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REGIONAL TRADE SUPPORT PROGRAMS: APPROACHES AND PROGRAMMATIC CONSIDERATIONS

IMPROVING BUSINESS ENVIRONMENTS FOR AGILE MARKETS

July 2016

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ACRONYMS AND ABBREVIATIONS

A4T, AfT	Aid for Trade
AADCP	ASEAN Australian Development Cooperation Program
ACP	Africa Caribbean and Pacific
ACTI	ASEAN Connectivity through Trade and Investment (USAID project)
ACTIF	African Cotton and Textile Industries Federation
ADB	Asian Development Bank
ADVANCE	ASEAN Development Vision to Advance National Cooperation and Economic Integration (USAID project)
AEC	ASEAN Economic Community
AEO	Authorized Economic Operator
AfDB	African Development Bank
AGCI	African Global Competitiveness Initiative
AGOA	African Growth and Opportunity Act
AMU	Arab Maghreb Union
APEC	Asia Pacific Economic Cooperation
ARC	AGOA Resource Center
ARCO	Latin America Pacific Arc
ASEAN	Association of South East Asian Nations
ASW	ASEAN Single Window (USAID project)
ATP/EATP	Agribusiness and Trade Promotion/ Enhanced Agribusiness and Trade Promotion
AU	African Union
BIMP-EAGA	Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Grwoth AREA
CAR	Central Asian Republics
CAREC	Central Asia Regional Economic Cooperation
CARICOM	Caribbean Community
CDCS	Country Development Cooperation Strategy
CET	Common External Tariff
CLMV	Cambodia, Laos, Burma (Myanmar), and Vietnam
CO	Contracting Officer
COMESA	Common Market for Eastern and Southern Africa
COMPETE	Competitiveness and Trade Expansion
COP	Chief of Party
COR	Contracting Officer's Representative
CPMM	Corridor Performance Measurement and Monitoring
DA	Development Assistance
DDA	Doha Development Agenda
DFID	Department for International Development

DOC	Department of Commerce
E3	USAID Bureau of Economic Growth, Education, and the Environment
EAC	East African Community
EAGC	Eastern Africa Grain Council
EAP/EP	Office of Economic Policy within the Bureau of East Asian and Pacific Affairs, U.S. State Department
EAS	East Asia Summit
EATIH	East African Trade and Investment Hub (USAID project)
EBRD	European Bank for Reconstruction and Development
EC	European Commission
ECA	East and Central Africa
ECCAS	Economic Community of Central African States
ECOWAS	Economic Community of West African States
EIB	European Investment Bank
ENPI	European Neighborhood & Partnership Instrument
EPA	Economic Partnership Agreement
EPNI	European Partnership and Neighborhood Instrument
ERDF	European Regional Development Fund
ESF	Economic Support Fund
ETLS	ECOWAS Trade Liberalization Scheme
EU	European Union
FDI	Foreign Direct Investment
FESARTA	Federation of East and Southern African road Transport Associations
FIRII	Fund for the Financing of Technical Cooperation for Initiatives for Regional Infrastructure Integration
FRICH	Food Retail Industry Challenge Fund
FTA	Free Trade Agreement
FtF	Feed the Future
GCC	Gulf Cooperation Council
GDP	Gross Domestic Product
GEF	Global Environment Facility
GHFSI	Global Hunger and Food Security Initiative
GIZ	GIZ - German Agency for International Cooperation
GMS	Greater Mekong Subregion
GTZ	German Technical Cooperation Agency
HIV/AIDS	Human Immunodeficiency Virus
iBEAM	Improving Business Environments for Agile Markets (USAID project)
IC	Investment Climate Advisory Services
ICA	Infrastructure Consortium for Africa
ICAI	Independent Commission for Aid Impact
ICT	Information and Communications Technology
IDA	International Development Association
IDB	Inter-American Development Bank
IEHA	Initiative to End Hunger in Africa
IFC	International Finance Corporation
IICA	Inter-American Institute for Cooperation on Agriculture
IMF	International Monetary Fund
IMT-GT	Indonesia-Malaysia-Thailand Growth Triangle
INDES	Inter-American Institute for Economic and Social Development
INT	Integration and Trade Sector

