scaling up of local, regional and international partnerships. A “new culture of capacity building” is needed – one which can help reinforce Africa’s capacity to identify its interests in and influence on international trade policy discussions and negotiations, and identify strategies for effective “supply-side” responses.

II. Clarify the scope of trade capacity building, based on African countries’ own strategies

10. The paths towards strengthening the participation of firms in global markets and of governments in the multilateral trading system are inextricably linked. Comprehensive approaches are required which address *trade policy* constraints together with constraints in *producing and getting products to markets*. Trade capacity building must embrace both the short-term WTO negotiating and implementation agendas with the longer-term supply-side development agenda. Trade capacity building should include also the capacity to influence the agenda setting of international trade rules. And it should not focus solely on compliance with those rules, as market access alone has limited benefits if supply-side issues are not addressed. Finally, the focus should be on imports as well as exports. Increased technology transfers via imports of advanced goods and services is itself a form of capacity building.

11. Delivery of trade capacity building must be based on *the country’s own trade strategy*, which is itself part and parcel of the overall economic and social development strategy. Yet few African countries have an adequate policy framework for elaborating such strategy. The trade policy process is itself an

important part of policy outcomes and should not be overlooked. Few African countries therefore have national trade strategies, and consequently, no clearly identified objectives and priorities. Defining TCB needs to start *at home*: by preparing a comprehensive trade strategy, based on a realistic diagnostic of the trade potential of the country and supply-side bottlenecks. At this early stage, the neutrality of external assistance should be ensured for ownership to be genuine. Various externally-funded processes provide useful support to trade and investment analyses at country level. These include the WTO Trade Policy Review (TPRM), UNCTAD's Investment Policy Review (IPR), the Diagnostic Trade Integration Studies of the Integrated Framework (IF), and JITAP. But these processes cannot be substitutes for the country's own efforts towards the elaboration of a national trade strategy.

DAC GUIDELINES APPLIED TO THE AFRICAN CONTEXT

- Trade capacity building is a collective responsibility of national and regional actors, requiring commitment and long term investment in people, institutions and dialogue.
- Trade capacity building should be comprehensive and integrated, addressing both supply side challenges and WTO negotiating and implementation agendas. Improving the conditions and the capacities for the private sector to produce for global markets, diversify exports and enhance competitiveness is essential to the process.
- A key objective of trade capacity building is to develop and institutionalise a trade policy process through stakeholder dialogue among a broad range of governmental and non-governmental actors from the public and private sector together with the research community and civil society.
- The trade strategy should be embedded in national development and poverty reduction strategies. A strategy will enable the creation of a country-owned action plan that identifies priorities, roles and actions for national, regional and external actors.

LESSONS LEARNED AND WAYS FORWARD

- Shift the centre of African trade knowledge to Africa by strengthening local and regional networking capacity. Regional organisations such as the UNECA are institutional anchors for such networks.
- Foster a new “culture of capacity building” through sharing of information and knowledge, learning by doing, networking and pooling of resources at the national, sub-regional and regional levels. Empower key stakeholders through strengthened dialogue mechanisms in the public and private sectors and civil society to take active part in the trade policy process.
- Enhance multidisciplinary, applied national and regional research capacity, which meets the needs of public and private sector actors.
- Streamline and co-ordinate trade capacity building activities and programmes, based on needs and priorities defined in the country. Foster commitment among aid managers in the field to respond quickly and effectively to prioritised needs.
- Integrate Trade Capacity Building and private sector development activities more closely, as trade, investment and entrepreneurship are all closely intertwined.

Trade capacity building can be defined as creating participatory national processes to:

- Formulate and implement a trade development strategy that is embedded in a broader national development strategy. This involves establishing a national trade policy process able to set agendas and identify clear objectives.
- Strengthen trade policy and institutions as a basis for reforming trade regimes, improving volume and value added of exports, diversifying exports and increasing FDI. This involves working on trade policy reform and the supply-side response.
- Participate in – and benefit from – the institutions, negotiations and processes that shape international trade policy and trade rules and practices. This involves interacting with the WTO agenda from a country-specific perspective.

