

Regional Integration Strategy, Aid for Trade

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AfDB

■ Regional Integration at the Core of AfDB's Mandate

- Regional Integration has been part of the AfDB's Charter since its establishment in 1964.
- The 2003 2007 Strategic Plan, adopted in 2000, placed regional infrastructure development as a central pillar. *infrastructure*
- The High Level Panel (HLP) reaffirmed in 2007 that *“economic integration should be a*

RIS: Outcomes and Objectives

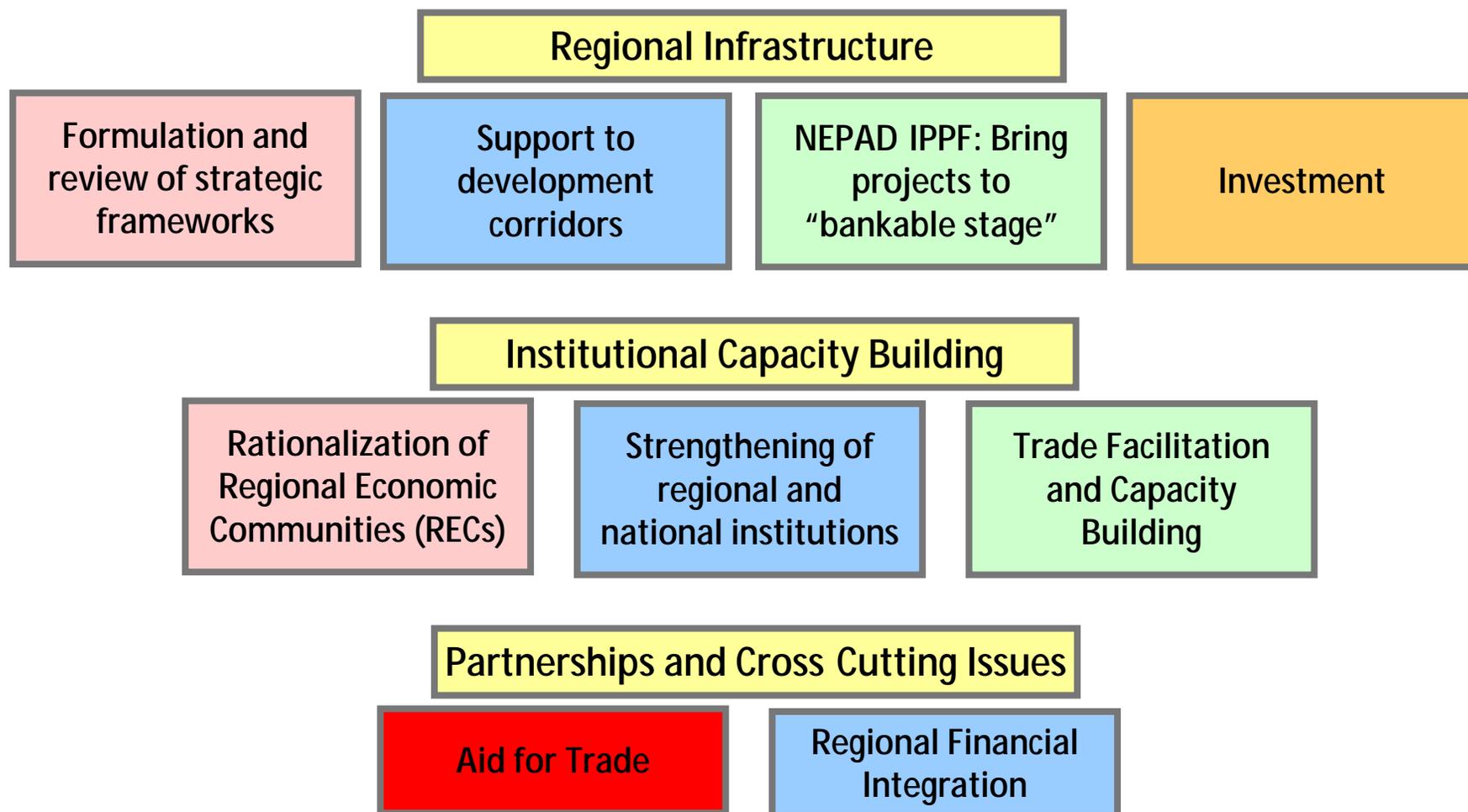
Strategic Outcomes

- Attract foreign direct investment, deepen private sector involvement, and foster economies of scale.
- Enhance African presence in the global marketplace and intra-regional trade.
- Establish an effective African “voice” on development and regional integration.
- Efficiently provide regional public goods.

Strategic Objectives

- Establish an effective institutional framework to promote trade and integration.
- Mobilize resources (financial, technical and knowledge) to ensure delivery

RIS: Pillars and Cross Cutting Issues



Financial and Technical Assistance: Operational Activities

• Infrastructure Investment

- Infrastructure accounts for over **75% of the AfDB's activities** in AfT.
- In 2008, the AfDB invested nearly **US\$ 2.2. billion** in infrastructure: 45.4% in transport; 37.8% in power supply; 16.8% in other infrastructure.
- Investments in infrastructure have been **scaled up**.
- The AfDB has supported infrastructure projects such as the North-South Corridor, as well as trade facilitation projects within corridors:
 - *During the recent North South Corridor Conference, the Bank committed **US\$ 600 million** for 2009 2012 to support activities in the corridor.*
 - *The Bank has also approved **US\$ 37.5 million** for the Blantyre Zomba road and **US\$181 million** for the Nacala corridor.*

Financial and Technical Assistance: Capacity Building

- **Trade policy and regulation**

- Training of trade policy officials, especially through the African Development Institute.
- Support to trade facilitation programs to increase cross-border trade and regional integration.
- Participation in the Global Facilitation Partnership for Transportation and Trade (GFP).

- **Productive capacity building**

- During 2006 and 2007, the AfDB committed US\$336 million and US\$230 million respectively to the agricultural sector.

- **Trade development**

- Provision of emergency funds to support trade such as the Trade Finance Initiative.

■ Financial and Technical Assistance: Knowledge Products

- **Studies, Reports and Policy Advice**
 - Conduction of studies, such as the African Competitiveness Report, and reporting on markets and trade in Africa.
 - Support to RMCs and RECs in the formulation of AfT strategies and trade policy.

■ Institutional Support to AfT Process

• Monitoring and evaluation

- Monitoring and reporting of AfDB's financial commitments.
- Participation in and support to national and regional AfT reviews:
 - *First regional review was held in Tanzania in 2007.*
 - *Eastern and Southern Africa sub regional review was held in Lusaka in April 2009.*
 - *Regional reviews are planned for other sub regions in 2010 and 2011.*
- Participation in the AfT Global Review conducted by the WTO.

• Advisory Groups

- Participation in WTO AfT Advisory Group.
- Leadership of the Africa AfT Working Group.

Bank's Commitment

- The AfDB recognizes the importance of Aid for Trade in support of the **trade liberalization** agenda and its capacity to foster **economic growth**.
- The AfDB is committed to playing a **leadership role** in the implementation of the AfT in Africa by:
 - Addressing soft and hard infrastructure constraints through **operational activities**;
 - Assisting in **institutional capacity building**;
 - Providing **knowledge**;
 - Enhancing the **monitoring and evaluation** agenda to show the impact of AfT;
 - Sharing **lessons** with other donors, member countries and regional economic communities.