INTAL	Institute for the Integration of Latin America and the Caribbean
IQC	Indefinite Quantity Contract
IT	Information Technology
ITF	Infrastructure Trust Fund
JICA	Japanese International Cooperation Agency
LIFT	Logistics Innovation for Trade
LMI	Lower Mekong Initiative
MARKET	Maximizing Agricultural Revenues Through Knowledge, Enterprise Development, and Trade (USAID project)
MENA	Middle East and Northern Africa
MIF	Multilateral Investment Fund
MITP	Master's Program in International Trade Policy
NEPAD	New Partnership for Africa's Development
NSW	National Single Window
NTB	Nontariff Barrier
OAS	Organization of American States
OECD	Organization for Economic Cooperation and Development
ONRI	Regional Integration and Trade Department of AfDB
PCSW	Pre-Customs Single Window
PIC	Pacific Island Countries
PIF	Pacific Islands Forum
PMP	Performance Management Plan
QC	Quality Control
RADDEx	Revenue Authorities Digital Data Exchange
RAPID	Regional Activity to Promote Integration Through Dialogue and Policy Implementation (USAID project)
RATES	Regional Agricultural Trade Expansion Support (USAID project)
RCI	Regional Cooperation and Integration
RCSA	Regional Center for Southern Africa
RDMA	Regional Development Mission for Asia
REC	Regional Economic Community
RECP	Regional Economic Cooperation Program (USAID project in Central Asia)
RFP	Request for Proposals
RFTOP	Request for Task Order Proposals
RIIF	Regional Infrastructure Integration Fund
RIS	Regional Integration Strategy
RISP	Regional Integration Strategy Papers
ROK	Republic of Korea
RPG	Regional Public Goods
RTA	Regional Trade Agreement
RTFP	Regional Trade Facilitation Programme
RTI	Regional Trade Integration
RTLC	Regional Trade Liberalization and Customs (USAID Project)
RTMA	Regional Trade and Market Alliances (USAID project)
SA	Southern Africa
SAARC	South Asian Association for Regional Cooperation
SACU	Southern African Customs Union
SADC	Southern African Development Community
SAPP	Southern Africa Power Pool
SASEC	South Asia Subregional Economic Cooperation
SECSA	Subregional Economic Cooperation in South and Central Asia
SIECA	Secretariat for Central American Economic Integration
SFSA	Support for Food Security in Africa

SICE	Foreign Trade Information System
SME	Small and Medium Enterprise
SPS	Sanitary and Phytosanitary
SSA	Sub-Saharan Africa
SSATP	Sub-Saharan Africa Transport Policy
TAF	Trade Advocacy Fund
TATF	Technical Assistance and Training Facility (USAID project in Southeast Asia)
TCB	Trade Capacity Building
TESA	Trade Expansion for Southern Africa (USAID project)
TF	Trade Facilitation
THPN	Trade Hub Partners Network (USAID project in West Africa)
TIH	Trade and Investment Hub
TMEA	TradeMark East Africa
TMSA	TradeMark Southern Africa
TO	Task Order
TPP	Trans Pacific Partnership
TPR	Trade Policy and Regulations
TPSC	Trade Policy Staff Committee
TRA	Trade Related Assistance
TRAC	TradeMark East Africa Challenge Fund
TRADE	Trade Related Assistance for Development (USAID project in the Philippines)
TTFS	Transport and Trade Facilitation Strategy
UEMOA	West African Economic and Monetary Union
UN	United Nations
UN/CEFACT	UN Centre for Trade Facilitation and Electronic Business
UNCTAD	United Nations Conference on Trade and Development
UNECA	United Nations Economic Commission for Africa
U.S.-ATAARI	U.S.-APEC Technical Assistance to Advance Regional Integration (USAID project)
USAID	United States Agency for International Development
US-CAFTA-DR	U.S. Free Trade Agreement with Central America and the Dominican Republic
USDA	United States Department of Agriculture
USG	United States Government
USTDA	United States Trade Development Agency
USTR	United States Trade Representative
VALUE	Valuing ASEAN Linkages Under Economic Integration (USAID project)
WA	West Africa
WAFM	West African Food Markets
WARP	West Africa Regional Program (USAID project)
WATIH	West Africa Trade and Investment Hub
WB	World Bank
WCO	World Customs Organization
WTO	World Trade Organization

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This analysis represents an ambitious effort—unprecedented—to review the final reports and evaluations of the dozens of USAID regional programs that have been conceived and implemented over the past two decades to spur and support regional economic and trade integration. While USAID programming has been the centerpiece of this effort, the task also reviewed to a significant extent the findings and conclusions of comparable documents available from other donors, both bilateral and multilateral.