(ref.: DAC Guidelines on Strengthening Trade Capacity for Development)

III. Foster African stakeholder dialogues for sustainable and locally owned trade capacity building

12. All participants strongly underlined the need to include and actively engage non-state actors in the trade policy process. It is particularly important to bring enterprise level concerns into the process and to empower their associations to co-ordinate views and messages. Many key actors in the trade policy framework have frequently been marginalised. Mauritius is a telling example of how policy is enhanced by a legitimate and institutionalised public/private sector dialogue. The more complex the issues, the more dialogue is needed in order to reach a common understanding of the challenges confronting the country, and a common approach to addressing them.

13. The aim of the dialogue is to define actions both to strengthen the government's positions in international trade negotiations, and to improve the business environment for firms at home. On the policy side, for example, African countries are often not in a position to assess the actual implications of policy options they are presented with in the WTO: here, consultations with the private sector could greatly help optimise "requests" and "offers" in negotiations. On the supply-side, dialogue should lead to an improved understanding of needs for a trade-friendly macroeconomic environment and appropriate infrastructure, greater access to international standard market research and trade support services, ultimately leading to export diversification, enhanced competitiveness and stronger FDI-induced backward linkages.

Dialogue at the local, regional and international level contributes to capacity building through a continuous process of sharing information and knowledge. Consultative processes help to:

- improve the understanding and ownership among key actors of their trade options and strategies;
- identify the needs and constraints to production and trade confronted by traders;
- clarify the implications of trade agreements and policies on the productive sectors;
- link up trade competitiveness and WTO agendas;
- set objectives, prioritise and monitor progress; and
- ensure policy neutrality of external assistance and capacity building.

Identify and engage key stakeholders

14. *Intra-governmental consultation and co-ordination* is often inadequate in Africa (as in many other developing countries). All relevant Ministries and Agencies should be engaged in the process, with clearly allocated roles and division of labour. The Ministry of Trade plays a key role in this context. This process of consultations will contribute to coherent approaches to trade capacity building in which the trade agenda is closely integrated with the development and poverty reduction strategies of the country.

15. *The voice and influence of the private sector* is critical to the trade policy process. With first-hand knowledge of the specific opportunities and constraints to trading in international markets, its role in the trade policy process and articulation of negotiating positions is essential. A wider range of private sector actors should be engaged in consultations to help policy makers better understand the impacts of trade policy and domestic regulations on producers. The concerns of small and micro enterprises should be considered as well. Their concerns are somewhat different from those of larger corporations; speaking with one voice has been difficult and they often do not belong to associations providing services. This raises a question of how to take account of the concerns of small scale producers and women entrepreneurs, including in the rural areas and the informal sector (who often account for the bulk of the production exported) and translate these often diverging views into co-ordinated positions. The importance of creating and strengthening private sector associations which provide advocacy and services was emphasised in this regard.

16. *Key actors from civil society* should also be consulted. They can help identify potential poverty, environmental, consumer and gender impacts of trade policy and domestic regulations. They may also be well-placed to reach out to the unorganised producers mentioned above, and to help them participate in the dialogue. But they themselves will need support to better understand the trade agenda and to influence its direction in ways that meet their pro-poor needs and agendas.

17. Finally, the *research community* must be harnessed to meet the needs of the country and region in terms of studies, training and teaching. There is a need for more training of young people to work with the private sector on long term development issues. Disciplines other than economics – e.g. law – need to be brought into studies and training programmes, as the agenda is of a multidisciplinary nature. A key to ownership and sustainability in the longer run is to include trade and investment-related issues in university curricula for public and private sector management studies. This would create lasting capacity within the country when the donors disengage.

Establish credible and effective mechanisms for dialogue

18. Developing a *credible mechanism* for dialogue with a clear and realistic mission is fundamental for its effectiveness. It also sends an important political signal indicating commitment to the process. Participants stressed that Inter-Institutional Trade Committees set up or strengthened under JITAP have helped to make a difference, as a comparative study with non-JITAP countries has shown.

