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ECOWAS AID FOR TRADE STRATEGY

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LIST OF ACRONYMS

AEC	African Economic Community
AfDB	African Development Bank
AfT	Aid for Trade
AICD	Africa Infrastructure Country Diagnostic
ARTIN	African Regional Transport Infrastructure Network
ATPC	African Trade Policy Centre
AU	African Union
BRIC	Brazil, Russia, India, China
CAADP	Comprehensive Africa Agricultural Development Programme
CDP	ECOWAS Community Development Programme
CET	ECOWAS Common External Tariff
CFTA	Continental Free Trade Area
CIDA	Canadian International Development Agency
COMESA	Common Market for Eastern and Southern Africa
CRS	Creditor Reporting System
DAC	Development Assistance Committee
Danida	Danish Development Cooperation, Danish Ministry of Foreign Affairs
DFID	UK Department for International Development
DTIS	Diagnostic Trade Integration Study
EAC	East African Community
EBA	Everything but Arms
ECOWAP	ECOWAS Agricultural Policy
ECOWAS	Economic Community of West African States
EIF	Enhanced Integrated Framework
EPA	Economic Partnership Agreement
EPADP	EPA Development Programme
EPZ	Export Processing Zone
ETI	Enabling Trade Index
ETLS	ECOWAS Trade Liberalisation Scheme
EU	European Union
FAO	Food and Agriculture Organisation
FDI	Foreign Direct Investment
FTA	Free Trade Area
GDP	Gross Domestic Product
GSP	General System of Preferences
HS	Harmonised Commodity Description and Coding Systems
ICT	Information and Communication Technology
IMF	International Monetary Fund
IP	Intellectual Property
ITC	International Trade Centre
IRTG	Improved Road Transport Governance
LDC	Least Developed Country
LPI	Logistics Performance Index
M&E	Monitoring and evaluation
MFN	Most Favoured Nation
MTAP	ECOWAS Medium Term Action Plan
NEPAD	New Partnership for Africa's Development
NTBs	Non-tariff Barriers
OECD	Organisation for Economic Cooperation and Development

PIDA	Programme for Infrastructure Development in Africa
PPP	Public Private Partnership
RAIP	Regional Agricultural Investment Programme
REC	Regional Economic Community
REP	Regional Economic Programme
RSP	ECOWAS Regional Strategic Plan
SIDA	Swedish International Development Agency
SME	Small and Medium Enterprise
SPS	Sanitary and Phytosanitary
TAF	DFID Trade Advocacy Fund
TBT	Technical Barriers to Trade
TPR	Trade Policy Review
TRIPS	Agreement on Trade Related Aspects of Intellectual Property Rights
UEMOA	West African Monetary Union
UNECA	UN Economic Commission for Africa
UNDP	UN Development Programme
USAID	US Agency for International Development
WACIP	West African Common Industrial Policy
WAPP	West Africa Power Pool
WEF	World Economic Forum
WTO	World Trade Organisation

I. WEST AFRICA ECONOMY AND TRADE CONTEXT

1.1 Regional Integration

Significant disparities exist between West African countries as far as their land area, economy and population size are concerned. Regional integration is promoted by two organisations, namely the West African Economic and Monetary Union and the Economic Community of West African States. The two have achieved significant progress in the regional integration process, such as an integrated monetary policy, tax harmonization and a multilateral surveillance process. In addition, UEMOA has adopted a common trade policy and created a common market.

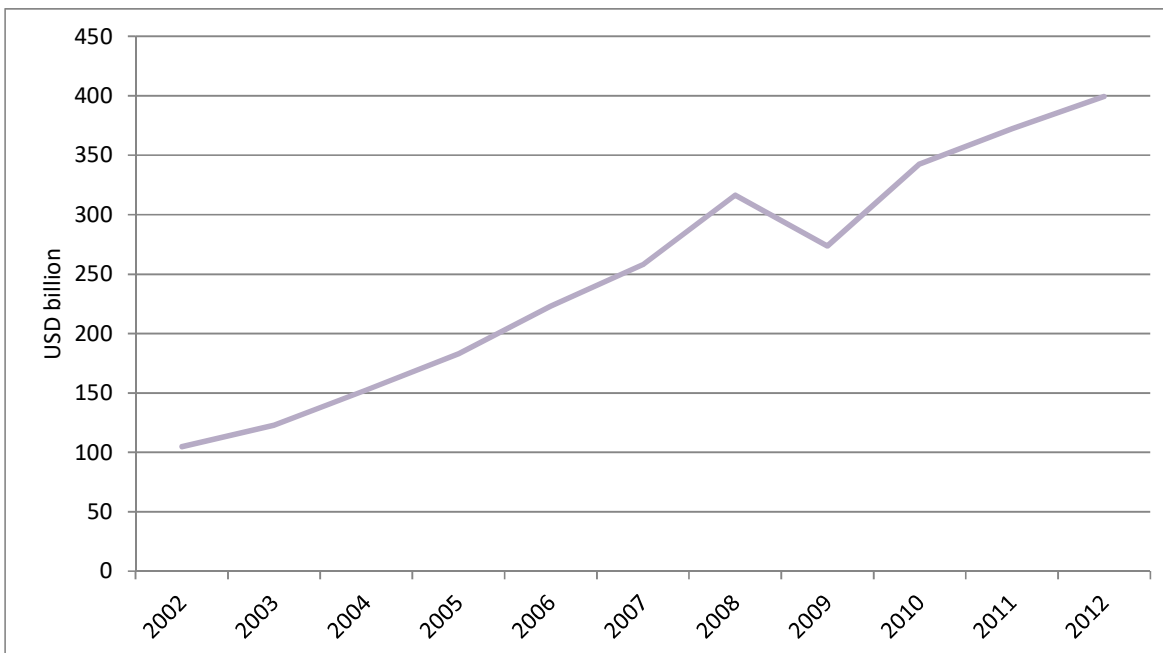
ECOWAS was established in 1975 as a free trade area. The ECOWAS Treaty and Resolution C/DEC.8/11/79 provide for exemption from customs duties for goods originating in the region and require the removal of barriers to free movement of goods. The ECOWAS free trade area is implemented through a Trade Liberalization Scheme. Since 1999, ECOWAS has embarked on an ambitious programme for the establishment of a customs union, a common market and a monetary union. ECOWAS' main achievements include interventions for the restoration and maintenance of peace in the region, as well as mediation initiatives and sectoral policy implementation, especially in the area of infrastructure. In addition, ECOWAS finalized and adopted a Common External Tariff (CET), which will come into force on 1st January 2015. Progress has also been made with the effective start of the ECOWAS Multilateral Surveillance Mechanism and, in 2009, the adoption of the roadmap for the introduction of a single currency, Eco. ECOWAS set 2020 as its target date for transformation into a prosperous, peaceful and secured economic region without internal barriers.

1.2 Macroeconomic environment

The combined Gross Domestic Product (GDP) of the ECOWAS sub-region was estimated at USD 400 billion in 2012 with a growth rate of 6.9%.¹ Per capita income in the region has risen steadily over the last decade. The IMF expects continued strong growth over the medium-term in the region, with an average growth rate among the 15 economies estimated at 6.5% between 2013 and 2015.² Inflation has remained relatively steady, with more than half of the region's economies having rates below 5% in 2012, and with only three countries (Guinea, Nigeria and Sierra Leone) having inflation in the double digits.

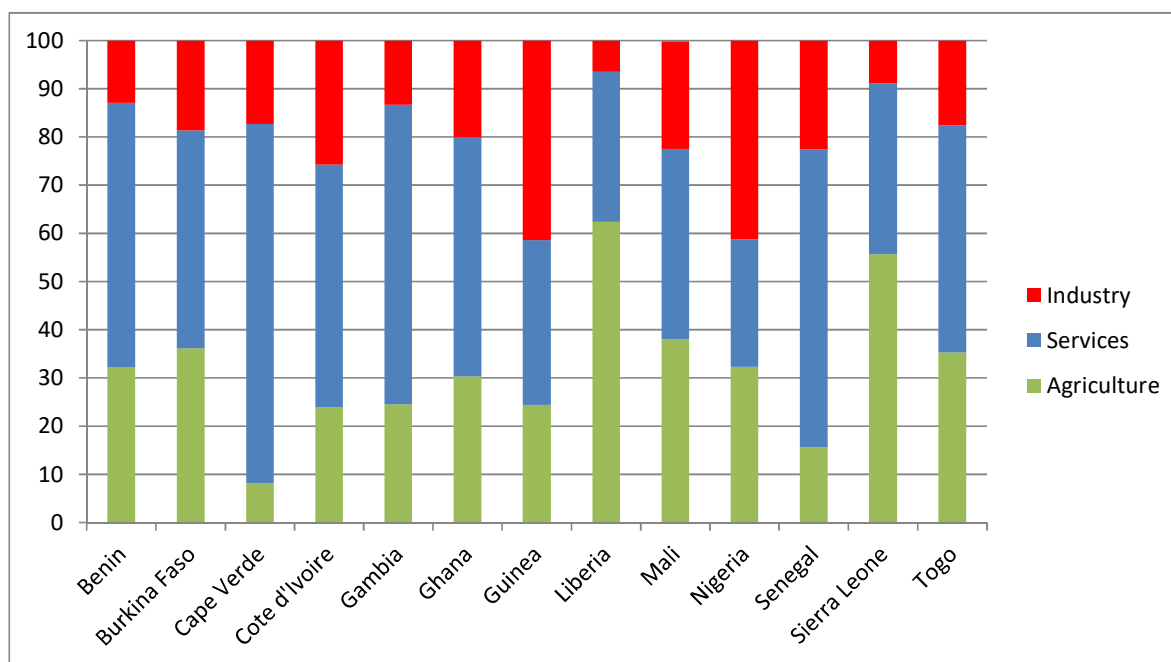
¹ IMF (2013)

² IMF (2013)

Figure 1: ECOWAS GDP

Source: IMF

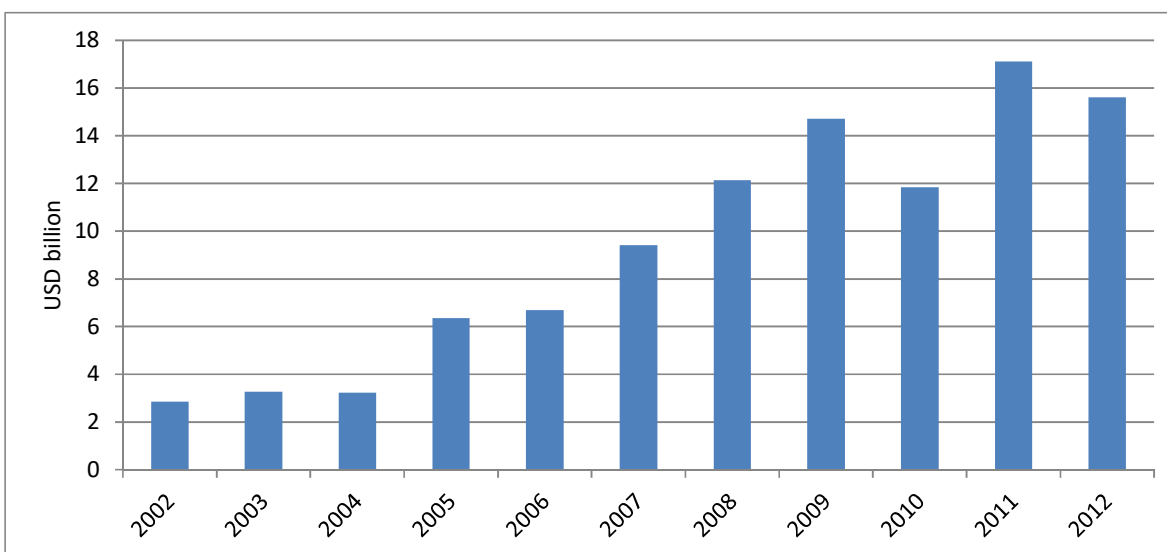
The sectoral composition of GDP shows a relatively small industrial sector in the majority of ECOWAS countries (25% or less) except for Nigeria and Guinea (both approximately 40% of GDP when looking at a 5 year average). Liberia and Sierra Leone have the largest agricultural contribution to GDP (at 62% and 56% respectively). While services accounts for a relatively large share of many of the economies (over 40% in 7 economies), with Senegal, Gambia and Cape Verde service sectors accounting for 62%, 62% and 75% respectively.

Figure 2: Sectoral composition of GDP (2006-2010 average)

Source: World Bank Databank

Foreign Direct Investment (FDI) inflows to West Africa have grown steadily, increasing from USD 9.4 billion in 2007 to an estimated USD 15.6 billion in 2012.³ FDI flows are diversifying geographically – Nigeria accounted for close to 80% of the region's FDI in 2005, but this share fell to 54% in 2011 as other economies, namely Ghana, attracted significant inflows. An estimated 70% of investment in the region is in the petroleum and gas sector, though with increasing flows directed at the real estate and telecommunications sectors.⁴ Another trend present across the continent is the steady rise of intra-Africa investment. From 2003 to 2011, the share of intra-African investment in total FDI doubled from 8% to 17%. For example, Ecobank, based in Togo, has spread not only across the region but now has a presence across the continent as well as in Europe and the Middle East.

Figure 3: ECOWAS FDI inflows



Source: UNCTAD

1.3 Aid for trade related policies, strategies, plans and programmes

The principal guiding document for the ECOWAS region is **Vision 2020**, adopted in 2007, and provides the long-term vision for the region. Vision 2020 is a broad document and includes the trade and development priorities of the region. The document names a number of areas directly linked to AFT as priority areas, including creation of a common market, a conducive policy environment for private sector growth, increased competitiveness and development of the private sector.

The **ECOWAS Regional Strategic Plan (RSP)** 2011-2015 aims at identifying priority goals and objectives that will align with the vision of the region. The RSP brings together core elements of the strategic plans of all ECOWAS institutions as their action plans have to be consistent with the overall ECOWAS goals. The pillars are that the region must remain peaceful, stable and secure, with fair competition and equity within and between its members. The RSP is the axis for the development of most of the ECOWAS work programmes and activities. Elements of AFT are featured under priority 2 'promote infrastructural development and a competitive business environment', priority 3 'sustained development and cooperation', priority 4 'deepen

³ UNCTAD (2013)

⁴ AfDB/OECD (2012)

socio-economic and monetary integration' and priority 6 'strengthen the mechanism for integration into the global market'. These pillars are linked to the ECOWAS AfT Strategy (see section 1 and 6).

