AID FOR TRADE STRATEGY
2012 - 2015
# List of Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>AfT</td>
<td>Aid for Trade</td>
</tr>
<tr>
<td>AfDB</td>
<td>Africa Development Bank</td>
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<tr>
<td>ACTESA</td>
<td>Alliance for Commodity Trade in Eastern and Southern Africa</td>
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<td>ACP</td>
<td>African Caribbean Pacific Group of States</td>
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<tr>
<td>ASYCUDA</td>
<td>Automated System for Customs Data and Management</td>
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<tr>
<td>CAADP</td>
<td>Comprehensive Africa Agricultural Development Programme</td>
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<tr>
<td>CAF</td>
<td>COMESA Adjustment Facility</td>
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<tr>
<td>CIF</td>
<td>COMESA Infrastructure Fund</td>
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<td>COMAid</td>
<td>COMESA Aid for Trade Unit</td>
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<tr>
<td>COMESA</td>
<td>Common Market for Eastern and Southern Africa</td>
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<td>COMStat</td>
<td>COMESA Statistics</td>
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<td>DFID</td>
<td>Department for International Development</td>
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<td>DTIS</td>
<td>Diagnostic Trade Integration Study</td>
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<td>EAC</td>
<td>East African Community</td>
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<td>EIF</td>
<td>Enhanced Integrated Framework</td>
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<td>EU</td>
<td>European Union</td>
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<td>FDI</td>
<td>Foreign Direct Investment</td>
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<td>FEMCOM</td>
<td>Federation of Women in Business in Eastern and Southern Africa</td>
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<td>IOC</td>
<td>Indian Ocean Commission</td>
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<tr>
<td>IRCC</td>
<td>Inter-Regional Coordinating Committee</td>
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<tr>
<td>Acronym</td>
<td>Full Form</td>
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<tr>
<td>M&amp;E</td>
<td>Monitoring and Evaluation</td>
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<td>MTSP</td>
<td>Medium Term Strategic Plan</td>
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<td>NIMCC</td>
<td>National Inter-ministerial Coordinating Committee</td>
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<td>NSC</td>
<td>North-South Corridor</td>
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<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
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<td>PPIU</td>
<td>Project Preparation and Implementation Unit</td>
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<td>REC</td>
<td>Regional Economic Communities</td>
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<td>RIIP</td>
<td>Regional Integration Implementation Programme</td>
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<td>RISM</td>
<td>Regional Integration Support Mechanism</td>
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<td>RISP</td>
<td>Regional Integration Support Programme</td>
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<tr>
<td>SADC</td>
<td>Southern African Development Community</td>
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<td>WTO</td>
<td>World Trade Organisation</td>
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<td>UNCTAD</td>
<td>United Nations Conference on Trade and Development</td>
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<td>UNECA</td>
<td>United Nations Economic Commission for Africa</td>
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FOREWORD

This Aid for Trade Strategy represents a bold statement for trade expansion and product diversification that enables opportunities for industrialization, economic transformation and sustainable development among the Member States. It is widely agreed, and there is evidence that trade is a powerful engine for economic growth which is essential for poverty alleviation. COMESA is deeply committed to ensuring that Member States fully benefit from trade. This Strategy is central to achieving COMESA’s vision of a fully integrated internationally competitive regional economic community within which there is economic prosperity and peace.

The Strategy is embedded in the COMESA-EAC-SADC Tripartite framework recognizing that a wider regional area provides better regional and international trade opportunities. The foundation of such opportunities is: harmonised regional programmes that strengthen the national and regional ties for improved trade and global integration.

During implementation, COMESA will use innovative financing mechanisms allowing for resource mobilization that addresses Member States’ needs regarding trade facilitation and trade related infrastructure; trade policy and regulation; and trade related adjustments. COMESA will continue strengthening its ties with development partners while strategically cultivating new ones as
described in this Strategy. The Strategy will also continue involving the private sector as both financier and beneficiaries of Aid for Trade programmes.