19. The shape and extent of the institutional framework that will bring stakeholders together in the trade policy process necessarily depends on each country's specific context.¹ However, some general principles hold:

¹. For instance, in Tanzania, the President chairs the public/private dialogue institution, while in Mauritius, such an arrangement would contradict the very principles of the dialogue.

- Dialogue needs to be anchored in an institution with a credible legal foundation, with high level leadership, as well as a solid financial and technical base.
- Building trust between the public and private sectors and with the civil society takes time. A dialogue will not necessarily be harmonious: stakeholders will have different interests, and trade policy reform will bring “winners” and “losers”, thus creating tensions and resistance to change from certain groups. The very aim of the dialogue process is to let those various interests be voiced, identify potential consensus points, and find creative solutions for compensating the “losers”.
- Firms themselves need to adopt a more proactive strategy, based on clearly identified needs and objectives. Greater involvement in policy formulation and implementation should for instance help address the observed mismatch between government policies and exporters’ needs in the provision and use of trade-support services.
- A key element for fostering a meaningful dialogue is the reform of business advocacy institutions, such as chambers of commerce and industry and business associations. These are important conduits between their members and policy-making bodies. The private sector may more easily articulate its interests by creating an umbrella or apex organisation to co-ordinate the many actors in the dialogue with government.
- The value-chain approach² can provide useful templates to identify bottlenecks, and ways of reducing transaction costs and enhancing efficiency. One key benefit of the approach is to engage all actors in the value chain in the development of an export development strategy, including informal clusters, non-exporting suppliers, regulatory authorities, trade finance institutions and other intermediaries. Public/private sector dialogue helps develop a common understanding of trade challenges and opportunities, an understanding of where the weakest links in the chain are, and what capacities need to be reinforced. It may also be a way of addressing the lack of sub-contracting culture in the African countries.

IV. Foster co-ordination and enhance synergies in trade capacity building efforts in Africa

20. Some successes and best-practice cases in Trade Capacity Building (TCB) were highlighted during the workshop, but many shared the feeling that past efforts, especially prior to the late 1990s, had yet to deliver the results. While one participant noted that the “lack of resources has never been a reason for lack of impact”, several participants pointed to the pervasive lack of co-ordination and the proliferation of initiatives, describing TCB as “a jungle”. Indeed, more co-ordination – as advocated by the DAC Guidelines – would be useful, but in reality “nobody wants to be co-ordinated”. Lesotho nevertheless provided an interesting case, where strong political leadership and propitious timing contributed to local ownership and effective co-ordination of several different processes including the Integrated Framework, the Poverty Reduction Strategy Papers (PRSP) process, the Trade Policy Review Mechanism (TPRM) the Investment Policy Review (IPR).

21. A major factor undermining co-ordination and effective delivery is the lack of national trade strategies with clearly identified priorities and actions. Where national administrations are weak, and non-

² The value chain approach builds on the idea that products have to go through a sequence of activities in their journey from raw materials to the consumer - including production, packaging, transporting, inspection and distribution. The key question is how these different activities are co-ordinated, particularly when the value chain crosses national boundaries.

state actors not well organised, absorption capacity for TCB is low. Upstream awareness raising is needed to inform stakeholders and address urgent implementation capacity gaps to increase ownership. The UNDP has played a key role here to sensitise stakeholders to the issues in the context of the Integrated Framework.

22. Participants urged donors to support governments in their dialogue with stakeholders. At the same time the knowledge and capacities of trade-related issues of the private sector, research community and civil society are limited. They therefore need to be actively empowered through information networks, and involvement in donor-sponsored projects and programmes, including for strengthening their institutional and advocacy capacities.