The **Community Development Programme (CDP)** is a regional development programme that was established in 2007 following the Heads of States meeting on Vision 2020 to come up with a coherent programme in the long term. The CDP aims at ensuring coherence and coordination of regional development initiatives and providing the region with a medium to long term regional economic development programme. It is intended to translate the ECOWAS Vision into programmes of action. The CDP is working at the level of ECOWAS and its member states, UEMOA and other regional institutions, as well as within ECOWAS Commission. Based on a participatory approach, the CDP has identified 4 priority areas and 10 strategic axes (see the technical background paper and CDP for further details). The CDP will develop an inventory of programmes and projects at the national and regional levels that will outline regional priorities and identify programmes in key priority areas. The CDP has already set up national committees, a cross ministerial committee comprising of other relevant ministries including finance, national planning, etc. The ECOWAS Commission is currently preparing a donors' roundtable to raise the necessary funds to finance CDP's priority projects.

The **EPA Development Programme (EPADP)** sets out a common vision of regional integration for ECOWAS and UEMOA and, despite its name, covers a broader set of issues than just the EPAs. EPADP covers 5 axes, with needs further specified at the project level in national and regional operational plans. The role of the EPADP in relation to other regional AfT related projects and programmes is not entirely clear at the moment, however it is hoped that the EPADP – and the CDP – will be an implementation tool for the ECOWAS AfT Strategy. The role of both the EPADP and CDP will need to be defined vis-à-vis the AfT Strategy.⁵ The EPADP offers a coherent framework to connect trade and development, to which trade-related activities can be included over time.⁶ EPADP can act as a mechanism to ensure consistency between national level and the regional priorities by offering development partners a framework within which to operate. The EPADP can usefully contribute at the more detailed and lower levels to the realisation and operationalisation of the AfT Strategy.⁷

ECOWAS Agricultural Policy (ECOWAP): The implementation of ECOWAP is based on the implementation of investment programmes at the national level as well as at the regional level. ECOWAP's three regional priorities are: promoting strategic food value chains for food sovereignty; promoting a policy environment conducive for regional agricultural development; and reducing food insecurity and promoting sustainable access to food.

Regional Agricultural Investment Programme (RAIP): The programme consists of a number of components exploring the development of agricultural value chains and the promotion of the markets, consisting of: development of different value chains; development of product processing; strengthening of support services provided to operators; and, the promotion of national, regional and international trade and institutional strengthening. These areas are all relevant for AfT.

West African Common Industrial Policy (WACIP): WACIP identifies ten coherent programmes centred on specific key objectives which will articulate the implementation of the policy. In relation to AfT categories, these programmes cover trade-related infrastructure and building productive capacity.

⁵ Dalleau and van Seters (2011)

⁶ Ibid

⁷ Ibid

Regional Road Transport and Transit Facilitation Programme: The components of this programme include the simplification and harmonisation of road transport regulations, procedures and documents; the Establishment of joint control posts at borders along inter-state corridors; and the updating of the road transit information system. Sub-programmes are aimed at: reducing constraints in the trans-border movements of passengers, goods and vehicles; enhancing regional integration; and, the reduction of poverty in West Africa.

West African Power Pool (WAPP): The pool provides a coordinating structure of both public and private stakeholders to promote regional investments for the production of electric power and interconnection of networks in the region.

ECOWAS Regional Centre for Renewable Energy and Energy Efficiency (ECREEE): In line with the energy positions of ECOWAS, the Centre has a number of regional programmes including the Renewable Energy Facility, Small-Scale Hydro Power Programme, and Regional Renewable Energy Policy for West Africa (RREP-WA).

Private Sector Development Framework: Private sector programmes cut across most of the ECOWAS strategies and plans. Priority programmes include the EXPECT Initiative, which was launched in 2010, with the objective of building a sustainable structure to support export competitiveness by promoting high export potential value chains and increasing exports through engaging the region's private sector, development partners, partners and other valuable stakeholders.

ECOWAS Gender Policy: The objectives of the Gender Policy is to mobilise women and empower them to be active participants in the regional integration process; to mainstream gender in ECOWAS institutions and member states; and to develop networks and partnership with relevant agencies for technical and financial support for ECOWAS Gender Mainstreaming Programme. Inclusion of women in all aspects of the economy will be crucial in strengthening the production base in the region and contribute to regional integration.

Box 1: ECOWAS Vision and Mission and Regional Strategic Plan goals

ECOWAS Vision and Mission:

- **Vision:** To create a borderless, peaceful, prosperous and cohesive region, built on good governance and where people have the capacity to access and harness its enormous resources through the creation of opportunities for sustainable development and environmental preservation
- **Mission:** To promote cooperation and integration, leading to the establishment of an economic union in West Africa in order to raise the living standards of its people and to maintain and enhance economic stability, foster relations among member states and contribute to the progress and development of the African continent

ECOWAS Regional Strategic Plan – Aid for Trade related pillars and goals:

- **Global relevance:** Strengthen the mechanism for integration into the global market
- **Competition and equity:** Sustained development and cooperation in the region
- **Economic and monetary:** Deepen socio-economic and monetary integration
- **Cooperation and development:** Promote infrastructural development and a competitive business environment

In addition to the above regional policies, strategies and programmes, the regional aid for trade strategy is derived from African and world development initiatives.

Intensification of intra-African Trade: This initiative was launched by the Heads of State and Government of the African Union in January 2012 in Addis Ababa, Ethiopia. It is backed by an action plan that Member States are expected to implement in order to significantly increase the volume of intra-African trade and make trade the driving force for development and regional integration in Africa.

Post 2015 Development Agenda: The UN Millennium Development Goals represent an international reference framework for development cooperation. It is a process being conducted by UN Member States with the view to defining a world development programme to succeed the Millennium Development Goals at the end of 2015. In accordance with decisions taken in June 2012 during the UN Rio + 20 Conference, the goals of the new programme are expected to include economic, environmental and social dimensions of sustainable development and be applicable to all countries in the world.

Program for Infrastructure Development in Africa (PIDA): Led by the African Development Bank, PIDA aims to create a vision, policies, strategies and a programme for infrastructure development at the regional and continental levels in the following areas: transportation, energy, water, telecommunication and ICT.

1.4 West African trading arrangements

1.4.1 Protocol on Free Movement

ECOWAS was established in 1975 as a free trade area (FTA). The ECOWAS Treaty and Decision C/DEC.8/11/79 provides for duty free treatment for regional originating goods and mandates the removal of obstacles to the free movement of goods.⁸ The ECOWAS FTA is being implemented through the ECOWAS Trade Liberalisation Scheme (ETLS). The objective of the scheme is to promote intra-community trade by eliminating tariff and non-tariff barriers (NTBs) to import and export products originating from member states. ECOWAS envisions progressing from a FTA to a full customs union, and eventually a common market, to increase trade in the region. ECOWAS is in the process of finalising the ECOWAS Common External Tariff (CET) which is currently going through internal approval processes and needs to be approved by Heads of State. This should lead to the creation of a customs union and foster deeper integration in the future. Progress has also been made with the launch of the ECOWAS Multilateral Surveillance Mechanism and the adoption of the roadmap for the introduction of an ECOWAS single currency (the Eco) by 2020.

1.4.2 Economic Partnership Agreements

ECOWAS countries (and Mauritania) have been engaged in the negotiations for an Economic Partnership Agreement (EPA) with the European Union since 2003. The negotiations led by the ECOWAS Commission, with the support of the West African Economic Monetary Union (UEMOA), are meant to result in reciprocal trade liberalisation between the two regions and the inclusion of development support for West Africa.

With LDCs already enjoying duty free market access under the Everything but Arms (EBA) initiative, when the agreement could not be concluded on schedule in 2007 the European Commission asked non-LDC countries to sign interim EPAs in order not to lose their privileged market access to the EU. Of the four non-LDC members, only Cote d'Ivoire has signed an interim EPA while Ghana has initialled, but not signed, and Nigeria fell back to less favourable EU market access under the Generalised System of Preferences (GSP). Cape

⁸ Decision C/DEC.8/11/79 of the Council of Ministers on the Trade Liberalisation of Unprocessed Products endorses total exoneration of duties and taxes. Quantitative restrictions are prohibited in both the ECOWAS Treaty (Chapter VII Article 35 on the Liberalisation of Trade) and Decision C/DEC.8/11/79 of The Council Of Ministers on the Trade Liberalisation of Unprocessed Products.

Verde, after its graduation from LDC status in 2008, obtained an extension of EBA until the end of 2011. It has now been approved for EU market access under GSP+, a special market access status granted by the EU to developing countries that commit to international standards on human and labour rights, as well as environmental protection and good governance.⁹

1.4.3 AGOA and other PTAs

Twelve ECOWAS countries are eligible to benefit from the unilateral trade preference arrangement (Guinea-Bissau, Mali and Niger) from the Africa Growth and Opportunity Act (AGOA). AGOA, established in 2000 to strengthen commercial ties between the US and Africa, provides preferential duty-free treatment to select products under the U.S. Generalized System of Preferences (GSP) for African countries that meet the requirements established by the Act. Among the main requisites is the promotion of market liberalisation reforms such as elimination of trade barriers, commitments to poverty reduction, protection of human rights and no engagement in activities that could challenge U.S. national security.¹⁰ AGOA is set to expire in 2015, but will likely be extended.

On average, each ECOWAS Member State is party to no fewer than 15 preferential trade agreements. However, we note that very few countries really benefit from these agreements as a result of low supply. One of the tasks of this strategy is to contribute to creating favorable conditions for trade development and increased trade in the region and with the rest of the world.

1.4.4 Africa Continental Free Trade Area

Ever since independence, integration has been a core element of the development strategy of African countries. The Africa-wide development agenda, as championed by the African Union, is based on regional integration and the formation of an African Economic Community (AEC). This was laid out in the Abuja Treaty of 1991 and the 1980 Lagos Plan of Action for the Economic Development of Africa. The Africa regional integration roadmap considers the Regional Economic Communities (RECs) as the building blocks of the AEC. The AEC is to be formed in six phases over 34 years:¹¹

- First phase (five years): Strengthen existing RECs and create new RECs in regions where they do not exist
- Second phase (eight years): Ensure consolidation within each REC, with a focus on liberalising tariffs, removing NTBs, etc.
- Third phase (10 years): Set up in each REC a FTA and customs union (with a CET and a single customs territory)
- Fourth phase (two years): Coordinate and harmonise tariff and non-tariff systems among the RECs with a view to establishing a continental customs union
- Fifth phase (four years): Set up an African common market
- Sixth phase (five years): Establish the AEC, including an African Monetary Union and Pan-African Parliament

To date, however, progress has been limited with intra-African trade only accounting for about 10%, compared with 40% in North America and more than 60% in Western Europe.¹² Intra-REC trade has grown

⁹ European Commission (2011)

¹⁰ Schneidman and Lewis (2012)

¹¹ UNECA (2011)

¹² Kimenyi et al (2012)

moderately over the past decade at around 15%, while intra-African exports grew at 25% over the same period. This suggests that trade that is confined to the regional blocs is less optimal than Africa-wide trade.¹³

The African Union Summit in January 2012 decided to fast track the establishment of an African Continental FTA (CFTA) by an indicative date of 2017 and to implement a comprehensive action plan to boost intra-African trade. UNECA projects that the CFTA will expand trade flows among African countries, adding up to USD 34.6 billion (52.3 per cent) in 2022.¹⁴ It also projects that imports of African countries from the rest of the world would come down by USD 10.2 billion as a result of the CFTA. The report states that Africa's exports of agricultural and food products – particularly wheat, cereals, raw sugar and processed food (meat, sugar and other food products) – would benefit most from the CFTA. Under the CFTA, Africa's export volumes of agricultural and food products would increase by an extra 7.2 per cent (or USD 3.8 billion) in 2022 above the baseline. In addition, export volumes of industrial products – particularly textiles, wearing apparel, leather products, petroleum coal products, mineral and metal products and other manufactured products are expected to increase over the baseline by 4.7 per cent (or USD 21.1 billion).

The achievement of many of the potential benefits is dependent on the successful establishment of the ECOWAS FTA and customs union as one of the crucial building blocks for the AEC. The CFTA will help tackle slow progress at the regional level and can help inject new energy into West African integration efforts with clear deadlines.

1.5 Structure and pattern of trade

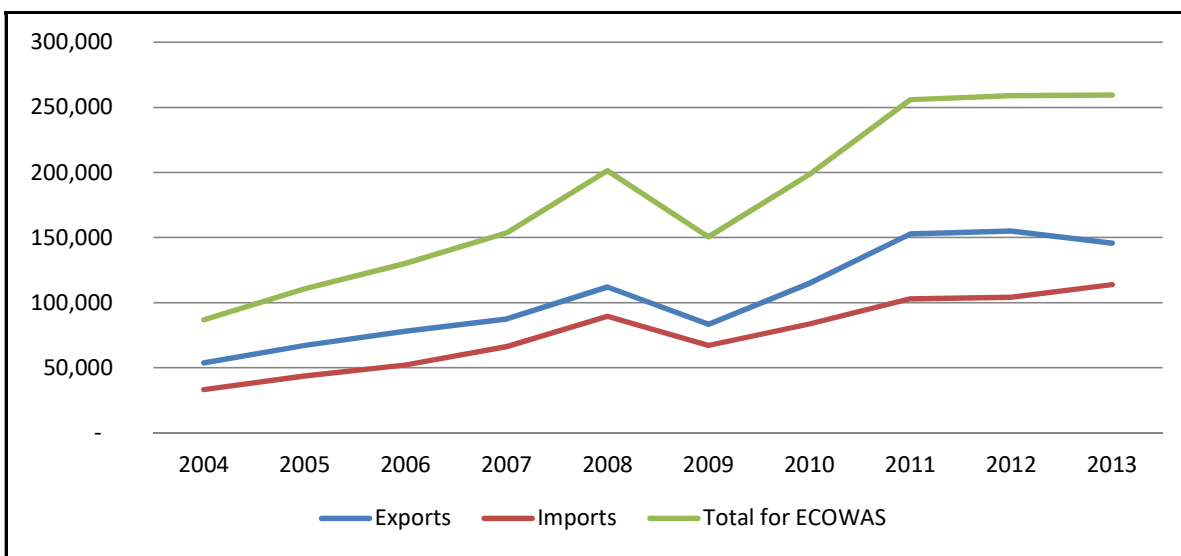
1.5.1 Trade Trends

Trade in goods recorded a rapid and, to some extent, sustained growth within the ECOWAS space in the last decades. In fact, the exports and imports growth rate was positive, except in 2009 where this rate was negative as was the case in other regions of the world due to the world economic crisis. Between 2004 and 2013, the total amount of the region's trade (import and exports) climbed from US\$ 87 to 259 billion. Over the same period, exports grew from US\$ 54 to 146 billion (with a peak of 155 billion in 2012) while imports expanded from US\$ 33 to 114 billion. This relative good performance of the region was driven by Nigeria which accounted for 60% of the total value of the region's trade. In 2013, Nigerian exports amounted to US\$103 billion (70.71% of ECOWAS exports) against 56 billion for imports (49.3% of ECOWAS imports). Nigeria was followed by Ghana and Cote d'Ivoire which accounted for 12.09% and 10.02% of the value of trade in 2013.