Appreciation must first go to USAID's Bureau for Economic Growth, Education, and Environment (E3), Office of Trade and Regulatory Reform (TRR), headed by Virginia Brown. Her team, including Cory O'Hara and Paul Fekete in particular, supported and guided this effort, reviewing countless drafts and participating in several important brainstorming sessions. Earrell (Skip) Kissinger, Nick Klissas, and Virginia Brown were among the insightful TRR reviewers. In addition to the E3 Bureau, numerous USAID regional bureaus provided written comments and suggestions on drafts of the paper. We give special thanks to Whitney Dubinsky, Gabriela Montenegro, Douglas Pulse, and David Cowles, each of whom provided unique perspectives borne of first-hand experience with regional trade support programs.

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We reviewed a tremendous variety of regional trade support programs over the course of developing this paper. We looked at programs of varying size and funding sources, geographic locations, U.S. Government strategic objectives, and implementing partner technical approaches. We have striven to draw conclusions of value to those

who may design or implement regional trade support programs in the future—regardless of the geography, size, source of funding, or implementer. Although this paper seeks most directly to inform future USAID-funded regional trade support program, and therefore discusses principally considerations and experiences relevant to U.S. Government programming, we have strived to make it helpful to other donors and implementers of regional trade support programs as well. We hope very much that this paper serves as a constructive basis for dialogue and conceptualization of future trade support programming on a regional basis.

Please note that the annexes detailing trends and experiences with regional trade support programming by (1) the U.S. Government, (2) selected other bilateral donors, and (3) regional and multilateral institutions are available online at **http://usaidprojectstarter.org/resources**.

–Erin Endean

EXECUTIVE SUMMARY

World trade—in services as well as in goods—has experienced a boom in the last decade, driven by large reductions in trade barriers and technological changes that have lowered the costs of communications and transport. The resulting dispersion of production—globalization of the supply or value chain—has led to unprecedented interlinkages and interdependency among producers and suppliers within value chains regardless of the national borders that separate them. Cross-border flows of goods (including staple foods), services, investment, energy, water, capital, and labor are increasingly commonplace. These linkages have brought new growth opportunities for the developing country producers that are able to find ways to join these supply chains—which often develop along regional lines.

Developing country governments and citizens increasingly recognize the value of these regional economic linkages. Freer regional trade expands consumer access to goods, finance, and services—whether for the benefit of citizen consumers or producers who benefit from improved access to inputs (wider choices, higher quality, and lower cost). Workers benefit by gaining access to more training and employment opportunities. Larger markets can attract more foreign investment, generating more and better-paying jobs. Freer regional trade also opens up additional opportunities for producers to earn foreign exchange from exporting, enabling them to expand production, improve wages, take on additional workers, and/or provide returns to investors.

However, not all developing countries have been able to integrate into the globalized economy; indeed, the regionalization of supply chains has in some ways widened the gap between countries that have conditions conducive to their integration into supply chains and those who do not owing to such factors as:

- Delays in (or unpredictability in) border clearance processes
- Tariff and nontariff barriers to imports of intermediate goods
- Inhospitable or commercially unattractive investment environments
- Poorly developed or uncompetitive services markets (such as IT, logistics, transport, and banking)

- Poorly developed regulatory or standards regimes that hamper their ability to meet market requirements in target consumer markets, and
- Regulatory and communications infrastructure barriers to digital trade.

Many of these weaknesses either require or would benefit from attention on a regional basis—where advances in multiple countries can be coordinated so as to multiply impact. Further, landlocked countries face additional challenges in integrating into global supply chains, since they lack access to ports and must use (often poorly developed) transit corridors to get goods they need or which they produce to and from ports. These factors all underlie the growing trend toward regional trade support programming by development institutions.

On a global basis, funding for trade capacity building (TCB) implemented through regional mechanisms or in support of regional trade[1] has grown rapidly in recent years. According to the OECD, in 2013 they amounted to $2.9 billion. As a share of global TCB flows, regional TCB spending has grown from about 4% in 2005 to 7% in 2013. Regional TCB flows grew by 612% over the period—almost twice as fast as overall TCB flows.