Integrated Framework

23. The application of the revised Integrated Framework provides a way forward for countries wishing to mainstream trade into their development strategies (e.g. PRSP). The programme is, however, still in an early phase and best regarded as “work in progress”. Nonetheless, many countries are interested in applying the IF model. Lesotho again provided a useful example of how the mainstreaming of trade into poverty reduction programmes can be facilitated through political leadership and donor support. The PRSP is a key input in national development strategies and an important tool for mainstreaming trade. However, because the PRSP was conceived as a condition for debt relief and focuses on social sectors, it tends to narrow the focus of the development agenda – instead of broadening it – away from productive sectors and international trade. The current efforts to enlarge the scope of PRSPs is therefore crucial.

Joint Integrated Technical Assistance Programme (JITAP)

24. JITAP was appreciated by many participants as having helped to build trade capacity and prepare countries for trade negotiations. It is perceived as having contributed to stronger private sector associations and institutionalised dialogue mechanisms. However, it is undergoing a review process, with donors yet to decide whether to continue the programme. JITAP and the IF were seen as complementary programmes in the process of improving their co-ordination. Close interaction between the two processes is essential and indeed, they might ultimately be fused at the country level.

Trade Policy Review Mechanism (TPRM)/Investment Policy Reviews (IPR)

25. While approaches such as the TPRM and IPR were welcomed as contributing to strengthening the trade policy process in some countries and to building trade capacity in others, scope for improvement was noted. “A major weakness of the TPRM is that it deals primarily with compliance, assuming that the trading system is perfect”. It could be broadened to also cover market access issues, and thus add a “development dimension”. One participant suggested that the TPRM should include a section on trade and development, drawing from experiences with the IF, PRSP and other national processes. Follow-up could also be improved, so that results are communicated to all stakeholders of the country reviewed, and donors can respond to problems identified through the IF or JITAP.

Lessons for donors

26. Donors and their partners can draw lessons from their experience with these processes and approaches. Participants' recommendations for donors included the following:

- Customise approaches to local contexts and adapt to changing circumstances;
- Improve follow up, including through enhanced linkages between trade capacity building programmes and national development and poverty reduction strategy processes.
- Strengthen engagement of bilateral donors on the ground. This requires enhancing their own knowledge of, and capabilities for trade-related issues. A clear division of labour among donors and clarification of roles (e.g. the role of lead donor/facilitator) would contribute to co-ordination efforts.
- Improve communication and information flows between the trade community in Geneva on the one hand, and donors in headquarters and in the field on the other hand; ensure convergence of bilateral and multilateral TCB.
- Provide quicker and more reliable access to donor funds, including seed money for private sector associations. Aid needs to be better targeted to appropriate institutions.
- Integrate donors’ trade capacity building efforts with private sector development activities to ensure linkages between local, regional and international markets.

V. Strengthening African Regional Co-operation and Networking

Suggestions for African initiatives include the following:

- Shift the centre of African trade knowledge to Africa. Regional organisations such as the UNECA with its creation of a new trade centre as well as training programme for trade at the African Institute for Economic Development and Planning (IDEP) are important institutional anchors for such networks. DFID expressed a willingness to support such regional networking initiatives.
- Follow up regional or sub-regional level workshops with a more focussed discussion – perhaps centred around concrete case studies and sharing of good practices and involving stakeholders from Asia. Ambassador Mohamed expressed interest in having a follow-up meeting take place in Mombasa. Some others recommended holding national workshops.
- Engage the indigenous research organisations and universities. Bring together Deans of African universities with trade policy makers to ensure the inclusion of trade and investment related issues in university curricula on the one hand, and a better match between the supply and demand of research on the other hand. Strengthen also business management training through partnerships with well-known business schools. The experience of the African Economic Research Consortium (AERC) in running a Masters Training Programme may provide guidance in this regard.
- Initiate a review of the IF/JITAP with active participation from developing country stakeholders. The UNECA or other regional organisation could organise a workshop with support from a donor to assess experiences and make recommendations from a field perspective.
- Create a dedicated trade capacity building website/newsletter to meet a general need for information in this area. It could include information about various donor programmes,

agenda of events (IF and JITAP), contributions from practitioners in the form of good practice reference papers, case studies, new literature, etc.