As indicated by the figure below, the ECOWAS balance of trade recorded a surplus on the whole. It is worth noting, however, that aside Cote d'Ivoire and Nigeria which achieved a positive trade balance, the other ECOWAS Member States recorded structural deficits during the entire 2004-2013 period.

¹³ UNECA (2011)

¹⁴ UNECA (2012)

Graph 4: ECOWAS Imports and Exports Trends between 2004 and 2013 in millions of US Dollars

Source: UNCTADstat.

The value of exports from ECOWAS countries rose on average by 16.70% between 2004 and 2013, representing an increase above what was recorded in world exports (10.37%) and African exports (14.77%). In the other African regional economic communities, namely COMESA (Common Market for Eastern and Southern Africa) and ECCAS (Economic Community of Central African States), the value of exports also grew over the period at an average rate of 14.91% and 21.21% respectively. ECOWAS imports also followed the same trend with a nominal growth rate above that of the world and the other African regions (COMESA and ECCAS).

Despite the positive growth in trade within the region, ECOWAS remained a marginal player in world trade, accounting for only 0.68% of world exports and 0.47% of world imports in terms of value between 2003 and 2012. According to the 2013 UNCTAD Report on “Economic Development in Africa”, the shares of Africa and Sub Saharan Africa in world imports and exports have significantly dwindled since 1970. According to the report, this downward trend was observed in almost all the African regions and in virtually all the Africa regional economic communities.

1.5.2 Intra-regional trade

Between 2003 and 2012, the value of intra-regional trade increased significantly, rising from US\$ 7 billion to US\$ 23 billion. It recorded a positive growth each year except in 2009 as a result of the world economic crisis, thus reflecting the effect of exogenous shocks on trade within the region. The share of intra-regional trade in the total value of trade within ECOWAS was generally on the decline, falling from 11.24% in 2003 to 7.44% in 2011 before rising to 8.6% in 2012. This decline would be attributed to a faster growth in ECOWAS trade with the rest of the world rather than a slowdown in intra-regional trade. The share of trade between ECOWAS and the rest of Africa is also low even though it increased from 3.86% to 5.03% between 2003 and 2012. The value of trade climbed from US\$2 billion to 14 billion over the same period.

Graph 5: Trend in Intra-Regional Trade (2003 to 2012) in millions of US Dollars

Source: UNCTADsat

Compared to other African regional economic communities over the 2003 -2012 period, the share of intra-regional trade in the total trade of each of the RECs was 9.96% for ECOWAS against 6.05% and 1.76% for COMESA and ECCAS respectively. This proportion is 11.85% for intra-Africa trade and 63.37% for trade within the European Union.

Nonetheless, the figures are likely to be significantly underestimated, given the dynamism of informal trade which is not captured in official figures. Estimates of informal cross-border trade in West Africa show that this trade could account for 20% of GDP in Nigeria and 75% of GDP in Benin (Afrika and Ajumbo, 2012). These estimates suggest that the actual share of intra-regional and intra-African trade in the total trade is higher than the official figures.

1.5.3 Structure of Trade

Exports

The structure of ECOWAS exports did not change significantly over the last decade. Indeed, since 2004, the region's exports have been dominated mostly by fuels up to over 70%. These include mainly petroleum oils or bituminous minerals and natural as well as liquefied gas. The other export products are mostly cocoa, non monetary gold, cotton, rubber as well as dried and fresh fruits.

Table 1: Share of Exported Products in ECOWAS Total Exports in %

Year	2004-2008	2009	2010	2011	2012	2013
Petroleum oils and oils obtained from bituminous minerals	66.78	60.02	61.04	63.41	61.27	59.24
Natural and Liquefied Gas	4.42	4.25	4.76	5.88	7.05	6.98
Petroleum oils or bituminous minerals > 70%	4.61	3.56	5.88	6.93	5.91	6.01
Cocoa	5.73	9.10	7.53	5.62	5.40	5.41

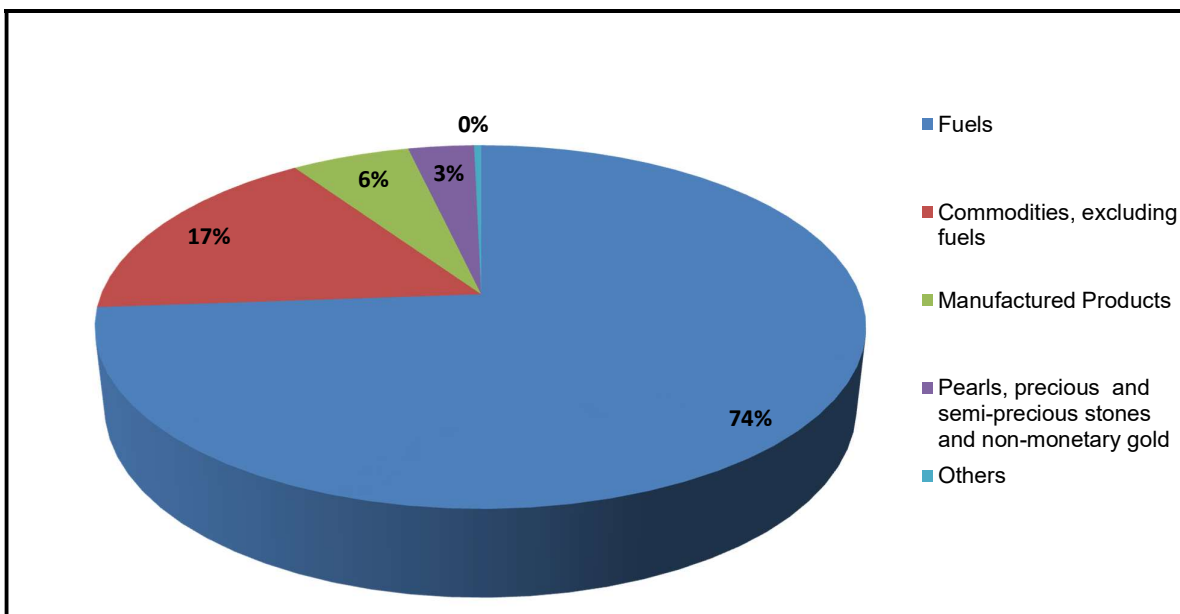
Non monetary gold	1.32	2.93	3.43	2.95	3.26	3.14
Cotton	1.85	1.87	1.19	1.19	1.56	1.52
Natural rubber, balata, guayule, etc. primary state	0.59	0.64	0.92	2.16	2.12	1.26
Fresh or dried fruits (except oil seeds),	0.89	1.20	1.01	1.08	1.66	1.20
Liquefied propane and butane	0.84	0.89	0.99	1.11	0.83	1.00
Ships, vessels and other floating structures	0.72	0.73	1.24	0.26	0.41	0.81
Other products	12.26	14.81	12.01	9.42	10.53	13.44

Source: UNCTADsat

The high concentration of exports on petroleum products makes some economies vulnerable to fluctuations in world crude oil prices. This is particularly the case of Nigeria where petroleum products account for 80% of exports. This vulnerability is also noticeable in other countries whose major exports are cocoa, gold and cotton.

The relatively low share of manufactured export products in the total value of exports in the region reflects the poor level of industrialisation in all ECOWAS Member States. The exports of manufactured goods are limited to chemical products, transport equipment and machines as well as textile products (fibre, yarn and textile fabrics) and clothing products.

Graph 6: Major ECOWAS Exports per Group of Products in 2013



Source: UNCTADsat

The European Union is the leading destination of exports from ECOWAS Member States with nearly 34% of the total value of the region's exports. Products exported to the EU include petroleum products (70%), cocoa (9%), natural gas (7%) etc. The other destinations of exports from the region are the United States of America, India and China.

Imports

ECOWAS imports are more diversified than exports. In 2013, the region imported petroleum products amounting to nearly US\$ 15 billion, representing about 14% of total imports for the year. The rest of the imports includes mainly manufactured and industrial products (vehicles, telecommunication equipment, civil engineering and construction materials, etc.) as well as food products (rice, wheat, fish, food products and preparations etc.).

The EU remains the main supplier of the region with 28% of total imports in 2013. Imports from Asia increased steadily in the last decade, with China accounting for 20% of the total value of imports of ECOWAS Member States. The other suppliers of the region are the United States of America, India and to some extent other African countries.

1.6 Trade Facilitation, Logistics and Customs

Improving trade facilitation is vital for raising the region's performance in terms of trade within the region and exports to the rest of the world. Studies conducted by the World Bank concluded that if the World Bank designed Logistics Performance Index (LPI)¹⁵ of low income countries attain the average of the middle income countries, it will stimulate trade by 15%¹⁶. Similarly, reducing the cost of trade for low income countries as measured by the Doing Business Index to the average of middle income countries would boost exports by about 7% for these countries.

The performance of West African countries in terms of trade facilitation, as measured by the key trade facilitation indices, is mixed. According to the 2015 Doing Business ranking for the "Trading across borders" indicator, the best performing ECOWAS country is The Gambia which is ranked 77th out of 189 economies. The least performing country in West Africa is Niger, which is ranked 179th. A comparison of these data with those in the 2012 Doing Business Report shows that region retrogressed in the ranking in relation to other regions of the world since Cape Verde, the best performing ECOWAS country, was ranked 61st and Burkina the least performing countries 175th.

In terms of export and import related cost, number of documents required for exports or imports as well as import and export delays, the ECOWAS average is very competitive compared to the Sub Saharan average. However, this average conceals wide disparities between the best and least performing countries within ECOWAS. In addition, the comparison with the best world players such as OECD countries shows a clear underperformance of the region, a sign that much progress is still required at the regional level.

¹⁵ The LPI aggregates quantitative data and those of logistics operators to assess the –more or less favourable- logistics context of a given economy.

¹⁶ Hoekman and t Nicita (2008).

Table 2: Doing Business, 2015 – "Trading across borders"

Country	Rank ¹⁷	Number of export documents	Turnaround time for exports	Cost of exporting ¹⁸	Nb. Of import documents	Turnaround time for imports	Cost of importing
Benin	121	7	25.0	1 052.0	7	25.0	1 487.0
Burkina Faso	174	10	41.0	2 305.0	12	49.0	4 330.0
Cape Verde	101	7	20.0	1 125.0	7	20.0	925.0
Cote d'Ivoire	158	9	25.0	1 390.0	13	32.0	1 960.0
Gambia	77	6	19.0	1 040.0	6	19.0	745.0
Ghana	120	6	19.0	875.0	7	41.0	1 360.0
Guinea	141	7	36.0	915.0	8	31.0	1 480.0
Guinea-Bissau	119	6	25.0	1 448.0	6	22.0	2 006.0
Liberia	149	10	15.0	1 320.0	12	29.0	1 320.0
Mali	163	6	26.0	2 440.0	11	34.0	4 540.0
Niger	179	8	56.0	4 475.0	10	61.0	4 500.0
Nigeria	159	9	22.0	1 380.0	13	33.0	1 695.0
Senegal	79	6	12.0	1 225.0	6	14.0	1 940.0
Sierra Leone	133	7	25.0	1 185.0	8	28.0	1 575.0
Togo	112	6	24.0	1 015.0	7	29.0	1 190.0
ECOWAS average	-	7	26.0	1 546.0	9	31.1	2 070.2
SSA average	-	8	30.5	2 200.7	9	37.6	2 930.9
OECD	-	4	10.5	1 080.3	4	9.6	1 100.4

Source: World Bank, *Doing Business 2015*.

According to the World Bank Logistics Performance Index, the best performing ECOWAS country is Nigeria, ranked 75th out of 160 economies while the least performing is Gambia, ranked 146th. In the 2012 ranking, Benin which was the best in the region ranked 67th while Sierra Leone, the least performing country held the 150th position. It is worth noting that Sierra Leone was not covered in the 2015 ranking.

The average score of ECOWAS is higher than the Sub Sahara Africa average for all the indicators even if the difference is often less noticeable. There are performance gaps between the best performing and least performing countries but relatively to a lesser extent.

¹⁷Ranking involving 189 countries

¹⁸Cost in dollars per container

Table 3: 2012 Logistics Performance Index
(1= lowest score, 5=highest score)

Country	Rank ¹⁹	Score	Customs	Infrastructure	International dispatches	Logistics skills	Monitoring and traceability	Speed of delivery
Benin	109	2,56	2,64	2,35	2,69	2,35	2,45	2,85
Burkina Faso	98	2.64	2.50	2.35	2.63	2.63	2.49	3.21
Cape Verde	-	-	-	-	-	-	-	-
Côte d'Ivoire	79	2.76	2.33	2.41	2.87	2.62	2.97	3.31
Gambia	146	2.25	2.06	2.00	2.67	2.22	2.00	2.46
Ghana	100	2.63	2.22	2.67	2.73	2.37	2.90	2.86
Guinea	122	2.46	2.34	2.10	2.47	2.35	2.41	3.10
Guinea-Bissau	127	2.43	2.43	2.29	2.29	2.57	2.29	2.71
Liberia	102	2.62	2.57	2.57	2.57	2.86	2.57	2.57
Mali	119	2.50	2.08	2.20	2.80	2.20	2.70	2.90
Niger	130	2.39	2.49	2.08	2.38	2.28	2.36	2.76
Nigeria	75	2.81	2.35	2.56	2.63	2.70	3.16	3.46
Senegal	101	2.62	2.61	2.30	3.03	2.53	2.65	2.53
Sierra Leone	-	-	-	-	-	-	-	-
Togo	139	2.32	2.09	2.07	2.47	2.14	2.49	2.60
ECOWAS	-	2.54	2.36	2.30	2.63	2.45	2.57	2.87
SSA average	-	2.41	2.27	2.27	2.49	2.41	2.48	2.84
OECD	-	3.70	3.61	3.73	3.46	3.71	3.67	4.05

Source: World Bank

The Enabling Trade Index (ETI) published by the World Economic Forum (WEF) is determined by using a broad selection of quantitative data from diverse sources to assess to what extent “economies have established institutions, policies and services that facilitate the free movement of goods across borders”. According to the Global Enabling Trade Report 2014, the best performing country was Gambia, ranked 99th out of 138 economies while the least performing country was Guinea, ranked 126th. The average score of ECOWAS was well above the Sub Saharan average for the world index but remained low when compared to the OECD index.