Finally, we strongly believe that better mobilization, utilization and tracking of Aid for Trade resources will add to the push needed for improved implementation of programmes at national level that foster trade expansion and growth. It is through sustained growth that we hope to bring about an improvement in the living conditions of our people.

Sindiso Ngwenya
Secretary-General
COMESA
INTRODUCTION

Trade is one of the most important means of enhancing economic development. In this regard, trade expansion, sophistication and diversification as well as wider efforts for structural improvement, institutional capacity building and economic co-operation have been actively pursued by all countries that participate in the multilateral trading system, including the developing countries. At the global level, efforts to facilitate trade through aid have been championed by the World Trade Organization (WTO), which advocated for the recognition of Aid for Trade as a salient form of trade facilitation.

In line with global Aid for Trade initiatives and also the need to develop and apply coherent and well-coordinate holistic policies and programmes for addressing the challenges of the region, COMESA developed its first regional Aid for Trade strategy, for the period 2009-2010.

Pursuant to an independent review of the previous Aid for Trade strategy, the COMESA Aid for Trade (AfT) Strategy 2012-2015 has been formulated. The AfT Strategy 2012-2015 seeks to build on the successes of its predecessor and to address the challenges still outstanding since the previous strategy. Anchored in COMESA’s Medium Term Strategic Plan (2011-2015), which “represents a bold statement of commitment, and a road map for the achievement of the goals of regional integration”; this Strategy reflects a regional endorsement to a specific approach to Aid for Trade.

During the period 2012-2015, COMESA’s broad strategy in Aid for Trade will aim at supporting a coordinated and effective approach to the mobilization, utilization and tracking of aid for trade resources through COMESA’s regional programmes with the collaboration of our development partners. It will also foster the strengthening of ties with the national-level Aid for Trade efforts of Member States.
2.1 RATIONALE FOR AID FOR TRADE IN COMESA

Aid for Trade is about the delivery of mainly external technical and financial resources to trade-related and trade facilitation programmes that help to address structural and capacity constraints. It is justified on the basis that such support ultimately facilitates trade expansion, sophistication and diversification. In turn, enhanced trade provides the opportunity for industrialization, economic transformation, sustained development, and social and geo-political cooperation that, in combination, yield true human progress.

Faced with various national and regional structural, capacity and other constraints, by and large, the COMESA region is yet to realize and enjoy the full benefits of trade. Without deliberate programmes and strategies, these constraints are likely to persistently prevent regional integration, economic transformation and prosperity. International support in the form of Aid for Trade will continue to be an important part of COMESA’s overall response in trade facilitation and the alleviation of persistent developmental constraints.

It is for this reason, among others, that the COMESA Treaty in Article 181 (on Relations with Co-operating Partners), makes provision that: “The Common Market shall accord special importance to co-operation with United Nations systems, other international organizations and bilateral and multi-lateral donor agencies whose policies and programmes are compatible with the policies and programmes of the Common Market” and “The Secretary-General shall initiate and maintain dialogue with the organizations and agencies referred to in paragraph 2 of this Article and with any other organizations whose policies and programmes are compatible with those of the Common Market in order to facilitate closer co-operation with such organizations, agencies and multi-lateral and bilateral donor agencies”.

The above provisions are the basis of many “aid for trade” and other trade facilitation responses
in COMESA. Through the AfT Strategy 2012-2015, the COMESA region will seek to systematically and effectively redress the constraints and developmental challenges that it has continued to face by recognising and aligning itself to the institution’s Medium Term Strategic Plan, which similarly works towards the achievement of the overarching developmental vision and goals of the COMESA region.