- OECD to send out a follow up questionnaire in 6-9 months time to hear if and how the workshop has resulted in actions/workshops/greater dialogue and influence by participants in the trade policy process.

SUMMARY OF EVALUATIONS (59 RESPONSES)

Key points:

- General appreciation of the workshop as a valuable learning experience and opportunity for networking with TCB practitioners.
- Strong endorsement of the need for public sector dialogue with a wide range of private sector and civil society actors, greater involvement of indigenous research institutes and universities was emphasised.
- Strengthening capacity to produce (supply side) should be given more weight in TCB programmes and better linkage is needed between trade policy and supply side challenges - developing export strategies and applying the value chain concept were appreciated in this respect.
- Donors must co-ordinate better and customise their responses to needs identified by partner countries.
- TPRM/IPRs are valuable but should address concerns of countries, including poverty reduction, and be strengthened as a genuine tool for development.
- IF/JITAP approaches were appreciated - the two processes should be better co-ordinated and streamlined with adequate funding and more rapid implementation.
- Great demand for follow up in the form of concrete case studies and sharing of good practices.

I. OVERALL IMPRESSION

1. When asked for their overall impression, participants rated the workshop 4.3 on average, with 5 (Very productive) being the highest score and 1 (Not productive) the lowest. (See annexed presentation)

II. ORGANISATION

2. The organisation of the workshop was considered smooth and efficient. Some of the participants would have liked the workshop documents to be distributed in advance. Other critical points included the late transfer of funds and insufficient information about practical arrangements.

3. Participants were overall satisfied with the conference facilities, with the notable exception of the poor public address system. The hotel and restaurant were somewhat less appreciated with comments on the bad service, rooms without TV/radio, loud music and rusty tap water. Some participants indicated that a sightseeing tour and bags with the OECD logo would have been appreciated.

III. AGENDA AND DISCUSSIONS

4. Participants were generally highly satisfied with the agenda and discussions. Many argued that to be able to have in-depth discussions on such a broad (some say too broad) agenda, more time would have been necessary, such as an additional day, tighter chairing to better focus discussions, break-out groups and less formal presentations. Others were of the opinion that there was plenty of time for discussion.

5. The chairs/speakers/discussants were overall considered to be good and knowledgeable, even though in one session speakers were criticised for being too descriptive rather than analytical. A few participants would also have appreciated more time for questions/answers with speakers/discussants and some concluding recommendations after each session. Some highlighted the need for a discussion of development issues to situate the trade issues in context and to enhance the regional focus. It was also noted that the participation of bilateral agencies could have been stronger.

IV. LESSONS LEARNED AND RELEVANCE

1. *What main lessons have you drawn from the workshop?*

6. The workshop was seen to provide a good overview of trade-related issues and different approaches and programmes. Participants considered the key message to be the importance of dialogue between public sector and private sector (including small producers and women) and civil society within a trade policy process. It was highlighted that Ministries of Trade can no longer be seen as sectoral, but rather as a locus for centralising the responsibility of trade policy formulation in government. Regional integration is another aspect to take into account.

7. It was recognised that capacity building is very complex and that a clear definition is needed to find appropriate solutions. The need to mainstream trade into development agendas was another key issue, together with the need to address the WTO and supply side agendas in parallel. In particular the importance of building productive capacity was emphasised. The value chain approach to export strategy was highlighted by several participants as a useful tool.

8. Local ownership of trade capacity building efforts should be the starting point in order to: “use Africa’s intellectual capacity to shape approaches and programmes to assist Africa.” One participant questioned whether there is a real match between demand and supply of trade capacity building. It was suggested that the match improves if efforts are tailored to local requirements and contexts. There may also be a need to build capacity to achieve ownership. The importance of co-ordination of donors and mechanisms was strongly emphasised. In that respect continuous dialogue between donors and their partners are essential. Lastly it was underscored that local institutions are weak and that there is a lack of knowledge on trade policy within the private sector and civil society, creating need for support.