¹⁹ Ranking involving 160 countries

Table 4: Enabling Trade Index 2014
(1= lowest score, 7=highest score)

Country	Rank ²⁰	ETI	Market Access ²¹	Customs Service ²²	Infrastructure ²³	Business Environment ²⁴
Benin	127	3.1	3.0	3.4	2.6	3.4
Burkina Faso	133	2.9	3.1	2.4	2.7	3.4
Cape Verde	-	-	-	-	-	-
Côte d'Ivoire	117	3.3	2.9	3.5	3.0	3.6
Gambia	99	3.6	2.8	4.1	3.1	4.4
Ghana	102	3.6	3.0	4.1	3.2	4.1
Guinea	135	2.9	2.8	3.2	2.1	3.3
Guinea-Bissau	-	-	-	-	-	-
Liberia	126	3.1	2.2	3.7	2.5	4.0
Mali	123	3.1	3.1	2.7	3.1	3.5
Niger	-	-	-	-	-	-
Nigeria	124	3.1	2.5	3.7	2.9	3.3
Senegal	100	3.6	3.1	4.2	3.1	4.0
Sierra Leone	-	-	-	-	-	-
Togo	-	-	-	-	-	-
ECOWAS	-	3.2	2.9	3.5	2.8	3.7
SSA average	-	2.5	-	-	-	-
OECD	-	4.9	-	-	-	-

Source: World Economic Forum, Global Enabling Trade Report 2014

A review of the performance of ECOWAS based on these indicators shows that the region has made some progress in areas of trade facilitation and related infrastructure. The region's performance is relatively above the Sub Saharan average but it remains well below that of OECD countries. A striking feature is the wide disparity between the best performing and least performing West African countries, based on these indicators.

As regards, cross-border trade, the import and export related costs per container are certainly high for landlocked countries such as Burkina Faso, Mali or Niger, but the region's efforts should aim at reducing delays in export and import operations which generate additional cost for private sector operators and have adverse effects on the competitiveness of countries. In terms of logistics performance, the availability and

²⁰ Ranking involving 138 countries

²¹ Measures the level and complexity of a country's tariff regime, barriers it faces and preferences enjoyed by its exporters on foreign markets.

²² Assesses the effectiveness and transparency of the customs administration.

²³ Assesses the availability and quality of transport infrastructure and related services as well as the communication infrastructure required to facilitate the movement of goods within the country and across borders.

²⁴ Measures the quality of key institutional factors that affect activities of active importers and exporters in a country.

quality of infrastructure are essential to boost trade within the region and with the rest of the world. Ensuring efficiency and transparency in customs administrations and developing the logistics skills of the various operators would certainly help reduce these delays.

The ECOWAS Commission should, however, ensure a coordinated implementation of the agreement on trade facilitation by supporting Member States to:

- Conduct a self-assessment of their needs in terms of technical assistance and capacity building;
- Categorize activities related to the implementation of the agreement ;
- Formulate projects to implement provisions under category C of the agreement ;
- Establish national committees and sub-committees on trade facilitation that will be integrated as much as possible into the existing institutional framework dealing with trade policy issues.

The ECOWAS Commission will also ensure the establishment of a regional committee and sub-committee on trade facilitation and work towards improving collaboration with UEMOA on trade facilitation.

II. AID FOR TRADE

2.1 Context and evolution of Aid for Trade global initiative

The Aft initiative has its origins in the WTO negotiations and fears over adjustment costs associated with multilateral trade liberalisation, particularly those arising from preference erosion. The initiative gained prominence during the WTO Ministerial Meeting held in Hong Kong in December 2005 which also established an Aft Task Force. The final Ministerial Declaration stressed the importance of Aft in assisting developing countries, especially least developed countries (LDCs):

“To build the supply-side capacity and trade-related infrastructure that they need to assist them to implement and benefit from WTO Agreements and more broadly expand their trade...”

... The scope of Aft should be defined in a way that is both broad enough to reflect the diverse trade needs identified by countries, and clear enough to establish a border between Aft and other development assistance of which it is a part. Projects and programmes should be considered as Aft if these activities have been identified as trade-related development priorities in the recipient country's national development strategies.”
WTO Aft Task Force (2006)

Although trade can be an important driver of economic growth, poverty reduction and development, developing countries (especially LDCs) continue to face barriers to competing in the global market. Reductions in trade barriers have resulted in countries becoming more interconnected and interdependent in the global market. Although developing countries help to drive global trade, the benefits of an open economy frequently do not reach those countries most in need. The ongoing WTO Doha Development Round negotiations have stressed the importance of reductions in trade barriers to support an efficient exchange of goods and services between countries. The Doha Round has experienced several setbacks. However, the Ninth WTO Ministerial Conference held in Bali, Indonesia in December 2013 gave fresh impetus to negotiations. Indeed, the Ministers adopted a package including an agreement on trade facilitation, ministerial decisions on agriculture, cotton, development and issues related to Least Developed Countries (LDCs), and ministerial decisions as part of the General Council's ordinary sessions. The ministers also welcomed the progress made under Aid for Trade, reaffirmed their commitment to Aid for Trade and renewed the WTO Director-General's mandate to support the scheme. The Ministerial Decision on Aid for Trade and the Bali package have add a new important dimension to ongoing works on Aid for Trade. The new 2014-2015 work

programme whose objective is to "**reduce costs of trade for sustainable and inclusive growth**" was prepared to reflect these new developments. The programme emphasizes the responsibility of developing countries and their development partners regarding the implementation and operationalization of Aid for Trade.

AfT support is divided into six categories, and aims at supporting the trade policy and regulatory environment including implementing trade agreements as well as building supply-side capacity (see box 2). Building an effective enabling environment for trade is a core element of the AfT agenda. Poor infrastructure, for instance, hampers private sector development and weakens the ability of developing countries to engage beneficially in trade. Development of trade-related infrastructure (e.g. ports, railways, and roads), as well as so-called 'soft infrastructure' (e.g. transport policy, regulatory frameworks and institutions), is needed for countries to better integrate into regional and global markets.

Box 2: Aid for Trade categories²⁵

- a) **Trade policy and regulations** including: training of trade officials, analysis of proposals and positions and their impact, support for national stakeholders to articulate commercial interest and identify trade-offs, dispute issues, institutional and technical support to facilitate implementation of trade agreements and to adapt to and comply with rules and standards
- b) **Trade development** including: investment promotion, analysis and institutional support for trade in services, business support services and institutions, public-private sector networking, e-commerce, trade finance, trade promotion, market analysis and development
- c) **Trade-related infrastructure** including: physical infrastructure
- d) **Building productive capacity**
- e) **Trade-related adjustment** including supporting developing countries to put in place accompanying measures that assist them to benefit from liberalised trade
- f) **Other trade-related needs:** reporting on categories (c), (d) (e) and (f) should be reported as AfT when these activities have been explicitly identified as trade-related priorities in the recipient country's national development strategies

Source: WTO (2006).

2.2 An Overview of Aid for Trade

2.2.1 Major Aid for Trade Providers

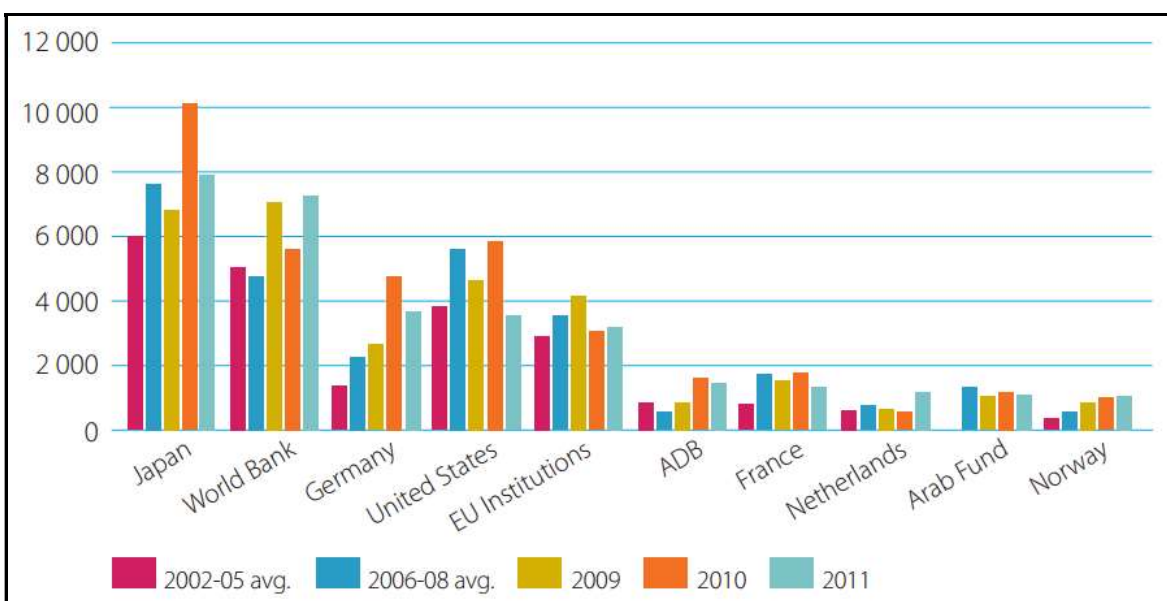
According to the report "Aid for Trade at a Glance 2013", jointly published by the OECD and WTO, bilateral donors provided 60% of the total amount of Aid for Trade in 2011. However, this amount fell by 65% compared to 2010. As indicated in graph 7, Japan remained the leading donor in 2011 with US\$7.9 billion disbursed even though its contribution dropped by 22% compared to 2010. Germany was the second bilateral donor with \$US3.7 billion, indicating an increase of 176% compared to the 2002 -2005 baseline period and a drop of 20% compared to 2010. Between 2010 and 2011, the US commitments to trade went down from US\$ 5.9 billion to 3.6 billion, representing a 40% decline. This support dipped by 8.8% compared to the period 2002 -2005. This could be attributed to a change in the US aid policy which seems to attach greater importance to social programmes. In 2001, the European Union provided US\$ 3.2 billion with only a 2% drop compared to 2010. France granted US\$ 1.3 billion or 41% of the total aid granted by the EU. Bilateral

²⁵ The first two categories (a and b) may be considered as 'narrow' AfT and the others 'broad' AfT.

commitments of the United Kingdom fell by 22% compared 2010 though the UK continues to provide substantial support through multilateral institutions.

In 2011, multilateral donors maintained their aid for trade at the same level as in 2010. This amounted to US\$ 16.6 billion and accounted for 40% of total aid for trade. In 2011, the World Bank was the leading multilateral donor and the second leading world donor after Japan with US\$ 7.3 billion. The World Bank increased its aid for trade by 46% compared to the 2002-2005 baseline period and by 29% compared to 2010. The increase the World Bank's aid for trade offset the shortfalls of the other multilateral donors, including the African Development Bank (with a drop of US\$ 851 million) and Arab donors, especially the Kuwait Fund for Arab Economic Development, (with a drop of US\$ 540 million) and the OPEP Fund for International Development (down by US\$194 million). The Arab Fund for Economic and Social Development has always provided over US\$ 1billion since 2008.

Graph 7: Top 10 Aid for Trade Donors in Millions of Dollars



Source: A Glance at Aid for Trade 2013, OECD/WTO

2.2.2 Beneficiaries of Aid for Trade

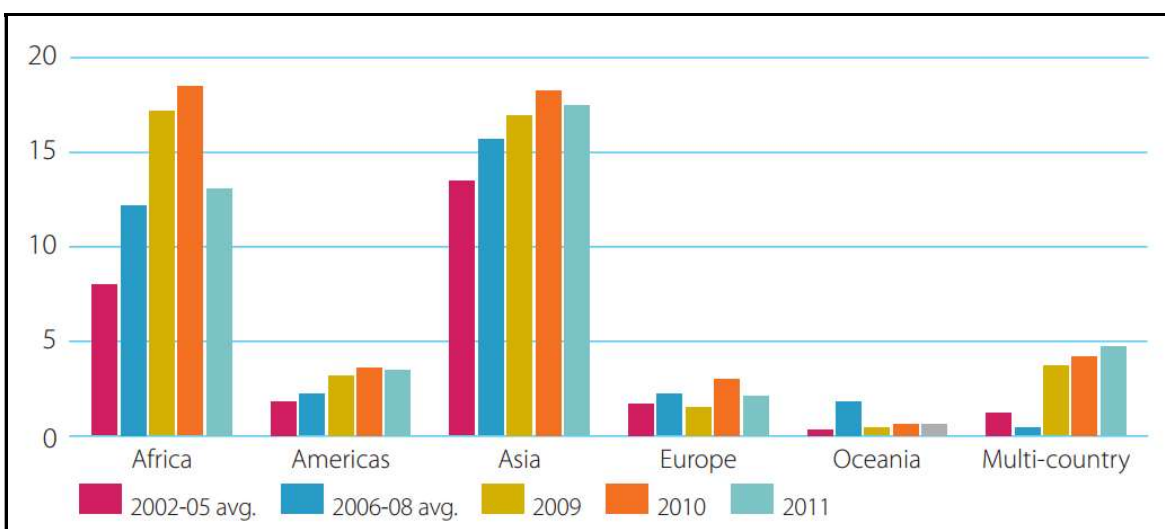
In recent years, Africa received the greatest part of the increased Aid for Trade, with a 64% rise in commitments compared to the 2002- 2005 baseline period but this upward trend has stalled. The aid for trade for Africa in 2011 fell from US\$ 18.5 billion to 13.1 billion, representing a shortfall of US\$ 5.4 billion. This decline affected both northern African countries (including Egypt and Morocco) and Sub Saharan Africa (Ethiopia, Kenya and Tanzania, among others). This is due mainly to lower commitments for financing projects in the energy and transport sectors. Other regions in the world were much less affected than the African continent. For example, Asia, the leading regional beneficiary of aid amounting to US\$ 17.5 billion recorded only 5% decline compared to 2010.

In 2011, over US\$ 13 billion or 32% of aid for trade were committed for the Least Developed countries (LDCs). These countries were less affected compared to other groups but they recorded a decline of 7% in

commitments meant for them in relation to the level in 2010. The aid for trade flows to LDCs increased steadily and even doubled compared to the 2002-2005 baseline period.