2.1 THE LINK TO COMESA MEDIUM TERM STRATEGIC PLAN (2011-2015)

The MTSP has the Vision of “a fully integrated, internationally competitive regional economic community within which there is economic prosperity and peace as evidenced by political and social stability and high standards of living for its people”¹. It is a bold statement of regional commitment to trade and development. It is a road map for the achievement of the goals of regional integration, set against clear guiding principles and systematic planning and programme approaches for, inter alia, identifying and supporting six strategic priorities² that will be pursued during the five-year period of the MTSP.

The MTSP is fully cognizant of the importance of Aid for Trade and has mainstreamed it, to ensure ownership across the COMESA region. In this regard, the objectives of Aid for Trade are reflected in three key strategic priorities:

(i) Supporting the removal of barriers to trade;
(ii) Facilitating the improvement of productive capacities; and
(iii) Supporting the alleviation of supply-side constraints.

¹ COMESA Medium Term Strategic Plan 2011-2015
² The six Strategic Priorities are: i) Removal of Barriers to Factor Mobility; ii) Building Competitive Productive Capacity; iii) Addressing Supplies-Side Constraints Related to Infrastructure; iv) Peace and Security; v) Integrate Cross-Cutting Issues (gender, youth, socio-environmental health, climate change, knowledge based society, statistical development, cooperation and partnerships and Aid for Trade); and vi) Institutional Strengthening.
Examples of the Aid for Trade initiatives that are mainstreamed into the regional programme of COMESA under the MTSP include, but are not limited to, those summarized in the table below:

<table>
<thead>
<tr>
<th>Aid for Trade Category</th>
<th>Aid for Trade Initiatives</th>
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<tr>
<td><strong>Trade policy and regulations</strong></td>
<td>- Consolidation of the COMESA Free Trade Agreement;</td>
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<td>- Implementation of the COMESA Customs Union Roadmap;</td>
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<td>- Support the ongoing Tripartite process towards a Grand Free Trade Area;</td>
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<td>- Introduction of the Simplified Trade Regime to assist small scale cross border traders by simplifying the process of clearing goods;</td>
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<td>- Streamlining customs procedures and vehicle control system</td>
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<td>- Introduction of the Automated System for Customs Data (ASYCUDA) in 15 Member States;</td>
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<td>- Regional Strategic Framework on the simplification of the procedures of starting business, company licensing and on transparency</td>
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<td>- Building trade negotiating capacities in COMESA Member States;</td>
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<td><strong>Trade-related infrastructure</strong></td>
<td>- Supporting the creation of One Stop Border Posts;</td>
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<td>- Improving the state of infrastructure by utilizing mechanisms such as the COMESA Infrastructural Fund</td>
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| Building productive capacity and trade development | - Activities of the Alliance for Commodity Trade in COMESA (AC-TESA) to link small holder farmers to national, regional and international markets;  
  - Improve capacities to meet SPS standards;  
  - Development and implementation of regional value chains, e.g. the regional strategy on cotton-to-clothing and the leather industry strategy;  
  - Establishment of the COMESA Business Council and the Federation of Associations of women in Business in Eastern and Southern Africa (FEMCOM) |
| Trade Adjustment | - Assisting countries to address adjustment costs though the COMESA Adjustment Facility (CAF) |
| Other trade-related needs | - Improve and harmonize production of statistical data and improved capacities of national and regional statistical bureaus;  
  - Enhancing public procurement systems reforms and capacity building to support the regional procurement market. |
While the AfT Strategy 2012-2015 gives due recognition to the role of all the five Aid for Trade categories in COMESA’s regional integration agenda, it does not give equal attention to all the categories. Instead, it emphasizes a focus on the areas where the regional institution provides added value. The strategy therefore aims to support and strengthen the implementation of regional integration policies and programmes in the following ways:

- Enhancing coordination and effectiveness within and among regional and national institutions;
- Supporting efforts that identify and eliminate outstanding regional and national structural and capacity constraints that continually undermine the region’s ability to gain from trade liberalization opportunities;
- Supporting the effective linking of regional policy decisions, regulations and programmes with national implementation modalities in the Member States, thus fostering enhanced domestication of the regional macro-economic and trade liberalization programmes of COMESA;
- Augmenting resource mobilisation, utilization and tracking mechanisms based on trade liberalization, trade facilitation and economic adjustment priorities of COMESA;
- Supporting the strengthening of capacities to monitor and report on progress and to apply corrective measures during the implementation of COMESA programmes.
VISION

The attainment of a fully integrated, internationally competitive regional economic community within which the sustainable growth and development of the Member States is founded on a balanced and harmonious development of production and marketing structures, for the benefit of all the people of the regional community.