2. *What has been the particular relevance for you of each of the workshop sessions?*

i) *Trade capacity building – The post-Doha challenges*

9. This session was considered to be a good introduction to the Post Doha issues and the concept of trade capacity building. It was pointed out that few African countries will meet the challenges, creating the need for continuous support. Trade capacity building is not only about understanding, but also about reaping gains in the multilateral trading system - the aim being to link negotiations and the supply side. Some of the participants claimed that supply side issues are perhaps even more important than market access. A vital ingredient is that the trade capacity building is adapted to country needs. A country-owned

strategy facilitates this process. Such a strategy should be mainstreamed into development agendas. It was observed that much more work is needed to reconcile multilateral and regional trade challenges with national development priorities. One important issue is the need for co-ordination in research among trade policy research institutes. More emphasis must be put on practical research, linking policy makers and researchers.

10. Some participants pointed out that the session did not deal with Cotonou and regional integration – WTO is not the only forum where negotiations are going on. Some more specific examples could also have been discussed e.g. cases in trade capacity building and related legal issues.

ii) Fostering a trade policy process – Strengthening the stakeholder dialogue

11. This session, as one participant put it, “highlighted the need for collective responsibility at the national level.” The focus here was on the importance of setting up a policy making process in consultation with national stakeholders. The aim should be concrete involvement from the private sector and other stakeholders in trade negotiations and enhancing competitiveness. Participants emphasised strongly the need to build mechanisms for consultation, in particular since there are many stakeholders and thus many potential interfaces, government – private sector, exporters – importers, etc. One participant raised the question: “Public and private sector consultations are important but if the private sector is defined as everything from street vendors to big companies. How do you collect opinions from so many people?” The importance of strong private sector associations, which often lack knowledge and capacity, cannot be overstated.

12. It was also pointed out that efforts should be made to build capacity at grassroots levels and for women. The role of universities and research institutions also require further attention. Donor partners have an important role in supporting this culture of dialogue, especially since, one participant argued, most governments have heard “the message” and need more encouragement. It was pointed out that WTO training programmes ought to be available to the private sector and civil society since they interface more with their members than with public actors.

13. Comments regarding the session itself suggested that not all the issues of this ambitious agenda were fully addressed, that there was not enough focus on the discussion, leading to few tangible results. Some cases of specific sectoral policy designs would have been useful.

iii) Lessons from the Trade Policy and Investment Policy Reviews

14. The comments focused mainly on the Trade Policy Review (TPR), even though some participants recognised the synergies between trade and investment. The TPR was acknowledged by participants to have great potential for capacity development and as tools for policy analysis. It was pointed out that the TPR is the only way, in which countries can take stock of trade policies, making the TPR useful as a national co-ordinating instrument. However the TPR as well as the Investment Policy Review need to include a section on trade and development drawing on PRSP and Integrated Framework (IF) and other national processes. Recommendations should be embodied in the national development agenda. Gender mainstreaming is an important part of this. As regards the review process, it was suggested that the reviews are rarely carried out with involvement of stakeholders and that follow-up is important. Another way to make the TPR more useful for developing countries would be to conduct it more frequently than the present six years. At the same time it was pointed out that the African countries also benefit from the TPR of developed countries, which was not reflected in the discussions.

15. This session was considered to be the least relevant of the sessions. One participant suggested the discussion was more useful to policy makers than to practitioners and not clear. Another thought the discussion was too general and lacked punch. The presence of WTO would have been appreciated and a representative from the Foreign Investment Advisory Service could have made the discussions more complete. Examples of successful cases would also have been useful.

iv) *Lessons from the Integrated Framework and JITAP*

16. The comments from this session centred on three main issues. First, it was strongly emphasised that the Integrated Framework (IF) is not rival to JITAP, but complementary. Second, bilateral donors should converge with multilateral donors and they should ensure a clear division of labour, in short there is a need for interagency and donor co-ordination. Third, the regional dimension must not be forgotten.

