

# Maximising the impact of EU 'Aid for Trade' support

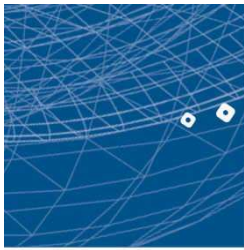
## ECDPM informal report

The global financial crisis continues to severely affect the social, economic and ecological prospects of developing countries and has put on edge the capacity of major industrialised countries to find fresh money to support their global commitments. The crisis is forcing developing and developed countries alike to think innovatively and to renew international relations, development strategies and modes of cooperation. In this context, it becomes more urgent for ACP countries to unleash the potential of (sub-)regional integration. Pooling resources and opportunities through the creation of effective regional markets can be decisive in stimulating production capacities and trade and investment flows when embedded in a broader development strategy.

But it is not enough to have a policy and plan for achieving development results. Adequate mechanisms for delivery and for multi-stakeholder and political dialogue should be in place and used, with strong and decisive input from local, national and regional stakeholders. Development finance needs to be brought in line with development's role as one international player among many, with effective mechanisms established for cooperation and co-funding with non-development actors. Equally, development finance can no longer justify the inefficiencies inherent in multiple overlapping and competing structures. Harmonisation and alignment, division of labour and rationalisation of delivery should be the order of the day even more.

The European Union has committed itself to addressing ACP needs in the context of its "Aid for Trade" strategy. The EU Commission and Member States are working hard to put into practice the intentions spelled out in this strategy. This effort could at the same time be seen as a concrete test of applying the principles of the Paris Declaration on Aid Effectiveness (coordination, harmonisation). While the regional and national indicative programmes (RIPs and NIPs) of the 10th European Development Fund (EDF) have been completed, EU Member States are currently defining their contributions to regional Aid for Trade packages and determining the best ways of delivering finance in this area in order for the European Union to address ACP needs in a coherent manner.

An Economic Community Of West African States (ECOWAS) sub-Regional Aid for Trade Review was held in Abuja on 26 to 27 January and was attended by Ministers and officials from across the region as well as by a range of both multilateral (including WTO, UNECA, World Bank, AfDB, ITC and the Enhanced Integrated Framework) and bilateral donor agencies (including from France, UK,



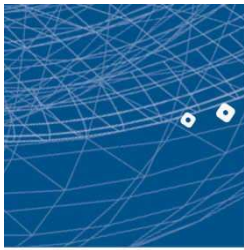
EU, Japan and US). Many participants expressed their support for the idea of Aid for Trade, emphasising the importance of the initiative and the achievements so far. A general theme was that countries need to move from theory to implementation on Aid for Trade, while many participants also stressed the importance of engaging the private sector, who were also represented, and of developing bankable Aid for Trade projects that would have greatest impact on reducing poverty.

Beyond presentations from donors and the private sector, the meeting also managed to highlight country experiences of implementing Aid for Trade as well as showcasing some of the most important trade related initiatives being undertaken by ECOWAS at the regional level, in areas such as agriculture and infrastructure, as well as latest efforts to monitor the impact of the initiative. Beyond the mobilisation of support, participants acknowledged that much work remains to be done in terms of operationising the aid for trade initiative within a common, coordinated framework at both the national and regional level. ECDPM's Dan Lui attended the meeting, providing a background paper and assisting the ECOWAS Commission in compiling its report. Visit the meeting's website where the presentations made and the final report will be posted.

<http://www.aidfortrade.ecowas.int>

Over the years, ECDPM has developed a strong network among policymakers and key stakeholders involved in Aid for Trade discussions, both in the ACP and in Europe. The centre has proven its added-value in the process by providing non-partisan independent information and facilitation, emphasising the development dimension and capacity building, to inform the ACP-EU Economic Partnership Agreement (EPA) negotiations and the accompanying Aid for Trade process. ECDPM has pursued its activities giving careful attention to regional integration processes in the ACP. The centre will devote increasing effort, in collaboration with its partners in the ACP (such as the South African Institute of International Affairs (SAIIA) and the Accra-based Forum for Agricultural Research in Africa (FARA) and with Regional Economic Communities such as the Inter-Regional Coordinating Committee (IRCC) comprised of the Common Market for Eastern and Southern Africa (COMESA), the Southern African Development Community (SADC), the Eastern African Intergovernmental Authority on Development (IGAD), the East African Community (EAC) and the Indian Ocean Commission (IOC)) to Aid for Trade accompanying measures to the EPAs and to regional integration. Special attention is given to Aid for Trade aspects in the agricultural sector focusing on strategic policy directions that can support integrated agricultural transformation measures for improved rural incomes, food security and job creation (including in the context of the Comprehensive Africa Agriculture Development Programme (CAADP)).

Another focus is on how donors can effectively provide institutional support. ECDPM is assisting several EU donors in formulating their collective response to support for regional integration to development partners and Regional Economic Communities. We are working for example with UK DFID in preparing the "Joining Up Africa: Regional integration in Africa" meeting being held, in collaboration with



African Union Commission, AfDB, WB, EC and the Infrastructure Consortium for Africa, in London on 4 March intended to provide recommendations on their aid effectiveness support to regional integration. The current Spanish EU Presidency, with the support of ECDPM, and in consultation with key stakeholders, will stimulate reflection on EU support to West Africa integration to support EU efforts to better strategise, prioritise and coordinate its support to the region. ECDPM is also working on a study on regional integration for aid for trade and aid effectiveness.

For more information on ECDPM's work on Aid for Trade and relevant publications on this issue, see our Development support for EPAs webpage.

[http://www.ecdpm.org/Web\\_ECDPM/Web/Content/Content.nsf/0/BC2E93BA5A8618F0C12573FC003CE295?OpenDocument#](http://www.ecdpm.org/Web_ECDPM/Web/Content/Content.nsf/0/BC2E93BA5A8618F0C12573FC003CE295?OpenDocument#)

Please provide us with your comments and share your experiences on the challenges of Aid for Trade implementation and give us your ideas on how best to improve its delivery.

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