USAID Experience with Trade Hubs

The United States has been a leader in regional trade support programming. Regional TCB programming has doubled from about $60 million in 2006 to over $120 million in 2013. U.S. leadership in this area goes beyond the simple expenditure of dollars, however. USG-supported regional trade hubs in Africa, Asia, Central/South America, Central Asia, and Eastern Europe have been highly visible as focal points for trade-related assistance to developing countries.

Starting in the early 2000s, USAID has supported three trade hubs in Africa, located in Gaborone, Botswana; Nairobi, Kenya; and Accra, Ghana. The hubs' priorities and approaches reflect regional needs and opportunities, although each covers three principal areas:

- Regional integration (principally through the Southern African Development Community, the East African Community, and the Economic Community of West African States as well as through trade corridor development)

1 We use "trade capacity building" (TCB), "Aid for Trade" (AfT), and "trade support programming" interchangeably in this document. USAID generally uses the term TCB, whereas most other donors, including members of the Organization for Economic Cooperation and Development (OECD) use AfT (sometimes abbreviated A4T). This document draws upon data and reference sources from USAID as well as other donors. Where we reference USAID programs specifically, we have generally used TCB; in reference to other donor programs as well as the biennial World Trade Organization's review of trade-related technical assistance, we have used AfT. When making reference to regional programming generally (whether funded by the U.S. Government or by other donors), we have elected to use the more generic phrase "regional trade support programming."

- African exports to the United States under the African Growth and Opportunity Act (AGOA)
- Intraregional trade in staple foods (since the 2009 launch of the Global Hunger and Food Security Initiative).

Each of these programs has been in existence for more than a decade, having undergone significant evolution in structure and focus, relationship to the relevant regional economic communities, and collaboration/division of labor with other donors active in the region. In addition, USAID began supporting the African Union Commission (AUC) with its trade integration efforts in 2012.

USAID also supports multiple regional programs in the Asia-Pacific. For example, USAID supports the current ASEAN Connectivity through Trade and Investment (ACTI) program, based in Jakarta (where the ASEAN Secretariat is located); this program supports implementation of the ASEAN Economic Community. USAID also supports the Asia Pacific Economic Cooperation (APEC) process through the U.S.-APEC Technical Assistance to Advance Regional Integration (U.S.-ATAARI) project, based in Singapore (where the APEC Secretariat is located) and which promotes regional integration and trade integration among its 21 members on both sides of the Pacific Ocean. In Central Asia, USAID implements the Regional Economic Competitiveness (REC) program, which focuses on improving regional economic integration and private sector linkages. These are all second-generation regional trade support projects, building upon predecessor projects launched nearly a decade ago. USAID programs in the Asia-Pacific received a major boost from the U.S. Government's "pivot to Asia" in 2012, which led to an even deeper partnership, with the U.S. State Department featuring co-funding and greater involvement in the design and programming priorities of the ASEAN and APEC projects.

USAID has regional trade programs in the Americas as well. Its program in Central America (Regional Trade and Market Alliances, RTMA) combines a focus on removing regional trade barriers and border/logistics impediments to the flow of goods with a tandem focus on food security (with a heavy focus on staple food crops and impediments to regional trade in them). In South America, USAID has, over the past decade, had several generations of Andean regional trade programs. Lima, Peru, has been the physical hub of this work, and Peru has also been the primary recipient of funding programmed regionally (starting as the United States and Peru initiated negotiations toward what ultimately became the U.S.-Peru Free Trade Agreement). Colombia also receives trade-related support, especially in relation to its implementation of the U.S.-Colombia Free Trade Agreement (FTA). Initially, the Andean programs were intended to be truly regional in nature, but the focus narrowed to Peru and Colombia over time, and the succession of Andean regional projects eventually evolved into two bilateral programs, one in Lima and one in Bogota, where programmatic efficiencies at times enable joint programming.

