

Trade Strategy Consultation

UN Convention Center, Addis Ababa, June 2, 2010

With about 70 people in attendance representing various countries and regional institutions from Africa, the consultation was held at the close of the UN ECA's meeting on Aid for Trade. Joseph Atta-Mensah (Officer-in-Charge, Regional Integration, Infrastructure & Trade Division, UNECA) chaired the session. Richard Newfarmer (Special Representative of the World Bank to the WTO and the UN, Geneva) opened the session presenting the accompanying power point. The chair of the session emphasized the importance of the Bank's efforts in trade facilitation, efforts at establishing a one-stop border post, and particularly establishing a regional director that allowed the regional economic communities to interact.

Malawi

- Very impressed with Bank's presentation – and willingness to solicit views of clients.
- The Bank should devote greater effort to helping countries move from the stage of processing raw materials to adding value and to diversifying exports.

Congo

- Welcomed message in the presentation about the importance of *imports* to stimulate growth as much as to exports.
- Bank might want to help counties revamp text books in school to emphasize role of trade in economic growth, and the role of both imports as well as exports.

Senegal

- First time the WBG is taking a more nuanced view of globalization, and making effort for developing countries to actively benefit from it rather than passively accepting it.
- Efforts to help with standards in meeting requirements of export markets is important because these constitute barriers.
- Data initiatives are important to make barriers transparent to policy-makers and exporters alike.
- WBG should work with local agents to help them exploit foreign markets

Cameron

- Agriculture is important – so ODA for agriculture is crucial to exploiting growth opportunities.
- Getting roads and infrastructure to villages is essential.
- Bank should stress infrastructure – energy, water, roads.

African Union

- Very welcome presentation – and new face of the World Bank. Old WBG policies during 1980s produce increases in poverty.
- Trade facilitation ought to be major focus.

- Likewise, need to strengthen productive capacity throughout Africa. Diversification was essential
- Investing in food production important because Africa now importing food that it could produce itself.
- Need to help Africa move up the technology ladder.

African Ex-Im Bank

- Since it is the private sector that trades, their needs should be given prominence. Trade finance is now pressing need and an obstacle. Need to expand supply and terms of access.
- The Bank could help in convincing private banks that risks Africa are lower than often perceived and are acceptable for purposes of trade finance. “Things are changing in Africa and helping people to see that is key to access to finance.”
- SPS standards are a problem. Why is it that Africa, a leading exporter of cocoa, does not produce processed chocolate?
- Africa does not benefit from export subsidies the way producers in the rich countries do. Government perhaps financed by Bank concessional lending might provide export credits to promote exports from Africa, much as Export Credit Agencies do in wealthy countries.

ACP delegate to the WTO

- Some questions: how does the Bank see the regional economic communities in its trade strategy?
- What is the role of aid for trade in the WTO – and will it provide compensation for trade adjustment and for lost preferential access?
- On trade facilitation, will the Bank be helping with the negotiations and financing implementation of the agreed measures on trade facilitation and services?
- Could we have this presentation before the ACP group at the WTO?

EPRC (a Uganda think tank)

- How is the WBG partnering with think-tanks in developing countries?
- Data initiatives are useful – in part because there is a need to harmonize underlying concepts so that people know what a particular number means?

ECDPM

- SPS standards receive insufficient attention. Trade people treat them as agricultural problems; agricultural people treat them as a trade problem.
- Will the Bank give the same attention to services exports that it does to goods – because services are a growing area of export potential for developing countries, particularly mode 4
- Mode 4 has high potential – especially for landlocked countries.
- The presentation rightly pointed out the changing role of the Trade Ministry in moving from protection to liberalization – and the fact that trade ministries do not cover the entire range of

competitiveness policies. Question: do Trade Ministries have expertise and capacity to create and administer modern trade policies?

Comesa

- Most important needs are infrastructure.
- How does the Bank see its role in helping countries adjust to trade – and does it make sense to create a Comesa adjustment facility?

UNECA – Francis

- How much stakeholder input will there be into the identification of the issues?
- What will be the allocation of funds across the five areas you set out?
- Who will make final decisions in allocation of resources and of the strategies adopted?

UNECA

- Trade facilitation is part of regional trade policy: how does the Bank intend to assign one project to one or another of its pillar categories?
- Will the WBG continue with on-going projects once the trade strategy is adopted – or will it move into the new areas and abandon old or on-going projects?

In my closing comments, I addressed many of the specific questions – though in some cases they reveal a need for a deeper dialogue about the Bank's activities.

In general, the session was useful in providing broad endorsement about the direction of the Bank in its aid for trade agenda and the five pillar approach:

- Infrastructure, particularly rural roads, was recurring theme.
- Providing assistance to productive capacity, particularly to agriculture, received broad endorsements.
- Trade facilitation especially in the context of regional programs was seen to be important.
- Helping countries diversify, add value to exports, and improve their institutional efficiency also resonated.