STRATEGIC OBJECTIVES AND FOCUS

Within the overall framework of the COMESA-EAC-SADC Tripartite, the overall objective of the COMESA AfT Strategy 2012-2015 is that Member States should benefit from regional and international trade opportunities through implementation of regional integration programmes. With a strong subscription to the ideals of a thriving and prosperous private sector as well as inclusive growth and broad-based human development, the specific objective of the strategy is to improve mobilization, utilization and tracking of AfT resources that address Member States’ needs regarding trade facilitation and trade related infrastructure; trade policy and regulations; and trade related adjustments.

The AfT Strategy 2012-2015 maintains a focus on trade-related infrastructure, trade development, facilitation, and regulatory measures as well as on access to mechanisms for addressing the challenges emanating from trade, macro-economic and integration adjustments. Under the specific objectives, a number of related expected results have been formulated, and generic activities defined (Annex 1).
5 UNDERLYING PRINCIPLES

The AfT Strategy 2012-2015 maintains the original underlying principles of its predecessor strategy. These are that:

- It is not project based (not a shopping list of projects) but result oriented (outlining specific objectives to be achieved);
- It is focused: although it is cognizant of all five Aid for Trade categories, it focuses on objectives where the regional organisation has an added value;
- The COMESA regional strategy is complimentary to national Aid for Trade strategies of the Member States;
- The objectives are realistic and are expected to be achieved within a time frame of four years (2012-2015).
- The implementation of the strategy will be continuously monitored and reviewed to be adapted to progress achieved and changing environment, therefore making it a dynamic instrument.

6 IMPLEMENTING THE STRATEGY

6.1 RESULTS ORIENTATION

The approach to implementing the AfT Strategy (2012-2015) will draw significantly on the approaches of the MTSP. This will involve, inter alia, striving to embrace the universally accepted best practice principles of: ownership; alignment; harmonization; managing for results and mutual accountability, which are articulated in the MTSP and which are in line with the Aid Effectiveness agenda. Implementation of the AfT Strategy (2012-2015) will be supported by, but not limited to, the Monitoring and Evaluation System elaborated in the MTSP. Other critical tracking, learning and knowledge-sharing systems such as networking, peer referencing, survey undertakings and
so on will support implementation and the application of swift correctional measures. As far as possible the programmes and activities under the Strategy will emphasize performance based approaches.

6.2 ROLES AND RESPONSIBILITIES OF STAKEHOLDERS

The successful implementation of the AfT Strategy (2012-2015) will require cooperation and collaboration between several partners including: Member States, the COMESA Secretariat, other RECs, and COMESA’s development partners. The on-going process of organizational restructuring of the COMESA Secretariat will ensure a more efficient and effective institution, which will support the implementation of COMESA’s Aid for Trade activities and programmes under the Strategy.

Effective implementation of the AfT Strategy (2012-2015) requires a harmonized and coordinated approach to resource mobilization, utilization and tracking as well as clear definition and assignment of roles and responsibilities to all stakeholders. The Table below provides a summary view of what the AfT Strategy (2012-2015) envisions as some of the critical roles and responsibilities of three of the key stakeholders during the implementation period of the Strategy:
### COMESA Secretariat

- Ensure coordination between the different Divisions and Units through work groups, to facilitate efficient, harmonized and synergetic implementation of programmes;
- Coordinate regional efforts with efforts at Member State level, working to support the development of coherent policies and programmes;
- Mobilize resources for the achievement of the Strategy’s objectives;
- Support bilateral negotiations for the advancement of Aid for Trade programmes at the Member State level;
- Track programmes set up by COMESA Council of Ministers, through monitoring and evaluation, surveys and other analytical approaches, in order to establish the compatibility of the set programmes with Member States systems and to support quick correctional measures where necessary; and
- Provide, on a demand basis, support to individual Member States in preparing and implementing National Aid for Trade Strategies.