Other Donor Experience

As prominent as the U.S. regional trade hubs have been in the donor community and in the recipient regions, USAID is not alone in supporting regional trade programs. The U.K.'s Department for International Development (DFID) also has designed and implemented regional trade programs in Africa, including through a US$500 million TradeMark East Africa (TMEA) and a slightly smaller TradeMark Southern Africa (TMSA). The EU, Germany, and a number of multilateral or regional development banks (World Bank, Inter-American Development Bank, Asian Development Bank, African Development Bank) have put an increasing share of their trade support programming into regional activities—although these tend to be more oriented toward grants or loans supplemented by targeted technical assistance rather than multi-year "projects" in the sense of the USAID and DFID programs. Other bilateral donors with regional programs include Australia, Finland, Japan, Canada, New Zealand, Spain, Sweden, Belgium, Switzerland, and Brazil.

Considerations and Options for Future Regional Trade Support Programming

In our review of scores of regional trade programs designed and implemented by over a dozen donors in the past decade, we found (1) a number of issues common to most trade programs, and (2) a variety of approaches to some thematic areas regional trade support programs often support. Future program designs should build upon the successful—and should be mindful of the unsuccessful—experiences of multiple donors in regional programs implemented over the past decade. We offer this brief summary of our observations.

1. Regional trade support programs may assist one or many Regional Economic Communities (RECs); or they may be undertaken independent of any formal REC

One factor that has an enormous influence on the nature of a regional trade support program is the existence and strength of regional institutions, particularly a REC Secretariat. An early consideration in the design of a regional trade support program should be the nature (and number) of RECs in that region (if any) and the U.S. Government's relationship or alignment with the trade agreements, policies or overall objectives of the REC(s).

- ***Where a single REC exists, USAID may elect to work in close collaboration with that REC secretariat or at a distance;*** USG policy may be more or less allied with the REC and the U.S. Government may or may not be a member of the REC itself.

EMBEDDED ADVISORS AND CO-LOCATION WITHIN REC SECRETARIATS

The experiences of regional trade support programs, with respect to having embedded trade advisors in REC secretariats supported by those programs, is quite varied. Where such advisors have existed, especially in Asia, their presence has been credited as critical to the projects' overall success. In Africa, however, USAID's regional trade hubs have rarely included an embedded trade advisor in a REC. In part this reflects a more multifaceted set of objectives in the African regional programs—and the existence, in each of the three regions served by a trade hub, of more than one significant REC along with a fairly fluid relationship between the United States and each of those RECs. In none of the African trade hubs was the trade hub leadership physically housed in a REC secretariat, as has been the case in some of the Asia programs.

- ***If USAID opts to work closely with the secretariat, it may embed advisor(s) in the secretariat or house them nearby to foster an optimal and productive working relationship.*** Embedding has tended to be the model for USAID regional trade support programs in Asia, but not in Africa (see box).
- ***Regional trade support programs in Africa tend to follow a more decentralized model.*** In Africa, there are numerous regional trade agreements and many African countries are members in multiple RECs, each with its unique trade agreement provisions and timetables. Donors have tended to support multiple African RECs simultaneously. But USAID may instead wish—while mindful of the REC priorities and negotiations—to undertake a neutral outside agenda, collaborating only as or when appropriate; this approach has been used in various USAID trade hubs in Africa. Regional trade support programs that have multiple objectives (e.g., trade liberalization and food security or export promotion under the U.S. AGOA legislation) will tend to operate somewhat outside of the orbit of a REC, whose interests are narrower.
- ***Finally, there are a number of regional trade support programs that have made sense to donors even in the absence of any counterpart REC.*** For example, USAID has supported regional trade programs in the Andean region, Southern and Eastern Europe, and Central Asia to achieve a variety of programmatic objectives—not the least of which is cost-effective delivery of technical assistance to multiple countries within a region.

Which of these models makes the most sense in a particular region depends on the presence or absence of a REC secretariat (or more than one) in the region, the relationship between the USG and that REC, the functional objectives of the prospective assistance, and the relationship of prospective beneficiary countries to the REC, among many other considerations.

2. Coordinated and complementary activities at the national level often must complement regional efforts

Ultimately, trade agreements—whether reached bilaterally, regionally, or multilaterally—must be implemented by individual signatories. The challenge for many regional trade support programs is in facilitating national action on regional commitments or building national capacity in a programmatic area served by the regional program.