One of the major gaps identified in the recommendations of the WTO Task Force on Aid for Trade was that support for regional, sub regional and cross-border projects was limited. Over the years, this gap has been addressed and aid for trade commitments for multi-country programmes recorded an upward trend and reached US\$ 7.7 billion, the highest level, in 2011. Africa was the recipient of the substantial part of the regional aid for trade with US\$ 782 million in 2011; indicating a fourfold increase in aid received during the 2002 -2005 baseline period.

Graph 8: Beneficiaries of Aid for trade per region in Millions of US Dollars



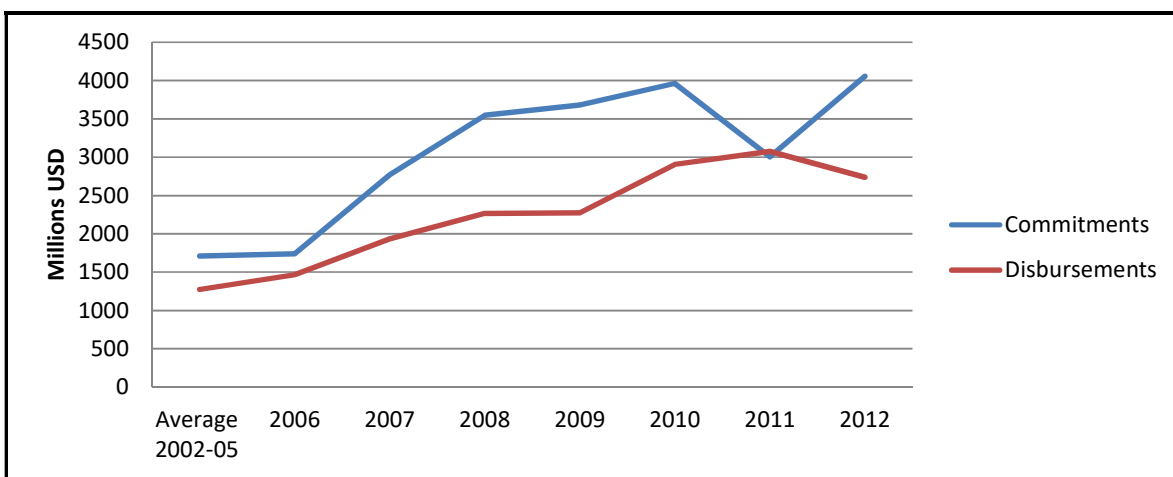
Source: A Glance at Aid for Trade 2013, OECD/WTO

2.2.3 Aid for Trade Flows to ECOWAS Countries

The graph below shows the trend in AfT commitments and disbursements to ECOWAS over the period 2002 - 2012. These flows were virtually on a steady increase between 2006 and 2010. However, in 2011 donors' commitments to ECOWAS countries fell from \$3963 million to 3006 million, representing a 24% drop. On the other hand, disbursements rose from US\$ 2906 million to US\$3077 million. As it can be seen, the figures show that in 2011, donors disbursed slightly more funding in respect of aid for trade than they pledged to countries in the region. However, in 2012, commitments went up by 34% against a drop of 11% in disbursements.

The headings "Economic Infrastructure" and "Building Production Capacity" were the main beneficiaries of Aid for Trade over the same period. The share of support for trade policy and assistance for regulatory efforts remained relatively low (below 5%) in the AfT granted to countries in the region. Though a significant support was provided for productive capacity building (in sectors such as agriculture, banking and financial services, tourism, etc...), this does not directly target trade related activities²⁶.

²⁶ OECD - WTO (2011)

Graph 9: Trend in Aid for Trade Flows to ECOWAS Countries

Source: OECD

An analysis of Aft disbursement figures shows that Ghana, Nigeria, Mali were the main Aft beneficiaries in 2012. Flows to Nigeria were on an upward trend due to significant increases in sectors such as banking and financial services, mining and energy. The bulk of Aft in Ghana was made up of increased support for economic infrastructure development, especially projects in the transport sector. In Mali, agricultural support accounted for about 50% of the Aft.²⁷ Besides, it is observed that Aft granted to Burkina Faso, Guinea-Bissau and Sierra Leone were generally on the downward trend during this period.

Table 5: Aid for Trade Flows to ECOWAS (in 2010 constant US Dollars)

Country	Commitments (in thousands of USD)								Disbursements (in thousands of USD)							
	Avg. 2002-05	2006	2007	2008	2009	2010	2011	2012	Avg. 2002-05	2006	2007	2008	2009	2010	2011	2012
Benin	116	331	88	175	237	248	159	106	97	77	106	177	179	188	272	139
Burkina Faso	234	173	134	208	601	341	343	321	141	195	251	172	226	239	245	291
Cape Verde	80	26	68	113	118	66	44	108	34	47	45	96	75	158	92	75
Cote d'Ivoire	55	21	42	273	275	234	210	198	66	20	27	247	209	189	122	89
Gambia	28	18	11	9	35	74	70	153	24	15	16	16	34	34	56	51
Ghana	288	351	842	668	783	862	541	736	274	335	337	384	419	576	693	642
Guinea	62	64	132	13	40	11	121	142	63	30	41	61	56	63	71	72
Guinea-Bissau	26	24	19	5	15	26	13	2	19	31	42	28	34	13	25	16
Liberia	1	22	158	50	294	199	199	384	0	2	87	48	78	112	127	141
Mali	171	149	794	590	643	329	264	68	174	198	308	238	270	347	472	319
Niger	107	83	45	203	129	66	147	337	82	74	98	104	84	131	103	124
Nigeria	250	193	198	666	1 026	342	492	990	72	184	334	229	259	446	344	376
Senegal	187	262	127	348	414	836	236	362	170	208	189	288	214	252	307	263
Sierra Leone	97	20	104	132	36	172	90	107	50	40	47	78	110	119	98	103
Togo	6	3	5	94	61	157	77	41	9	9	3	100	29	39	50	36
TOTAL	1708	1740	2767	3547	3681	3963	3006	4055	1275	1465	1931	2266	2276	2906	3077	2737

Source: OCDE

²⁷ OECD- WTO (2011)

ECOWAS countries receive AfT from many donors which are grouped into bilateral and multilateral donors. The World Bank, European Commission and USAID are among the most prolific donors of AfT projects in ECOWAS countries. However, the more specialized donors, including the West African Development Bank are also active in the region. According the Global AfT Review Report, jointly published by the OECD and WTO, some of the major development partners are Japan, USA, World Bank, Germany, European Union, France, AfDB and Spain²⁸.

2.3 The enhanced integrated Framework (EIF)

EIF is an Aid for Trade multi-donor programme which seeks to enable LDCs to play a more active role in multilateral trading system through:

- Mainstreaming trade into national development strategies;
- Putting in place necessary structures to coordinate provision of trade-related technical assistance; and
- Building trade capacity, which also implies addressing key barriers to supply.

12 out of 15 ECOWAS Member States benefit from the programme. These countries are at varying degrees of implementation at national level. They have all adopted a number of national implementation arrangements including, among other things, setting up of National EIF Implementation Units. The role of these Units is to work towards meeting EIF objectives at national level by promoting a coordinated response of various organizations and development partners, providing required technical assistance and building trade-related capacity identified by LDCs' governments and other national stakeholders.

In that regard, EIF could serve as a platform for future interventions as part of the implementation of the strategy, since ECOWAS Commission decided to adopt the existing mechanisms instead of developing new ones.

2.4 The UEMOA Aid for Trade Strategy

The UEMOA AfT Strategy is defined in coherence with the principal actions within the Commission's logical framework and in conformity with the priority axes of the UEMOA Regional Economic Programme (REP) – the main reference document for integration in the region. The AfT Strategy priorities are further linked to actions within its Common Trade Policy notably in the areas of strengthening intra-regional trade, external trade relations (CET and safeguard measures) and the simplification of rules and procedures in regards to trade facilitation. UEMOA's AfT Strategy defines the following AfT categories (or axes) as priority focus areas at the regional and national levels: infrastructure; quality and standards; business-related services; trade facilitation; trade promotion; and, trade capacity building.

As regards implementation, the UEMOA AfT Strategy identified the Regional AfT Committee as the coordinating body to ensure implementation of the AfT Strategy. It also highlighted the importance and role of using existing mechanisms in facilitating the implementation of the AfT Strategy. To ensure the effective implementation of the UEMOA AfT Strategy at the regional and national levels, the overall vision of the AfT Strategy is based on 5 key principles which include setting up institutional and M&E frameworks for AfT. The UEMOA AfT logical framework defined 5 specific objectives: i) to ensure deeper understanding of trade policy regulations at national and regional levels; ii) to develop member states intra-regional and international trade; iii) to strengthen trade related infrastructure in the sub-region; iv) to diversify and increase member state production capacities; and, v) to facilitate trade-related adjustment and take into consideration other trade

²⁸ OECD – WTO (2011)

related needs. The AfT Strategy logical framework also identifies the key results and activities under each specific objective.

2.5 National initiatives

The majority of ECOWAS countries have an AfT policy, strategy, plan or similar in place at the national level, however most are not up to date. The vast majority have a trade policy which is used to guide decisions, but again more than half are not up to date. Most have an active institutional structure in place to guide, manage and/or coordinate trade-related activities, including AfT, including both private sector and civil society representatives. The majority of countries have M&E mechanisms in place for AfT at the national level.

These policies, strategies and structures will be essential tools to feed into the ECOWAS AfT Strategy formulation and implementation. As highlighted, it is important to use existing policies, strategies and structures as far as possible, and to update these to reflect the overarching ECOWAS AfT Strategy. In addition, the AfT Strategy itself can help inform national level initiatives on AfT including the development of national AfT strategies.

2.6 Aid for trade needs and priorities

In 2006, the WTO AfT Task Force stressed the importance of strengthening the capacity of developing countries (especially LDCs) to identify their AfT-related needs and priorities, and also the ability of development partners to respond to those needs. The ECOWAS Commission recognises the importance of AfT with the establishment of an ECOWAS Commission AfT Working Group and the ECOWAS AfT Expert Group, as well as development partner mechanisms for coordination and harmonisation of programmes and resources.

Given that priorities relating to trade can be addressed at both the national and regional level, it is important to identify which areas or issues are most effectively addressed nationally, and which ones are more effectively handled regionally, or a combination of the two. Regional cooperation on public goods (e.g. water basins, infrastructure and environment) can significantly reinforce national initiatives and in some cases can be more effective, especially for those shared by countries.²⁹

As ECOWAS becomes more integrated, the greater the scope and necessity for regional approaches, and vice-versa. For instance, given the difficult economic geography of the ECOWAS region, it is important to take a regional approach to infrastructure development. The establishment of an ECOWAS Common Market will further increase the need to create regional institutions, policies, regulations, laws, projects and programmes. Regional approaches are increasingly being adopted – for instance, the West African Common Industrial Policy (WACIP), the West African Common Agriculture Policy and programmes such as the West Africa Power Pool (WAPP). However, political commitment and implementation are needed at the national level to ensure that regional initiatives are advanced.

Most ECOWAS countries consider that AfT priorities are best addressed either at the national level alone or at both the regional and national levels (rarely only at the regional level).³⁰ A recent survey shows that transport, communications, energy, banking and finance, trade policy, trade facilitation and trade agreements (regional and multilateral) are considered most appropriately addressed at both levels. Storage, building capacity in tourism, and bilateral trade agreements and negotiations are most commonly perceived to be better addressed at the national level. When ranking the most important areas to be covered under a regional AfT

²⁹ Schiff (2002).

³⁰ Authors' survey data (2013) and analysis of DTISs and TPRs - see the technical background paper accompanying this document

strategy, member states consider trade-related infrastructure as most important (7 out of 11) followed by trade policy and regulations (4 out of 11). In general, the broad category of building productive capacity (including sectoral interventions) is considered best addressed at the national level. Some key concerns emerge which are common to many of the countries and lend themselves to regional solutions. All countries are concerned with improving infrastructure, and particularly increasing the efficiency of, and access to, ports. Given the cross-border nature of trade-related infrastructure, countries consider this should be addressed at both the national and regional level. The development of regional value chains would also support this aim, and would improve the coherence of West Africa as a regional market.

1.1 Priorities of Development Partners in terms Aid for Trade

The aim and objective of many Aft strategies of development partners are to help developing countries achieve sustainable economic growth and reduce poverty through their integration into the world economy and greater competitiveness. In addition, many development partners have made a commitment to increase AfT at the regional and national levels.

The main thematic focus areas of development partners are: economic infrastructure, productive capacity building as well as trade policies and regulations. Regional integration is also identified as a priority for a number of them (EU, DFID, the British Department for Cooperation and International Development). The specific priorities include agriculture, fisheries, industry, banking and financial services as well as infrastructure (transport and storage), trade negotiations and trade facilitation.

The AfT expectations were high but there are uncertainties about the thematic and geographical scope of AfT and financial resources available³¹. Development partners and beneficiaries are facing numerous challenges in terms of prioritization of needs and effective delivery of AfT. Formal mechanisms of internal AfT coordination are often nonexistent. There is lack of clarity about the role of RECs in relation to Member State as far as programming regional aid is concerned, not forgetting the cumbersome funding procedures, late release of funds, non-submission of reports and poor monitoring of AfT. In spite of these gaps, AfT programmes have some advantages. These include, for example, the inclusion of trade in national development plans, improvement in implementation and coordination mechanisms, capacity building in trade, infrastructure financing programmes, etc.

Other important issues are pursuing the inclusion of trade in national development plans and improving the quality of trade related financing while taking into account the broader development objectives of the region³². A detailed inventory of AfT programmes and flows from development partners would be an important step in developing and implementing the AfT strategy. It will also help identify both the financing gaps and improvements required in the delivery mechanism.

Finally, “thematic and geographical priorities should guide the scope and allocation of sector specific AfT. For example, cross-border initiatives based on national plans are likely to attract AfT from the EU (especially the EU Commission). National and regional interventions should be well coordinated and integrated”³³.