### Member States

- Provide the political leadership necessary for the formulation and application of sound regional policies and programmes;
- Provide policy space to negotiate bilaterally to mobilize resource for Aid for Trade resources at the Member State level;
- Implement policies agreed at COMESA level; and
- Monitor and report on programmes being implemented at national level.

### Development Partners

- Provide financial and technical support for achievement of objectives of the regional Aid for Trade Strategy;
- Support aid effectiveness by promoting harmonization, coherence, rationalization, alignment and ownership of development partner assistance (e.g. to reduce burden of multiple procedures); and
- Require mutual accountability in relation to the commitment, provisioning, utilization and reporting on Aid for Trade resource.

### 6.3 INTERNAL COORDINATION AT THE COMESA SECRETARIAT

Implementation of the strategy will be coordinated under the COMESA Aid for Trade Unit (COMAid), established by Council Decision in May 2007. Aid for Trade is instrumental for many of
COMESA's key programmes as it cuts across a wide range of them. The Unit works with the relevant operational divisions within the Secretariat and primarily builds on ongoing programmes and activities to ensure proper co-ordination and the achievement of the objectives of the regional Aid for Trade strategy. Because of this important operational and co-ordination role, the COMAid Unit is attached directly to the office of the Assistant Secretary-General (Programmes), operating under the overall supervision of the Secretary-General.

The coordination process is enhanced through work groups between the COMAid Unit and different division/unit personnel for the achievement of Aid for Trade objectives. Due to the growing importance of Aid for Trade in the region and the need to improve information flow the Unit will publish articles of Aid for Trade activities and programmes on the COMESA website.

6.4 COORDINATION WITH MEMBER STATES AND LINKS TO NATIONAL AID FOR TRADE STRATEGIES

This Strategy takes a pragmatic approach to linking national and regional programmes through carefully drawing out the inherent linkages between national development instruments such as National Development Plans, poverty reduction papers, National Aid for trade Strategies and Diagnostic Trade Integration Study (DTIS) Action Matrices on the one hand and regional instrument such as the COMESA Treaty, Council Decisions and Regulations, and programmes and activities under the MTSP on the other. This is in order to contribute to mainstreaming of trade at the national level and also develop coherent and holistic programmes to address the challenges of the region. To this effect programmes will be designed based on Member States’ strategies and priorities as reflected in National Development Plans, Integrated Frameworks and other relevant policy documents. Delivery will also build on existing trade policy coordination processes at the national level.

Member States will be engaged to ensure improved national/regional linkages. The National Inter-Ministerial Coordinating Committee (NIMCC) mechanism will be a critical form of linkage for the strategic cooperation and collaboration of regional and national levels of Aid for Trade efforts. This
will allow for improved transposition of regional decisions, for better alignment and harmonization of regional policies at national level, and for enhanced national ownership and monitoring. In this way, the Strategy will work towards a wider goal of promoting economic growth and sustainable development and helping to lift people out of poverty.

6.5 USE OF THE COMESA FUND

The Special Fund for Cooperation, Compensation and Development commonly referred to as the “COMESA Fund” that was established by Council in 2002 will also play a key role in the achievement of the strategy’s objectives. The COMESA Fund which has two windows - the COMESA Adjustment Facility and the COMESA Infrastructure Fund - was created with the objective of tackling the special problems of under-developed areas and other disadvantages arising from the integration process. The COMESA Adjustment Facility (CAF) will be the main vehicle for the provision of adjustment support to the Member States to enable them continue with macro-economic and trade liberalization programmes of COMESA. The COMESA Infrastructure Fund (CIF) once fully operational, will be used as a vehicle for mobilising resources to address the infrastructure constraints of the region.

