



International  
Trade  
Centre

EXPORT IMPACT  
FOR GOOD

# REGIONAL TRADE FOR GLOBAL GAINS

PROGRAMME FOR BUILDING AFRICAN CAPACITY FOR TRADE



# REGIONAL TRADE

## A SPRINGBOARD FOR INTERNATIONAL SUCCESS

### OPPORTUNITY

Evidence shows that strong regional business linkages are one of the most effective ways for firms to integrate, grow and secure footholds in emerging markets, and also to attract foreign direct investment. African regional integration offers significant potential for the continent's economic diversification and socio-economic growth.

An expanded regional market, with free movement of goods and services, gives African producers access to a large consumer base and presents new opportunities to build and specialize along regional supply chains. Regional exporters acquire the skills necessary to meet quality standards and to manage supply chain operations, allowing them to achieve higher levels of competitiveness and prepare for integration into the global economy.

### CRITICAL INSIGHT

Africa's regional economic communities have gone a long way in their regional integration agendas, by establishing free trade areas and harmonizing external tariffs. These policy and regulatory successes, however, do not yet translate fully into enhanced trade within and between regions.

To mobilize the private sector to make use of this expanded market place, it is necessary to build up export competencies at enterprise level, encourage cross-border value chains and bring down internal barriers.

Regional economic communities can play a lead role in facilitating effective partnerships with trade support institutions at regional and national levels, to make practical export development services available to enterprises, as well as engage the private sector in policy dialogue to achieve consensus on priorities.

## INNOVATING PARTNERSHIPS BUILDING NETWORKS

### ROLE IN DEVELOPING SUCCESS

The Programme for Building African Capacity for Trade (PACT), developed by the International Trade Centre (ITC) as part of its corporate strategy for regional trade development, constitutes an innovative response to these challenges. It builds on a strategic partnership between ITC, as executing agency, and selected regional economic communities, as main counterpart organizations:



The Common Market for Eastern and Southern Africa (COMESA)



The Economic Community of West African States (ECOWAS)



The Economic Community of Central African States (ECCAS)

The programme revolves around a strategic partnership between these integration bodies and regional private sector and trade support institution (TSI) networks, developing priorities and frameworks for joint action that lead to increased exports. By fostering a better understanding of export markets, the programme aims to open the way for African businesses to seize vital opportunities. To this end, the regional network will work together to help sectors and companies reinforce regional value chains, upgrade product quality and design, encourage compliance with standards, improve marketing skills and facilitate export linkages.

# AN INTEGRATED SUPPORT STRATEGY TO LEVERAGE REGIONAL IMPACT

## POLICY DIALOGUE AMONG REGIONAL COMMUNITIES

Regional economic communities will hold regular consultations to facilitate policy coherence on intra-regional trade and South–South cooperation. The focus will be on setting priorities and monitoring and evaluating progress. A methodology will be developed to transmit expertise gained in one region throughout the continent.

## CHAMPIONING REGIONAL TRADE DEVELOPMENT

The programme will bolster the capacity of staff in regional economic community secretariats to analyze markets, formulate strategy and adhere to Result-Based Programme Management principles that include risk management. It is based on a coached learning-by-doing process and leads to a roadmap setting out priorities for trade development and promotion within and between regions.

## STRENGTHENING TRADE SUPPORT NETWORKS

There will be a concerted effort to reinforce the coordination of networks of trade support institutions, such as business and sectoral associations, national trade promotion bodies and chambers of commerce. This will focus on better communication and cooperation among these groups to serve as an effective link between regional economic community secretariats and the private sector in order to achieve greater exports.

The programme will also develop a regional trade information system, anchored within the regional economic community secretariats and national institutions. This will serve exporters' information needs and facilitate business linkages, including via mobile telephony to provide market alerts to exporters, with a view to building exporters' knowledge about markets.

## UPGRADING BUSINESS SKILLS AND MARKET LINKAGES

In line with the regional priorities, the programme will provide enterprises in selected sectors with an integrated mix of business upgrading services, to be developed in partnership with the regional TSI network. These will include quality management, standards, exporter training and supply-chain management. Small and medium-sized enterprises will be coached to upgrade their business processes and export management skills, and introduced to targeted regional and overseas markets. There will be business matchmaking and market development initiatives in the form of buyers/sellers meetings, market orientation tours or trade fair participation. The programme will focus on high-potential sectors, such as leather and leather goods, horticulture and organic food products.

## WOMEN AS SUCCESSFUL EXPORTERS

Women exporters who propose promising export projects will gain access to dedicated training and counselling services and will be given priority consideration under the sector-specific support schemes. The aim will be to mainstream women in trade promotion by ensuring that promising women entrepreneurs are systematically targeted and supported.

# PROGRAMME OVERSIGHT

PACT is managed via regional satellite offices set up in the secretariats of COMESA, ECCAS and ECOWAS respectively. Overall coordination will be supported by a Programme Steering Committee composed of the three regional economic communities, the African Union, the United Nations Economic Commission for Africa/African Trade Policy Centre, selected African Business Networks, the Canadian International Development Agency (CIDA) as the main donor, as well as ITC as executing agency.

## SPONSORSHIP

The programme receives core funding of Can\$19.8 million from CIDA over a five-year period from 2008 to 2012. Given the modular programme architecture, PACT can be expanded to include additional sector initiatives or additional country programmes.



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