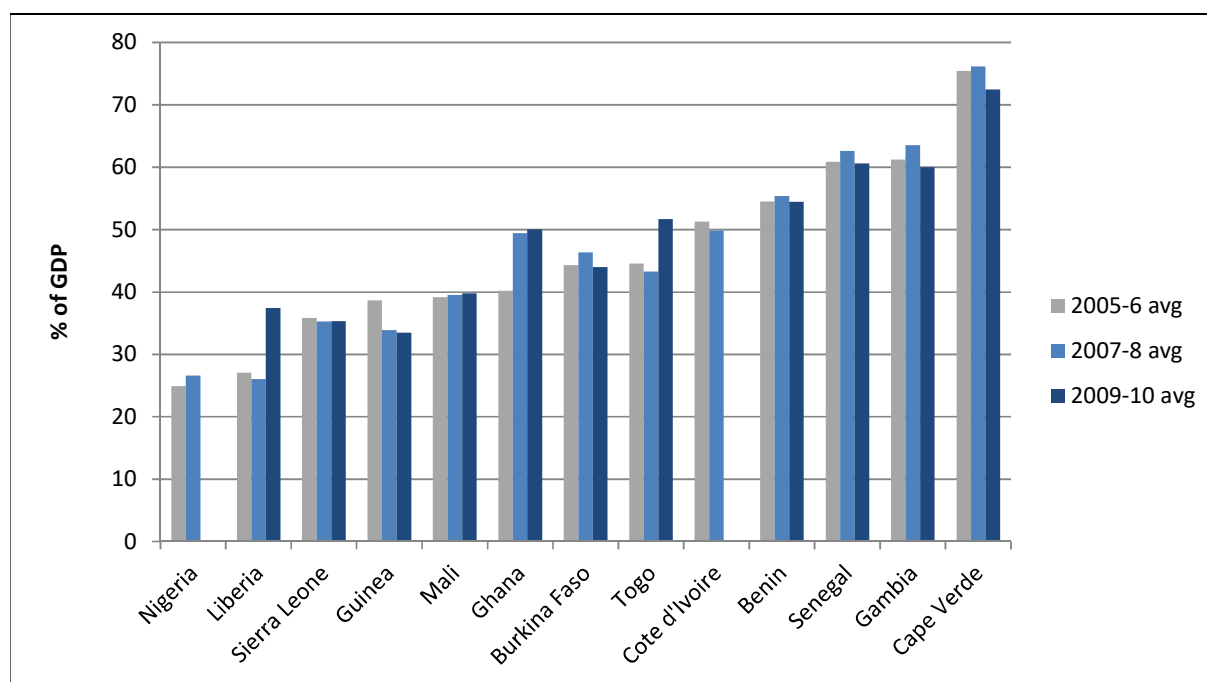
2.7 Opportunities for trade in services

The services sector is a significant part of the regional economy, with the sector contributing 50% or more of GDP in about half of ECOWAS countries.

³¹ Frederiksen and Rampa (2007)

³² Frederiksen and Rampa (2007)

³³ Frederiksen and Rampa

Figure 7: Services value-added ³⁴

Source: World Bank Databank

Trade in services accounts for between 10 to 20% of merchandise exports in the majority of member states. Cape Verde's exports of services, primarily from tourism, equals roughly half of total merchandise exports.

Growth in the trade of financial services is being driven by increased liberalisation of cross-border banking activities, with both national banks (primarily from Ghana and Nigeria) and pan-African banking groups expanding their presence across the region. The expansion in the trade of financial services often follows expansions in the trade of goods. For instance, Ghanaian banks are expanding into Niger to meet the demand for services from the trans-shipment trade from the coast to the interior.³⁵ The regionalisation of the banking sector is likely to increase competition and allow for increased scale and innovation bringing dynamic gains both to domestic and exporting firms.

Telecommunications have been a key driver of the region's economic growth over the last two decades, adding almost one percentage point to the annual per capita GDP growth rate.³⁶ There has been a significant expansion of the ICT sector across borders, with increased collaboration between national operators and growth of regional and global telecommunications firms. ECOWAS currently has a higher mobile phone penetration rate than South Asia and Sub-Saharan Africa, though with significant variation within the region (several countries have penetration rates significantly below the Sub-Saharan Africa average).³⁷ Internet usage is also expanding, though quite unevenly, and several markets still face challenges in providing connectivity. Increased liberalisation efforts and harmonisation at the regional level can pay dividends in expanding trade opportunities for regional telecoms firms, as well as bringing benefits for the broader economy.

³⁴ No data available for Niger and Guinea-Bissau, and limited data for Mali, Nigeria and Cote d'Ivoire.

³⁵ World Bank (2010)

³⁶ Ibid

³⁷ World Bank (2011)

Tourism and travel services are important exports for many countries within the region generating significant levels of foreign exchange and employment. Many countries are specifically targeting their tourism sectors for AfT funding, especially through the Enhanced Integrated Framework (EIF).

III. REGIONAL AID FOR TRADE STRATEGY

3.1 Rationale

The rationale for the AfT Strategy is guided by the understanding that both regional and national efforts on AfT need to be complemented by an overarching regional framework for the region. The lack of a single strategic 'federative' document is a key bottleneck to effective AfT in the region. There is a clear need for a better coordinated and harmonised approach on AfT, both at the national and regional level, to improve aid effectiveness including ensuring that ECOWAS has full ownership of AfT initiatives. The Strategy serves as a guiding document for AfT initiatives including improving the understanding of the AfT concept within the Commission and across the region, concretising the AfT agenda in the West African context. Furthermore, the Strategy aims to increase the pay-off of the ECOWAS regional integration and trade agenda. The Strategy provides an opportunity for the ECOWAS region to affirm its goals on AfT and its approach to AfT priorities more broadly. It focuses on key areas of AfT where a regional approach complements ongoing initiatives at the national level. It will facilitate relationship building across ECOWAS in the field of AfT as well as with external partners.

The AfT Strategy will follow a **gradual, phased and flexible approach** and will be reviewed within two years of operation and updated, extended and possibly expanded to cover more programmatic elements where needed. The first phase (2014-2016) of the ECOWAS AfT Strategy will focus on the following strategic directions:

- Contributing to increasing knowledge on AfT and raising awareness of AfT priorities of the region
- Providing a common framework for the ECOWAS Commission, the member states and its institutions as well as external partners to cooperate around AfT issues to enable a more focused approach towards the formulation and implementation of AfT projects and programmes across partners
- Serving as a tool for decision-making and resource mobilisation and allocation

3.2 Overall objectives and core principles

First and foremost, the Strategy will support the articulation of the ECOWAS region's AfT priorities and approach. The results areas reflect the strategic objectives of the Commission as outlined in the ECOWAS Vision and Mission and the Regional Strategic Plan (RSP). The AfT Strategy will contribute to the ECOWAS Commission's **mission** "to promote cooperation and integration" and its **vision** to "create a borderless, peaceful and prosperous and cohesive region" and is squarely in line with the goals laid out in the RSP.

The **overall objective** for the Strategy is "to contribute to the growth of trade in the region and accelerate the integration of member states into the multilateral trading system". The AfT Strategy is also linked with the goals and objectives of other AfT-related policies, strategies, plans and programmes (e.g. on agriculture, industrial development, trade, transport, etc.). The Strategy has a number of 'horizontal' or cross-sector objectives which have regional 'value added' as well as 'vertical' pillars based on the thematic areas of AfT (see section 6).

The ECOWAS AfT strategy is based on the fundamental principles of aid effectiveness which are:

- **Ownership** : The ECOWAS Commission and the Member States exercise effective leadership over the choice of their trade priorities and ensure the coordination donor aid delivery;
- **Alignment** : Donors will align their overall support with existing national and regional development strategies and institutions, and use as much as possible systems and procedures of the ECOWAS Commission and member states;
- **Harmonization** : Donors' actions are better harmonized and transparent, and ensure greater collective effectiveness;
- **Results-based management** : managing and implementing aid in a way that focuses on the desired results and uses available information to improve decision making processes;
- **Mutual accountability**: donors, the ECOWAS Commission and Member states are accountable for results obtained in terms of trade development.

Furthermore, the implementation of the ECOWAS AfT Strategy will be based on existing mechanisms, as much as possible, to avoid creating new structures and strata. The ECOWAS Commission will endeavour to ensure that the ECOWAS AfT Strategy is in line with the work plans of the various departments and directorates and vice versa.

3.3 Pillars and key objectives of the strategy

3.3.1 Pillar 1: Trade policy and regulations

A key issue at both the regional and national level is the ability to participate in trade negotiations, as well as formulate and implement trade policy and legislation. The major agreements currently being negotiated include the West Africa-EU EPA and the ECOWAS CET. In the context of the CFTA, the ECOWAS region will also need to be adequately prepared to negotiate as a unified block. A number of ECOWAS member states have called for the urgent conclusion of the West Africa-EU EPA as well as linking it to negotiations on the CFTA and bilateral negotiations with partners such as China.

By increasing the focus on the ongoing and planned negotiations, the AfT Strategy can provide the necessary momentum towards finalising these agreements, stimulating AfT resources to support the process. In addition, a key element of the regional integration agenda is the need to harmonise and domesticate laws and regulations in line with trade agreements. At present, the lack of harmonisation of policy and legal frameworks (or, for example, mutual recognition in the case of standards) constitutes a major obstacle to trade and regional integration. There are a number of related ongoing initiatives, including the EPADP and CDP that will support this element of the implementation of the ECOWAS AfT Strategy.

The aim of the strategy for this pillar will therefore be **to boost the region's capacity to participate in trade negotiations, formulate and implement trade-related policies.**

Expected key results include:

- i. Improving the application of trade regulations;
- ii. Strengthening the region's institutional and human capacity for the formulation and implementation of trade policies;
- iii. Mainstreaming trade into national and regional development strategies, including sectorial strategies; and
- iv. Increasing coordination capacity of Aid for Trade programmes.

3.3.2 Pillar 2: Trade-related infrastructure

A major constraint to trade, especially within the region, is the poor quality of infrastructure, transport and trade facilitation. There is need for a regional focus on improving road, rail, air, and river transport infrastructure to reduce the cost and time for transporting goods within the region.

The AfT Strategy takes into account the West African component of the AU-AfDB Programme for Infrastructure Development in Africa (PIDA), which provides a strategic framework for channelling large-scale investment into regional transport infrastructure improvements. This includes three core components: 1) modern West African smart corridors (rail, road, trade facilitation); 2) modern West Africa air transport system; 3) regional port development. As an illustration, two priority corridors identified in the region include the Abidjan-Lagos Coastal Corridor and the Dakar-Niamey Multimodal Corridor.³⁸

Power generation is another key area which falls under this pillar. A reliable and affordable energy supply is vital for firms to compete regionally and internationally. Currently, the region faces significant issues in provision of power to the private sector, and in this context the ECOWAS West African Power Pool (WAPP) provides a coordinating structure of both public and private stakeholders to promote regional investments for the production of electric power and interconnection of networks.

The focus of the strategy under this pillar will be **to improve regional infrastructure, transport and trade facilitation.**

Expected key results include:

- i. Reducing delays and transit costs;
- ii. Improving efficiency at ports, airports, roads, railways and multimodal links;
- iii. Improving energy production and supply; and
- iv. Improving infrastructure and telecommunication systems in the region.

3.3.3 Pillar 3: Building productive capacity

Creating the enabling environment for trade through, for instance, streamlined trade facilitation measures, can stimulate trade, however, it is also important to actively promote trade and enhance competitiveness through supporting measures to build productive capacity. Encouraging export diversification and value chain development through business support services, access to finance, direct support to enterprise development and export promotion activities is crucial for strengthening the supply-side capacity of firms in the region.

ECOWAS has a number of initiatives already in place including the ECOWAS Private Sector Development Framework and the Common Industrial Policy (see section 5), as well as sector-specific initiatives including the Regional Agricultural Investment Policy and Mining Development Policy. For many ECOWAS economies, agricultural and mining products represent significant export sectors and are key national trade priorities. The AfT Strategy will incorporate the identified needs from these initiatives and serve as a single, rallying framework for channelling support from development partners.

The objective of this pillar is to **boost the region's production capacity for the proper integration of Member States into regional and global value chains.**

Expected key results include:

³⁸ As identified in the PIDA Priority Action Plan, PIDA (2011)

- Improving private sector production and export capacity;
- i. Promoting trade in services within the Community;
- ii. Developing the skills of young people and women to secure decent jobs in the ECOWAS region;
- iii. Improving the region's SMEs/SMLs access to trade financing; and
- iv. Promoting foreign direct investment and trade at regional and national levels;
- v. Developing and approving a Regional Public Policy and Quality Infrastructure Framework.

3.4 Dispositif de pilotage et de mise en œuvre

As far as possible, the existing mechanisms should be used for the implementation of AfT-related Strategy. In practical terms, this means hinging on Directorates-General within the ECOWAS Commission and national implementing structures in Member States.

3.4.1 Governance

One of the major recommendations of the WTO AfT Task Force is to establish AfT national committees to integrate trade issues into national development strategies, identify needs and set the priorities of each country, help match « demands » with « responses » and support evaluation. The WTO Task Force also recommended the establishment of an AfT regional committee to monitor the implementation of the regional and sub-regional dimensions of AfT and report on demands, responses and impacts while controlling the monitoring and evaluation. In the interest of efficiency and streamlining of efforts, regional and national AfT arrangements to be put in place should fit harmoniously into the overall institutional framework for trade policy issues available both at the ECOWAS Commission and in individual Member States.

At the regional level, the ECOWAS Commission created an internal working group comprising the various departments (customs and free movement, private sector, agriculture, infrastructure, gender equality) addressing issues relating to trade and development. It also created the AfT experts group made up of AfT points of contact appointed by the Member States, private sector, donors and other regional organizations. The experts group and working group meet regularly and are responsible for guiding and coordinating AfT-related initiatives in the region. As part of the implementation of the AfT Strategy, the Commission may maintain the working group in its current mode of operation, but the AfT experts group will take the form of a subcommittee reporting to the regional committee in charge of broader trade policy issues. The "**Aid for Trade subcommittee**" will be mandated to supervise the implementation of the strategy, guide resource mobilization actions at the regional level to ensure the implementation of the key AfT priorities in the region, formulate proposals on measures to the attention of the regional committee. The subcommittee will be an operational body of the regional committee on aid for trade related issues and will deliberate on the task of the working group.