- ***Regional trade support programs essentially are both top-down and bottom-up operations.*** There is no "one size fits all" solution to this challenge. What this means is that regional programs strengthen the capacities of the relevant regional institutions they support, thereby driving regional initiatives (top down) while also building the capacity of member governments and local stakeholders to undertake the concrete steps needed to implement what has been agreed regionally (bottom up).
- ***Where a bilateral mission exists and has funding, scope, and implementing partners to assist in national-level implementation of regional commitments, this is often the first course chosen.*** The bilateral mission, under its existing mechanisms, supports local implementation of trade agreement commitments.

Regional missions and their bilateral counterparts can and should see synergies in their programming and develop a protocol for coordinating efforts on a regular basis, and for ensuring that they are well informed in advance of country visits or activities by staff or consultants fielded through a regional mission's program.

3. Donor coordination is essential

There are three basic modes of coordination among donors beyond simply dialogue and exchange during the planning and implementation stages. In a sense they represent differing "depths" of coordination, from shallow to medium to deep.

- ***Cost Sharing.*** Nearly all regional programs surveyed had some degree of cost-sharing (e.g., co-funding training sessions or research) with other donors when there were multiple donors serving a given region.
- ***Dividing to Conquer.*** Where donors have advance knowledge of the programs supported by others as, for example, in the case of DFID's TMEA support for trade corridors and trade-related infrastructure, new programs can be designed to avoid duplication of support and to program funding to other areas. In this case, the U.S. East African Trade and Investment Hub project design called for its implementing partner to collaborate with TMEA in certain clearly defined and complementary activities.

- ***Trust Funds.*** The TradeMark East Africa Trust Fund (TMEA trust fund) represents the deepest level of engagement and collaboration among donors. Funding from a half dozen donors (including the United States) supplements the predominant DFID funding. Australia also has used trust funds to support regional economic growth and poverty reduction in the Pacific; one such endeavor is jointly funded by Australia and New Zealand and managed by the World Bank.

4. Tailor assistance within the target region to reflect varying levels of development and unique national challenges

In most RECs, levels of economic development among participant countries vary substantially; capacity constraints vary accordingly, and regional trade support programs must be mindful and responsive to this reality. Donors can work with the dominant economy in such a region to try to improve market access for exporters from the smaller economies; at the same time, they can assist producers in the smaller economies to boost trade with the dominant economy. Regional programming often is differentiated such that the smaller economies with the weakest public and private sector capacity receive the greatest assistance. Where such economies have robust bilateral programs with trade support activities, however, these countries may not receive a larger share of a regional trade support program's budget.

5. Regional programs can be helpful vehicles for assistance to non-USAID countries when needed.

In Africa and Asia, bilateral relations between the United States and USAID non-presence countries (e.g., Burkina Faso, and, until recently, Burma) have been enhanced by regional trade hub activities. However, work in non-presence countries presents its own challenges, logistically and practically. Further, although there are some administrative challenges in dealing with participants in regional activities from countries with whom the USG does not have diplomatic relations, the presence of a regional programming mechanism has enabled rapid response when circumstances warrant or the bilateral relationship evolves to permit more robust engagement. Although Burma has long been a member of ASEAN, the United States only began normalizing relations with Burma in 2011, a decade after its regional program for ASEAN commenced. Over the time when the USG did not have diplomatic relations with the country, participants from Burma attended ASEAN Development Vision to Advance National Cooperation and Economic Integration (ADVANCE)-sponsored trainings and other events. The existence of the ADVANCE regional program allowed USAID to quickly channel funds to disaster relief in Burma when typhoon Nargis hit in 2008.

6. Plan for flexibility

A regional trade support project must anticipate the need for flexibility in work programming and in budget line allocations for project implementation that evolves organically according to national and REC institutional priorities and challenges. Regional programs are exponentially more prone to unanticipated requirements or needs—or the closure of activities that had been long planned—than single country projects are. A regional organization's long administrative and decision-making timelines can lead to lack of clarity in project designs, differing expectations by different stakeholders, and the need to alter project approaches and outcomes after implementation has begun; strong project design and selection prior to funding decisions can provide clarity on objectives and approach.

The challenge for USAID is how to plan for flexibility. Neither USAID regional programs nor those of other donors have found a universal solution to this challenge. Where work plans were independent of a REC or take REC support as a fairly small share of the work plan and budget, it is somewhat easier to anticipate (and predetermine) funding priorities in alignment with mission strategic objectives for the region. However, for programs that are essentially defined by work programs agreed by REC members, work planning and budgeting for the USAID regional support program has been more challenging. Flexibilities must be built into work planning. USAID programs also should be prepared to identify outside sources of funding (possibly from other USG agencies or from other developed country donors) for initiatives that have not been anticipated in USAID project annual work plans and budgets.