17. Other remarks included the need for local ownership – in some countries the IF and JITAP are still seen as donor driven. The need to involve local stakeholders in general and indigenous universities and research institutions in particular was also emphasised, as was mainstreaming into development agendas and incorporation of gender, environment and poverty aspects. One participant reflected on the timing between different processes and the implication for success, whilst another saw the need for more funding. An analysis of trade issues in the PRSP was proposed. It was also suggested that JITAP could serve as technical hubs – connecting supply and demand of capacity building.

18. The discussion itself was considered by some participants to have been too polite and superficial – more knowledge would have been necessary. One participant argued that IF was not properly evaluated – there is a long way to go to deliver on the vision and an urgent need to review the IF process. Many other programmes are also being implemented simultaneously, clearer explanations of benefits of the IF and JITAP would therefore have been appreciated. It would also have been interesting to bring in representatives from the IF Pilot countries.

v) *Fostering competitiveness – strategy and partnership*

19. The value-chain approach was greatly appreciated by most participants and the presentation was considered to be both useful and thought provoking. The importance of having a trade strategy also seems to have been fully appreciated. Participants emphasised both the usefulness of a general trade strategy and the importance of developing sector-specific approaches. Strategies provide the basis for defining explicit interventions. Not only is there a need for public-public partnership, but also to clarify the roles of the respective actors. Small-scale producers should not be left out of the process. The general lack of culture of sub-contracting in African countries also needs to be addressed.

20. One participant raised the important issue of export credit guarantee and trade insurance schemes, which was not discussed in the session. Case studies would also have been welcomed. One comment suggested that the discussion had been too technical for non-trade/economists.

3. ***What will you do to share the workshop outcomes with colleagues in your institution/association and with other stakeholders?***

21. Most participants indicated that they would prepare mission reports and share papers and outcomes with colleagues. Some suggested organising workshops at the local level.

4. *What recommendations would you make to donors on the basis of the workshop discussions?*

22. The main recommendation from participants to donors was to co-ordinate initiatives and activities to avoid duplication. There is a need to bring together bilateral and multilateral work and for bilateral donors to be more engaged in programmes like JITAP.

23. There was also a clear call for ownership, which would be enhanced by applying a country-by-country approach and leaving programme design to recipients. It is important to keep in mind that the capacity for ownership may need to be strengthened, when absorption capacity is weak.

24. Donors should encourage governments to come up with a trade policy, and include stakeholders in its drafting through public and private dialogue. It was emphasised that funding for trade policy should go to the right institutions or ministries, to avoid appropriation by other actors. Donors should also consult more with the relevant stakeholders in advance of programming. The private sector (not necessarily the associations supported by governments) and civil society need support to be able to participate in the trade policy dialogue. One private sector participant asked: “How can we know which donors or development partners are going to come with which programs, so that we participate in the design and implementation?”

25. Participants saw a clear need for donors to deal with supply side constraints. It was even suggested that a change of paradigm is necessary: support to the social sector should be balanced with support to the productive sector, tackling “real” issues such as trade finance, the investment and working capital needs, infrastructure etc. They should also work to open up developed country markets.

26. There is a need for better co-ordination between trade and development communities in donor countries. Geneva missions and country missions should also be more involved in trade capacity building. Overall donors have to develop a better understanding of WTO issues and the role of negotiations, without forgetting the poverty aspect.

27. The actual delivery of trade capacity building would benefit from harmonisation of procedures, improved funding mechanisms and reduced lag between diagnostics and implementation – there needs to be follow-up in identified areas. Good practices should be developed and donors should be objective and not tie assistance to their own wishes.

V. NEXT STEPS FOR THE ORGANISERS (OECD, UNECA, UNDP)

1. How can we make best use of the workshop outcomes?

2. What would be the best way to disseminate the results of the workshop?

28. Participants are looking forward to a report of the meeting, be it a “tight note” or a brief report, which summarises the presentations and discussions. Hence, lessons, concrete recommendations and best practice may be documented. These issues can then be used as building blocks for more in-depth follow-up. It was suggested that a follow-up mechanism be designed to ensure compliance and implementation of recommendations. There was a strong wish to use the workshop outcomes to strengthen JITAP, IF and new capacity building initiatives, and evaluate TCB existing programs.