6.6 RESOURCE MOBILIZATION STRATEGIES

The support provided by development partners plays a very important role in the implementation of COMESA Aid for Trade programmes. By their very nature, these programmes will depend significantly on external, trade-facilitating and trade-enhancing assistance from the development partners.

COMESA’s key guiding principle in the mobilization of resources as guided by the COMESA Treaty and outlined in the COMESA Fund Protocol (and echoed severally in the MTSP) will be drawn on to ensure that external resources are aligned to the priorities identified in the regional strategic approach in the MTSP. In promoting regional integration, the AfT Strategy (2012-2015) underscores the importance of COMESA’s development partnerships, which spearhead a harmonization and
aid-effective agenda. The strategy places importance on sufficiently coordinating donor efforts so as to avoid duplication of efforts among the donors.

To date, Aid for Trade financial and technical support has come from AfDB, DFID, EU, World Bank, WTO, among others, as the main development partners. Going forward, in the current Strategy, COMESA will seek to maintain the partnerships with its current development partners and extend its Aid for Trade ties to new partners such as UNECA, UNCTAD and others.

Whilst the Strategy will support COMESA in mobilizing additional resources to implement its mandate and agenda, it is also instrumental in improving the effective and efficient programming and planning of already available resources and to develop effective, efficient and predictable regionally owned instruments for resource delivery, for example, the COMESA Fund Protocol and the Contribution Agreement. The strategy will also use innovative financing mechanisms that allow for resource mobilization from different financing sources that include multinational institutions, bilateral partners, Member States and the private sector. This will allow for leveraging of private resources using public or donor funds and also contribute to addressing huge resource gaps related to infrastructure programmes.

Qualitative and quantitative assessments of the resources required, resources available and gaps for Aid for Trade will be continuously undertaken as a means of improving the effectiveness with which the Strategy will be implemented and as a further means of identifying bottlenecks and challenges that require corrective measures or additional resources.
## Framework of Objectives and Expected Results

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<tr>
<th>Objectives</th>
<th>Objectively verifiable indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
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| Overall Objective: Within the overall framework of the COMESA-EAC-SADC Tripartite, COMESA Member States benefit from regional and international trade opportunities through implementation of regional integration programmes | - Intra regional trade  
- Intra-regional trade in services  
- FDI inflow to COMESA | COMStat, WorldBank, UNCTAD, OECD | Global financial and economic stability for improved trade and investment flows. National, regional and international development partners continue to provide AfT. |
| Specific Objective: Improve mobilization, utilization and tracking of AfT resources that address Member States needs regarding trade facilitation and trade related infrastructure; trade policy and regulations; and trade related adjustments | - AfT Resources mobilized  
- Adjustment support provided  
- AfT resources tracked and effectiveness assessed | Programme Reports, Ministerial reports, Donor reports, OECD, Project documents, Internal Financial Management and Administrative Systems in COMESA. | National data is available for AfT programmes. Data is available from donors and other development partners. |
**Expected Results:**

1. **Resources effectively mobilized for:**
   - a. Trade facilitation and trade related infrastructure
   - b. Trade policy and regulations
   - c. Trade related adjustment

2. **Adjustment support provided to Member States in addition to own efforts by countries:**

3. **AfT resources appropriately monitored/tracked**

4. **Linkages between national and regional resources and programmes strengthened**

5. **Improved donor coordination**

6. **Regionally owned instruments continue to be used for aid delivery in line with Aid Effectiveness principles**

- **CA, CAF and other regional mechanisms continue to be used for provision of support**

- **Donor Coordination mechanism formalized**

- **Data collected on national programmes and resources for regional programmes.**

- **AfT monitoring reports produced**