7. Develop fora or protocols for USG interagency cooperation, as well as for coordination between Washington-based stakeholders and field operations/missions

Most USG-supported regional trade support programs were conceived by, or initially funded by either the White House or the State Department. With the high visibility this endorsement and/or sponsorship brings, all such regional programs have had substantial ongoing involvement from agencies other than USAID—most notably the Office of the U.S. Trade Representative and the State Department. USG interagency coordination can require significant investment of agency resources. Responding to input from other agencies compounds the investments made to develop internal policies and programs. However, upfront investment in interagency coordination can pay significant dividends. For example, in the case of regional trade support projects, cross-cutting priorities relevant to multiple agencies can be identified, project outcomes aligned with broader U.S. policies, and opportunities developed to share funding and implementation among USG agencies and reflected in project design and execution.

8. Learn from and collaborate with other regional programs

USAID supports two large, multifaceted trade projects in Asia[2] and three in Africa. The issues vary between the Asia projects, as they do between the Africa ones. Work plans, relationships with RECs, and engagement at the national level and with bilateral missions must reflect the resources, time frames, membership, REC objectives, trade conditions, and other factors. However, in many cases, hubs are covering issues in common, such as how to deal with assistance to non-USAID countries or how best to support efficient clearance of goods moving between member countries. Regular phone calls or, schedules and resource permitting, parallel/collaborative work planning sessions could help ensure effective coordination. Also, common monitoring and evaluation frameworks can ensure that USAID can assess return on investment with comparable bases.

9. Invest in communications and outreach

Earlier generations of regional trade projects seem to have under-invested in communications, advocacy, and outreach at all levels, an omission that subsequent programs have seemed to address, increasing communications budgets and the profile of regional "community-building" activities, as well as outreach and information specifically targeted at businesses within the region. Developing constituencies that integrate actors in multiple countries can be a challenge; interest groups are more typically set up along national (or subnational) lines, where they can act most effectively as activists, policy advocates, or lobbyists. Strong communications and outreach have been critical to regional hubs in building coalitions of like-minded interests, especially business groups, who can advocate cohesion or harmonization across national lines. More generally, the regional trade hubs have invested in well-developed websites that provide trade-related information to the region. The hubs also have produced documentary films on export promotion, business environment, trade facilitation, and other topics of broader regional interest.

Lessons Learned on Regional Support in Key Technical Areas

Food Security

In recent years, more and more of the USAID regional programs have bundled regional trade and food security efforts. A key aspect of food security is to efficiently enable the flow of food from surplus to deficit areas; it was only natural, then, that regional trade hubs would focus on eliminating barriers to such flows when they cross national borders. Food security involves multiple trade issues, including

2 The U.S.-APEC Technical Assistance to Advance Regional Integration (U.S.-ATAARI) project supports integration among APEC's 21 members on both sides of the Pacific Ocean. For simplicity, we refer to it here based on its headquarters location, Singapore.

trade in inputs such as seeds, fertilizer, water, energy resources, and associated services. Accordingly, the trade hubs increasingly focused on cross-border movement (standards harmonization, removal of nontariff barriers (NTBs), market information systems, post-harvest handling, warehousing/cold storage, and structured trade. Improving road governance, reducing corruption and delays in border clearance procedures, and developing transport corridors also were approaches with significant implications for food security.

Integration of Feed the Future (FtF) funding into regional trade programs presents certain accounting and programmatic challenges, given that such funding is meant to go only to the designated FtF countries. Regional trade support programs with food security funding tend to have separate budgets for their work on intraregional trade in staple foods; often such work is structured as a component within a contract or a task order under an indefinite quantity contract (IQC).[3]

There are, of course, many aspects of regional trade liberalization and integration with direct implications for food security. This merger of trade and food security programming is less evident in the regional programs supported by other countries and regional institutions, such as the U.K. Department for International Development or the Asian Development Bank, for example, than in those of the U.S. Government. The reality may be that USAID funding for food security—which has increased since 2008, even as funding for economic growth more generally has been flat or declined—has been an important catalyst for the development of programs that blend economic growth and trade objectives with food security ones.