29. The report should be sent out to all participants by e-mail and in hardcopies, possibly for comments, so that they can assist in dissemination. It should also be posted on the Websites of UNDP, UNECA and OECD. It was emphasised that the document should also be sent to stakeholders, such as policy makers and private sector leaders, donors not present or even to all donor missions in Africa. Other ideas included creating a newsletter and writing a short article on the outcomes for the International Herald

Tribune. And to create a mailing list to make the workshop part of an on-going process and exchange information/experience.

30. Meetings could be organised to deal with main findings and bring discussions to country level. Country level workshops could start with dissemination and move on to discussion and work leading to policy proposals. Ministries of trade and finance should be included and commitment be ensured from the private sector. Ministries could disseminate the information using the JITAP frameworks. Representatives of NGOs could be assisted to hold workshops/seminars. The WTO Africa group, Geneva or Brussels missions, regional organisations and focal points of WTO national committees and JITAP are other proposed target groups.

3. Would it be useful to organise similar workshops in the future?

4. What focus would you like future workshops to have?

31. Participants agreed unanimously that similar workshops would be useful in the future, but with a more focused agenda and a smaller number of participants. Follow-up is important and the comments of the Mombasa workshop should be taken into account.

32. A key concern was that any future workshops be concrete, looking at issues in depth with focus on results and output. There should be a concrete evaluation of development since the last workshop. Tangible and workable country specific models and success stories would be welcome. Concrete support activities should be cited and specific project/programme planning and design studied – how are donors involved in the field at a more practical level?

33. Future events should have a sub-regional (e.g. SADC, SACU) or regional dimension, allowing for the sharing of experiences within regions or sub-regions. Workshops in the francophone world or in an Asian context were suggested, possibly involving an exchange between selected African countries and East Africa.

34. Participants emphasised the vital importance of keeping the private sector involved. Other remarks included inviting key officials from finance ministries, greater donor participation, inviting co-operatives and integrate gender issues.

35. A number of participants emphasised the need to focus future workshop on capacities for production – the supply side – and move away from WTO issues. It was argued that WTO issues are important but can be discussed in other contexts. In any case, focus should be either on policy or competitiveness aspects – so as to enable discussions to go into more depth.

36. Participants had a wealth of suggestions for themes for future workshops. They are grouped below under four headings – supply side, trade policy process, multilateral trading system and donor activities:

Supply side

- Domestic industry and export business.
- Creation of an enabling environment by government.
- Industrialisation.
- Value chain approach – case studies.
- Early sections of value chain, where most support required (finance, sourcing, marketing).
- Export incentives.
- Financing for exports, investment incentives.

- How to run EPZ.
- Enhancing technology transfer.
- Role of ITC in Business Development Services.
- Mobilising trade promotion in NEPAD.

Trade policy process

- Government co-ordination.
- Institutional capacity building.
- The elements of trade policy formulation.
- Capacity of the private sector to take advantage of the MTS.
- Private sector responsibility.
- Promoting public - private partnership – communication with governments.
- How to ensure that SME or weak traders can be involved in the trade policy process.

Multilateral Trading System

- Strengthening of trade policy formulation and building capacity in multilateral trade negotiations.
- How can Africa pool resources for engaging with MTS Lessons and experiences?
- Regional capacity in negotiations.
- Influencing international trade policies.
- Regional networks – research output.
- EBA and Africa's market access.
- Challenges of Doha/Cotonou.

Mainstreaming

- Poverty issues.
- Integration into PRSP.
- Co-ordination/integration between PRSP and IF/JITAP in countries.
- Examine linkage between capacity building and poverty reduction.

Donor activities

- Donor co-ordination.
- Evaluation of existing TCB programs.

For fun

“Generally after a busy day, we would need to relax. Some of us are TV addicts. Kindly in future organise such workshops in hotels, where such facilities are provided in the rooms.”

“Next time you invite participants for a cocktail, please ensure there is a cocktail.”