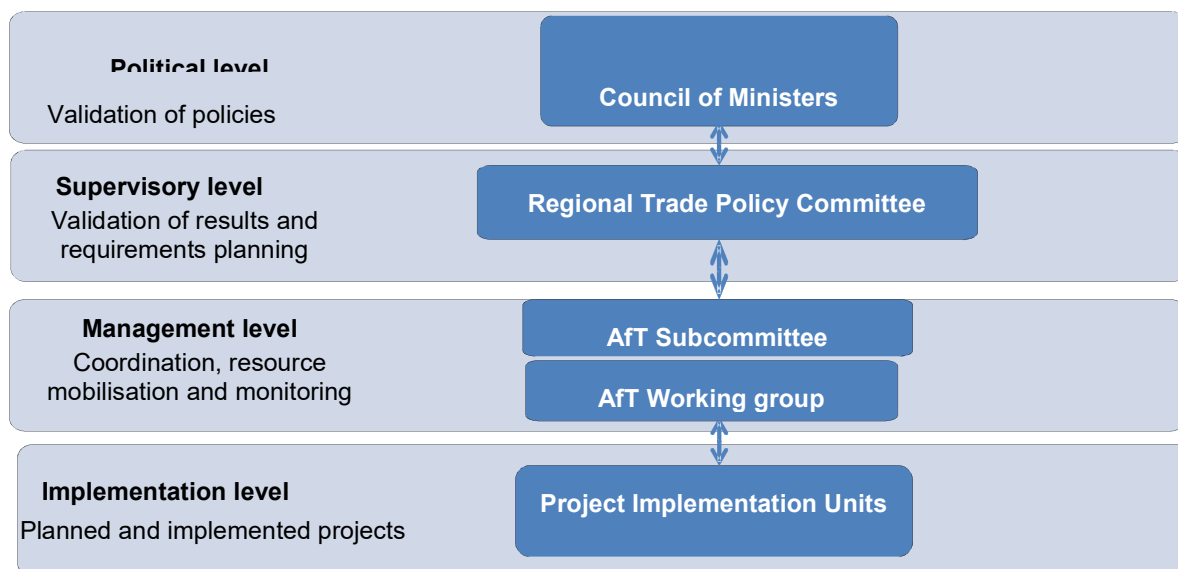
At the national level, some Member States have established national committees on trade to discuss AfT-related issues, (including those established within the CIR institutional structures). Others have set up resource mobilization working groups. These groups and committees are made up of people from government agencies, private sector and civil society. A number of these groups and committees meet regularly while others are unable to, due to budget constraints. To ensure effective implementation of the strategy, institutional capacity-building actions will be conducted to make these committees fully operational.

Following the example of the proposed institutional framework at the regional level, each country will be encouraged to set up a national committee on trade policy issues. With representatives of the public sector in charge of trade issues, private sector, civil society, donors and other appropriate institutions as members, each national committee will set up subcommittees from within to address specific issues such as aid for trade, trade facilitation, trade negotiations, etc. If necessary, the ECOWAS Commission must allocate on annual basis a minimum amount of resources to fund the national committee and subcommittee meetings.

3.4.2 Implementation

The strategy will be implemented by the ECOWAS Commission which will entrust the internal coordination of activities and monitoring and evaluation to the Directorate in charge of Trade. It will also play a pivotal role for each Aft national committee and subcommittee and point of contact

Graph 11: Structure leading the implementation of the ECOWAS Aft Strategy



Currently the ECOWAS Commission Aft Working Group, consisting of representatives of various ECOWAS Directorates, is the main coordinating body within the Commission for Aft work. Effective coordination will be important in contributing towards increasing coordination of Aft at the regional and national level. Aft cuts across a number of major regional activities, and for a co-ordinated and meaningful implementation of the Aft Strategy, the ECOWAS Commission will work towards ensuring that work plans of the various directorates and departments are aligned with the Aft Strategy. The Commission will need to consider whether some of the existing and planned programmes (e.g. the CDP and EPADP) would offer appropriate inventories of the trade related projects and programmes in the region.

3.4.3 Financing

The four main existing sources of funding for the ECOWAS Commission are: arrears of member states contributions, community levy of 0.5% of the value of imports of member states, development partners' contributions and finally, special contributions of Member States. These contributions are not specific to Aft-related projects and programs, and the strategy may prove to be a useful tool in the context of mobilising new resources for the Commission.

In a context of scarce financial resources, the Commission must also resort to innovative sources to finance large investment projects in the infrastructure and energy sectors. These include, for example, «blending» used by the European Union to fund large investments in developing countries in times of financial scarcity. In fact, «Blending» involves using grants to mobilize public or private resources to finance development projects. For a given project, the donor gives a certain amount as grants and thus attracts funds provided through loans or equity from public and private sources. These grants can serve either as investment subsidy, interest rate subsidy, technical assistance, venture capital or guarantee. This formula could be an answer to a situation where the financing needs are huge and public funds are constrained by fiscal policies of the donor countries.

A resource mobilisation plan will be developed to streamline resource mobilisation efforts involving these innovative sources of financing. This resource mobilisation plan should help in identifying the main beneficiary sectors of AfT, major current providers of aid for trade resources, procedures and practices of these resource providers, their priority focus areas, etc. The resource mobilisation plan should also provide practical information through fact sheets on a number of resource providers that are of interest to the region.

3.4.4 Communication and outreach

Communication is crucial in ensuring that the goals and objectives of the AfT Strategy are transmitted effectively to key audiences. Communication is also important in ensuring exchange of information between two parties as well as engaging stakeholders in dialogue and decision making processes. This is important to strengthen ownership of the AfT Strategy and contribute to effective implementation.

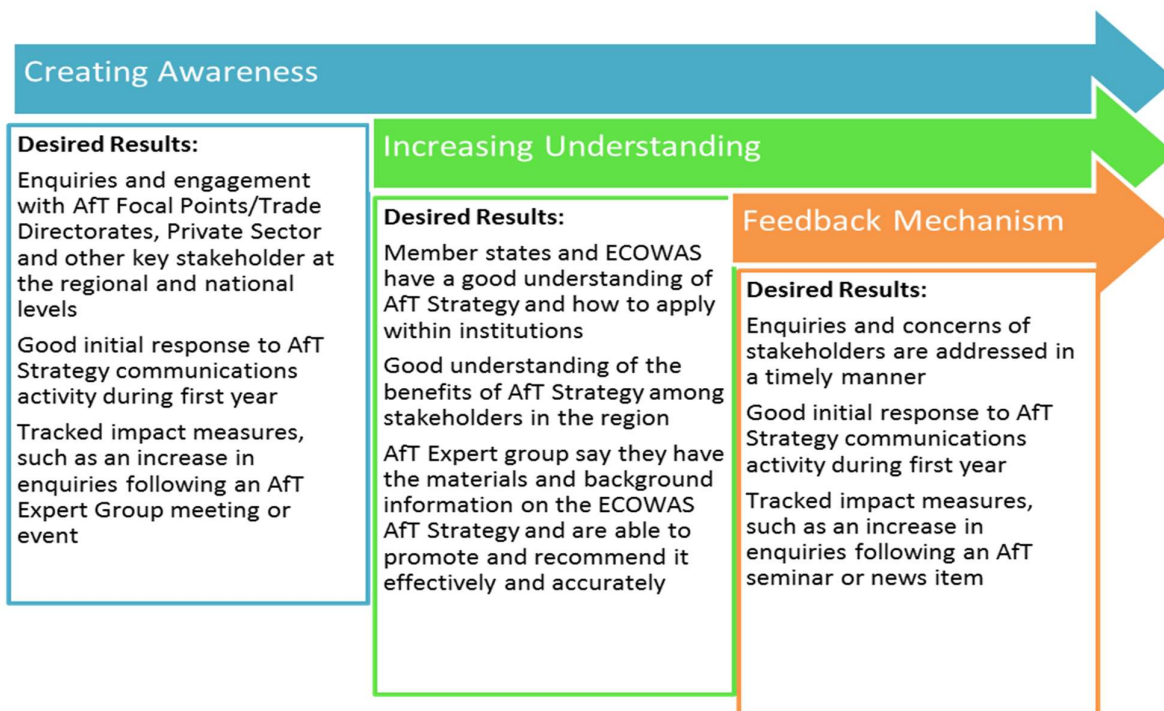
AfT remains a relatively new concept for some and is not necessarily fully understood. Furthermore, what might be considered regional or national AfT is very unclear for many. Only recently has the aid debate moved towards better understanding regional aid as development partners increasingly explore ways in which to provide aid at the regional level.

A communication strategy will be developed to contribute meaningfully to raising awareness about AfT, in particular regarding the objectives of ECOWAS Strategy on AfT. This communication strategy will revolve around the following objectives:

- **Objective 1: Creating awareness of AfT**
 - ✓ Positioning the AfT Strategy as a document with strong credentials
 - ✓ Increased and more effective engagement between internal and external stakeholders
- **Objective 2: Increasing understanding on AfT in the region**
 - ✓ Educating stakeholders on AfT beyond general knowledge – i.e. providing a good understanding on the potential benefits of AfT including how to prioritise and sequence AfT and when a regional approach may be more effective than a purely national approach
- **Objective 3: Feedback mechanisms on AfT activities**
 - ✓ Ensuring feedback is provided on ECOWAS-related AfT initiatives so that stakeholder views are fed back into the AfT Strategy formulation and implementation process.

The desired results of the Communication Strategy should also be defined early on in order to monitor progress and achievements against the defined objectives.

Figure 9: Expected results of an Aid for Trade Communications Strategy



In addition, the communication strategy will develop an action plan detailing activities to be implemented in the short, medium and long term.

3.5 Monitoring and evaluation mechanism

With the global move towards stronger emphasis on results and accountability, and the heightened importance of measuring results, development partners are placing more emphasis on strengthening M&E systems (both their own and those of the recipient/beneficiary/partner). The M&E framework for the ECOWAS Aft Strategy is crucial in demonstrating results and building the confidence of both the region and external partners. The framework consists of both a plan for monitoring and a plan for evaluation, and takes into account the needs and context of the proposed interventions, programmes and projects, linking the overall objectives, goal and purpose with outcomes and output indicators as well as activities/inputs.

3.5.1 Monitoring

The purpose of monitoring is to provide information to identify and map progress against expected results, and to provide information for the review of the Aft Strategy. The following questions serve the basis for the monitoring plan.

What will be monitored?

The monitoring exercise needs to generate the necessary information to demonstrate the level and quality of alignment, including performance, of policies, projects and programmes with the strategic objectives of the Aft portfolio. The M&E framework draws on existing internal and external reporting information to the extent possible and where these are adequate, limiting the burden and requirements for additional reporting. For instance, one possibility is to link monitoring of the Aft Strategy with the planned monitoring of the RSP which is intended to have its own independent monitoring committee.

How and when it will be monitored?

Monitoring should be undertaken against an agreed framework. A monitoring report will be prepared annually, with regular progress reports supporting the implementation of the AfT Strategy. As the period envisaged for the Strategy is to cover two years in the first instance, from 2013 to 2015, the first annual report will be relatively light touch. The indicative timeline for the implementation of the M&E framework is outlined below.

Box 3: Monitoring and evaluation	
Monitoring	Evaluation
1 st Monitoring Report: August 2015	
2 nd Monitoring Report: August 2016	
	Mid-term Review: August 2017
Possible update and revisions to the AfT Strategy	
3 rd Monitoring Report: August 2018	
4 th Monitoring Report: August 2019	
	Final Evaluation: August 2020

Who will do the monitoring?

An important success factor for meaningful M&E, and more importantly ensuring implementation, is to articulate clear roles and responsibilities. A body (e.g. the ECOWAS AfT Expert Group or an existing committee) will be nominated to coordinate and monitor the implementation. The ECOWAS Commission's M&E Unit and M&E Focal Point will also be involved in the monitoring.

The responsible staff in the various ECOWAS Directorates should assist in collation of the information for the annual monitoring reports. The practicability of the implementation, and success of the M&E framework, depends to a significant extent on the workload implications for officials reporting on and synthesising the information. Therefore, this will be closely assessed in the preparation of the first monitoring report.

How will monitoring data be used?

The quantitative and qualitative data generated will be used to develop annual monitoring reports. The annual synthesis will be used to monitor and track implementation and profile of AfT support, and provide information for communications, accountability, lesson learning, to support decision making. Further, the information will be used to report on performance and to inform project and programme implementation and possible re-design. The first annual report will also collect information that will feed into refreshing the AfT Strategy. To ensure transparency and buy-in, the monitoring reports will be disseminated by the ECOWAS AfT Expert Group (or other designated body) both within the Commission, as well as externally (to ECOWAS member states, external partners, etc.).

As discussed above, to ensure the responsiveness of the AfT Strategy to a changing external environment, the AfT Strategy should be reviewed and updated to address any issues that emerge during its implementation. The M&E framework will facilitate the collection of such information that will feed into refreshing the AfT Strategy.

3.5.2 Evaluation

The second element of the M&E framework is the evaluation framework. The evaluation of the AfT Strategy will follow the common practices of ECOWAS evaluations, including the use of agreed evaluation criteria. The findings from the evaluation will be important in shaping the AfT Strategy going forward. The evaluation will take the form of a mid-term review (i.e. lighter touch than a full final evaluation) and thus propose any necessary modifications. The evaluation (or review) will be formative (rather than summative).

It is important that the evaluation framework does not stand apart from other ongoing evaluations frameworks, both within the ECOWAS Commission and more broadly. It therefore will link and integrate with related ECOWAS evaluations (both those undertaken by the Commission and by development partners where appropriate).

The M&E framework document will include the description of the various components of the system including the institutional arrangements (e.g. role of the AfT Expert Group etc.) and reporting and timelines. This will not be developed “from scratch” but include inputs from actors already actively engaged in M&E of trade-related interventions in ECOWAS.

3.6 Logical framework

#	OBJECTIVES BY ORDER OF PRIORITY	PERFORMANCE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS/RISKS
Overall objective	Contribute to increased trade in the region and accelerate the integration of member states into the multilateral trading system	<ul style="list-style-type: none"> - Value of intra-regional trade - Value of trade with the rest of the world - Share of the region in world trade 	<ul style="list-style-type: none"> - Regional statistics - Trade Map - UNCTADstat 	Decline in aid for trade flows
Strategic objective 1	Increase the capacity of the region to participate in trade negotiations, formulate and implement trade-related policies	<ul style="list-style-type: none"> - Participation rate of the Commission and Member States in negotiations - Availability of regional and national trade policies 	<ul style="list-style-type: none"> - WTO reports, - Activity reports of the Commission - Activity reports of Trade Negotiations Committees 	
Result 1.1	Improvement in the enforcement of trade regulations	<ul style="list-style-type: none"> - Compliance of Member States with multilateral and regional trade agreements 	<ul style="list-style-type: none"> - WTO Notifications 	
Result 1.2	Building institutional and human capacity in the development and implementation of trade policies across the region	<ul style="list-style-type: none"> - Number of regional trade policy experts - Number and quality of formulated policies and strategies 	<ul style="list-style-type: none"> - Activity reports of the Commission - Reports of activities of Ministries of Trade of Member States 	
Result 1.3	Mainstreaming trade in national and regional development strategies, including sectoral strategies	<ul style="list-style-type: none"> - Number of trade-related projects and programs funded by donors - Share of national budget devoted to trade priorities 	<ul style="list-style-type: none"> - Reports of activities of Ministries in charge of monitoring aid to Member States - National budgets 	
Result 1.4	Increased coordination capacity of aid for trade programs	<ul style="list-style-type: none"> - Existence of AfT committees or subcommittees - Operations of AfT committees or subcommittees - Frequency of updates on the Aft website 	<ul style="list-style-type: none"> - Activity reports of AfT committees and subcommittees - Website on AfT 	

#	OBJECTIVES BY ORDER OF PRIORITY	PERFORMANCE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS/RISKS
Strategic Objective 2	Improve regional infrastructure, transportation and trade facilitation	<ul style="list-style-type: none"> - Free flow of intra-regional trade - Turnaround time for import and export operations - Availability of energy resources 	<ul style="list-style-type: none"> - Report of the Commission - Doing Business Report - Reports of the Observatory of Abnormal Practices - Logistics Performance Index 	
Result 2.1	Reduction in delays and transit costs	<ul style="list-style-type: none"> - Number of transit days in Member States - Transit costs 	<ul style="list-style-type: none"> - Doing Business Report - Reports of the Observatory of Abnormal Practices 	
Result 2.2	Improvement in the efficiency of ports, roads, railways and multimodal linkages	<ul style="list-style-type: none"> - Quantity (length, surface area, etc.) of structures developed - Functionality of structures developed - Transportation costs 	<ul style="list-style-type: none"> - Doing Business Report - Report of the Commission 	
Result 2.3	Improvement in energy supply for production	<ul style="list-style-type: none"> - Amount of additional energy available 	<ul style="list-style-type: none"> - Report of the Commission 	
Result 2.4	Improvement in infrastructure and telecommunications systems in the region	<ul style="list-style-type: none"> - Level of connectivity of Member States - Quality of ICT infrastructure 	<ul style="list-style-type: none"> - Reports of the Commission - Internet - Report of the Ministries in charge of ICT 	
Strategic objective 3	Improve the production capacity of the region for a better integration of Member States into the regional and global value chains	<ul style="list-style-type: none"> - Volume and value of trade (imports and exports) in the region 	<ul style="list-style-type: none"> - Regional Statistics - Trade Map - UNCTADstat 	
Result 3.1	Building the production and export capacities of the private sector	<ul style="list-style-type: none"> - Number and capacity of exporting companies - Export values and volumes 	<ul style="list-style-type: none"> - Regional Statistics 	

#	OBJECTIVES BY ORDER OF PRIORITY	PERFORMANCE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS/RISKS
Result 3.2	Promotion of trade in services within the community	- Value of regional trade in services	- Regional Statistics - UNCTADstat - Trade Map	
Result 3.3	Improved skills among the youth and women to enable them gain decent jobs in the ECOWAS region	- Number of youth trained - Number of women trained	- Reports of the Commission - Reports of the Ministries of Youth, Employment, Women and Vocational Training	
Result 3.4	Improvement in access to trade finance for SMEs/SMIs in the region	- Volume of funding received by SMEs/SMIs - Number and development of SMEs/SMIs that received funding	- Reports of the Commission - Reports of BCEAO - Reports of the Ministries in charge of SMEs/SMIs	
Result 3.5	Promotion of foreign direct investments and trade at the regional and national levels	- Volume of FDI received - Volume of trade	- Regional Statistics - UNCTADstat - Trade Map	
Result 3.6	Preparation and approval of a regional framework for quality public policies and infrastructure	- Existence of regional framework - Quality of products in the region	- Reports of the Commission - Reports of the Ministries in charge of quality control	

3.7 Matrix of actions

Pillar 1: Trade Regulations and Policies				
Objective 1: Increase the region's capacity to participate in trade negotiations, formulate and implement trade-related policies				
Results	Activities	Officer in charge of implementation	Link with on-going programmes	Technical and financial support partners
Result 1.1: Improving the implementation of trade regulations	Activity 1.1.1: Enhance the capacities for analysis, formulation, negotiation and implementation of trade agreements			AU, ECOWAS, ECA, ATPC, UNDP, UN WOMEN, UN Gender and Economic Policy Management Initiative (GEPMI), ILO
	Activity 1.1.2 : Conduct in collaboration with the World Trade Organisation (WTO) joint trade policy reviews			
	Activity 1.1.3: Encourage States to comply with trade regulations			
	Activity 1.1.4 : Support the establishment of the Common External Tariff (CET)			
	Activity 1.1.5: Prepare studies on the establishment of new blocs (such as the ECOWAS/ECCAS/CEN-SAD tripartite).			
	Activity 1.1.6 : Prepare a study on the impact of regional trade agreements			
	Activity 1.1.7 : Strengthen the implementation of regulations on the movement of prohibited goods			
Result 1.2 : Building the region's institutional and human capacities in the formulation and implementation of trade policies	Activity 1.2.2 : Train regional stakeholders on formulating and implementing trade policies and strategies			EU, OIF, DFID, ECOWAS, UNCTAD, ITC, South Center, ACBF, USAID West African Trade Hub, UNECA, ATPC
	Activity 1.2.3 : Enhance the capacity of network of trade policy experts			
Result 1.3 : Mainstreaming trade into national and regional development strategies including sector strategies	Activity 1.3.1 : Enhance Member States' capacity in mainstreaming trade and gender-related issues into national development policies and strategies		EIF	EIF, UNDP, UNCTAD, EIF, EIF, ACBF
	Activity 1.3.2 : Conduct a diagnostic study on trade integration for the region (EDIC)		EIF	
	Activity 1.3.3 : Support Member States in implementing and updating their EDIC through an inter-disciplinary approach that		EIF	

Pillar 1: Trade Regulations and Policies

Objective 1: Increase the region's capacity to participate in trade negotiations, formulate and implement trade-related policies

Results	Activities	Officer in charge of implementation	Link with on-going programmes	Technical and financial support partners
	takes due account of regional Aid for trade (AfT) priorities			
	Activity 1.3.4 :Support Member States in formulating and implementing national AfT strategies		EIF	
	Activity 1.3.5 :Promote the identification and development of regional projects			
	Activity 1.3.6 : Encourage the formulation of resource mobilisation plans for financing regional projects and programmes, as well as the establishment of new financing mechanisms		EIF	
Result 1.4 : Enhancing the coordination capacity of aid for trade programmes	Activity 1.4.1 : Establish a regional AfT Committee		EIF	WTO, OECD, UNCTAD
	Activity 1.4.2 : Establish and build the capacity of AfT national committees		EIF	
	Activity 1.4.3 : Update the AfT website			
	Activity 1.4.4 :Establish a monitoring mechanism in aid for trade flow in the region		EIF	
	Activity 1.4.5 : Formulate and implement a communication plan on aid for trade as well as creating awareness in national and regional stakeholders			

Pillar 2 : Trade-related infrastructure

Objective 2 : Improve regional infrastructure, transport and trade facilitation

Results	Activities	Officer in charge of implementation	Link with existing programmes	Technical and financial support partners
Result 2.1: Reducing transport delays and costs	Activity 2.1.1: Create a regional coordination platform to implement the single window system in ECOWAS Member States			WCO, UNCTAD, EUC, OMD, USAID Trade Hub, World Bank
	Activity 2.1.2: Establish single window system in Member States			
	Activity 2.1.3: Build customs' capacity			
	Activity 2.1.4: Improve the legal framework of customs regimes in ECOWAS Member States			
	Activity 2.1.5: Support Member States to effectively implement measures contained in the WTO trade facilitation agreement			
	Activity 2.1.6 : Implement the programme's complementary activities initially envisaged in the JBP/EUC/ECOWAS Memorandum of Understanding			
	Activity 2.1.7 : Evaluate and strengthen the implementation of the ECOWAS trade liberalisation scheme			
Result 2.2 : Improving the efficiency of ports, airports, roads, railways and multimodal links	Activity 2.2.1 : Evaluate the current status and performance of ports, airports, roads, railways and multimodal links			World Bank, WCO, UNCTAD, EU, WTO, DFID, USAID, AfDB, JICA, China, Brazil, Turkey, India
	Activity 2.2.2 : Support the operationalization of construction projects and rehabilitation of regional roads and highways			
	Activity 2.2.3 : Improve ocean freight efficiency			
	Activity 2.2.4 : Support the implementation of railway master plan			

Pillar 2 : Trade-related infrastructure

Objective 2 : Improve regional infrastructure, transport and trade facilitation

Results	Activities	Officer in charge of implementation	Link with existing programmes	Technical and financial support partners
	Activity 2.2.5 : Improve air freight effectiveness and enhance airport security and safety			
Result 2.3 : Improving power supply	Activity 2.3.1 : Support the establishment of the Fund for the development of transport and energy sectors (FODETE)			World Bank, IDB, DFID, UNCTAD, EU, USAID, JICA, AfDB, China, Brazil, Turkey, India
	Activity 2.3.2 :Operationalize the West African Gas Pipeline extension project			
	Activity 2.3.3 : Strengthen/extend the interconnection of electricity grids in all Member States			
	Activity 2.3.4 : Develop and exploit renewable energy sources			
Result 2.4 : Improving infrastructure and telecommunication infrastructure in the region	Activity 2.4.1 : Establish ICT land connectivity infrastructure linking the Member States			World Bank, IDB, AfDB
	Activity 2.4.2 : Support the establishment of the ECOWAN project			
	Activity 2.4.3 : Support the creation of a telecommunication database (SIGTEL)			

Pillar 3: Boosting production capacity

Objective 3 : Boosting the region's production capacity for proper integration of Member States into regional and global value chains

Results	Activities	Implementing institution	Link with existing programmes	Technical and financial support partners
<p>Result 3.1 : Enhancing private sector's production and export capacity</p>	Activity 3.1.1 : Upgrading and improving the competitiveness of enterprises and industries in the region		EPA Development Programme	UNIDO, ICT, WTO, UNCTAD, Canada
	Activity 3.1.2 : Building the capacity of trade support institutions to provide services that meets the needs of SMEs			
	Activity 3.1.3 : Support the regulation/rules for the West African agricultural products market		Support Programme for regulating the West African market	
	Activity 3.1.4 : Enhance the competitiveness of the value chains of major export products with good prospects for the region		EXPECT Initiative	
	Activity 3.1.5 : Improve the mainstreaming of informal trade into political and legislative frameworks		Support programme for the regularisation of informal trade	
	Activity 3.1.6 : Establish an integrated trade information system			
	Activity 3.1.7 : Conduct studies on tariff and non-tariff measures and their impact on building production capacity policies			
	Activity 3.1.8 : Build Member States' capacity in environmental assessment			
<p>Result 3.2 : Promoting trade in services in the Community</p>	Activity 3.2.1 : Develop and implement a regional strategy to promote trade in services			WTO, ITC, UNDP, UNCTAD, ITC, ACBF, USAID, World Bank UNECA ATPC, WTO
	Activity 3.2.2 : Harmonize and strengthen the regulatory framework for a common services market			
	Activity 3.2.3 : Build the capacity of service providers			
	Activity 3.2.4 : Establish a regional mechanism for collecting, treating and dissemination of information and data on trade in services			

Pillar 3: Boosting production capacity

Objective 3 : Boosting the region's production capacity for proper integration of Member States into regional and global value chains

Results	Activities	Implementing institution	Link with existing programmes	Technical and financial support partners
	Activity 3.2.5 : Mainstream trade in services into the regional development programmes			
	Activity 3.2.6 : Build the authorities' and actors' skills in trade in services			
	Activity 3.2.7 : Strengthen the application of the protocol on free movement of persons in the ECOWAS region			
Result 3.3 : Skill development for youth and women to promote decent employment creation in the ECOWAS region	Activity 3.3.1 : Support the implementation of the International Labour Organisation « <i>Skills for trade and economic diversification</i> » tool in ECOWAS Member States			ILO, UNIDO, EU, DFID
	Activity 3.3.2 : Promote technical education and professional training in the ECOWAS region		Promotion of Technical and Vocational Education and Training(TVET)	
	Activity 3.3.3 : Develop and organise trainings in entrepreneurship			
Result 3.4 : Improving SME/SMI access to funds for trade in the region	Activity 3.4.1 : Create an enabling environment for financial services enterprises to obtain export funds and guarantees			
	Activity 3.4.1 : Set up appropriate funding mechanisms in trade for SMEs/SMI			ADB, IFC, UNDP, (AFIM), UNCTAD, MIGA, AFREXIMBANK, UNCDF*
	Activity 3.4.3 : Skill development for central bank officials and relevant stakeholders in the implementation and management of appropriate funding instruments			
Result 3.5 : Promoting foreign direct investment and trade at national and regional levels	Activity 3.5.1 :Develop the skills of ECOWAS Ministries of Trade and Industry for promotion and management of foreign investment			WB, UNCTAD, UNDP, IFC, MIGA, ACBF, USAID West Africa Trade Hub, IDLO
	Activity 3.5.2 : Institute mechanisms for consultation and sharing of experience (for instance expert seminars) to effectively promote foreign investment and trade.			
	Activity 3.5.3 :Build capacity and skills of national direct investment promotion institutions			

Pillar 3: Boosting production capacity

Objective 3 : Boosting the region's production capacity for proper integration of Member States into regional and global value chains

Results	Activities	Implementing institution	Link with existing programmes	Technical and financial support partners
	Activity 3.5.4 :Train ECOWAS Commission and Member States' experts in contract negotiations with foreign partners			
Result 3.6 : Developing and approving a Regional Public Policy and Quality Infrastructure Framework	Activity 3.6.1: Support a regional consultation process on the status of the Regional Public Policy and Quality Infrastructure Framework.		West African Quality Programme	UNIDO, USAID West Africa Trade Hub
	Activity 3.6.2: Support the development of regional protocols, models and guiding principles for the effective application of a regional strategy on priority areas (metrology, authorization, etc...)		West African Quality Programme	

ANNEX

Annex 1: Lists of regional projects and programmes

Aid for Trade category	Regional projects and programmes
Trade policies and regulations	ECOWAS Countries' Trade Negotiation Capacity Building Programme (TNCB)
Trade development	Informal Trade Regulation Support Programme
	Support Programme for the Regulation of West African Agricultural Produce Market
Trade-related infrastructure	Abidjan-Lagos Highway Development Programme
	Dakar-Abidjan Highway Development Project
	Nigeria-Cameroon Highway and Transport Facilitation Development Programme
	Joint Border Posts Construction Programme
	ECOWAN Project
	West African Pipeline Extension Project
Boosting production capacity	ECOWAS Technical and Vocational Training Programme

Annex 2 : Terms of refernce of the Regional AfT Committee

Annex 3: References

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