Global Health

A parallel phenomenon occurs with respect to global health programming on a regional basis. As with food security, funding has been more robust for health initiatives than for economic growth initiatives. At the same time, a number of health issues require regional solutions—solutions that involve trade issues such as (1) the efficiency and integrity of the pharmaceutical supply chain reaching from countries with seaports into land-locked countries, (2) the compulsory licensing for local production of key anti-retroviral drugs, or (3) the certification of nurses trained in one country but seeking work in another. The result has been both regional health programs with trade initiatives and regional trade programs with health initiatives. While in-depth analysis of the former is outside the scope of this paper, such programs are certainly relevant.[4] We briefly review the latter—health

3 In the case of the ADVANCE IQC, food security work was undertaken under a standalone task order with its own Chief of Party, expected results, and budget.

4 Issues that the USAID Global Health Bureau is addressing through USAID's regional trade projects include:

- Creating regimes of mutually recognized medical and pharmaceutical standards (perhaps established by regional organizations),
- Maintenance of cold chains for supply of sensitive medical products,
- Tariff reductions and elimination of localization requirements for medical devices (such as operating beds, MRI scanners, and other diagnostic equipment), and

programming within regional trade support programs—but experiences are too limited as yet to draw conclusions about what works and what does not. More work remains to be done to analyze experiences with regional programming of trade-and-health issues.

Export Promotion

Most regional trade programs with an export promotion objective undertake a blend of business environment initiatives (sometimes defined to include transit and trade facilitation issues in the region) and productive sector initiatives.

- ***Business environment*** initiatives may provide an overall regional framework of priorities or agreed benchmarks to use at the regional level, but ultimately business environment improvements are made at the national or even subnational level. Factors such as the quality of a country's business environment (e.g., laws, regulations, legal system, government administration), standards and regulations, transportation, financial system, and professional and worker skills impact heavily on the ability of firms of all sizes to prosper individually, form robust value chains, and compete against imported products and services.
- ***Productive sector*** assistance typically is provided at either the firm level or through sector associations that represent aggregations of producers or "alliances" that bring together anchor buyer firms and producers, often integrating entities that operate at different levels along a value chain. Generally aggregations help organize producers in ways that help to attract foreign investment. Increasingly, USAID regional trade support programs have linked export promotion, industry competitiveness, and investment attraction—an approach that helps magnify impact and improve sustainability as compared to earlier firm-level support. Multi-country industry groups are often limited—particularly in Africa and Eastern Europe, where many countries have similar factor endowments and historical legacies in which self-sufficiency has been considered a virtue.

Trade Corridors

Underdeveloped transport corridors that link multiple countries (many of them without seaports of their own) to major ports are useful focal points for regional trade programs. They embody interactions between physical infrastructure (multiple modes and nodes), private sector needs and roles, and the overall enabling environment (policy and regulation institutions and civil society) at regional, subnational, and national levels. Trade facilitation efforts at borders will often be ineffectual without concomitant and multifaceted improvements in corridor development.

Trade corridor inefficiencies can be measured in time and dollar terms, then broken down by segment and process to identify where assistance

- Facilitating medical trade across borders.

can yield the greatest impact. Given that most trade corridors in the developing world involve multiple countries, they also are a logical point of intervention for regional trade support programs. This may involve political and organizational interventions (getting agencies to work together more effectively and efficiently) or technical interventions (e.g., implementation of a transit bond regime or one-stop border post). USAID regional projects have helped broker regional agreements and develop institutional and human capacity to implement corridor development objectives.

The outcomes of trade corridor projects ultimately depend on the degree of partner countries' ownership, commitment, and capacities. For example, long-term and robustly funded multi-donor support for the Common Market for Eastern and Southern Africa (COMESA) and its member countries has had relatively modest success in helping advance regional transport corridors, due in part to challenges COMESA and its members have faced in coordinating and driving reforms and implementation. USAID's transport corridor activities under its Southern Africa Trade Hub, in contrast, benefited from more effective cooperation and project execution by participating countries.

Trade Facilitation/Border Clearance

Whether a trade facilitation (TF) project is national, two-country, or multi-country in scope, key elements—tailored to suit the scale and specific circumstances of the project and stakeholders—characterize successful implementation strategy. These include:

- ***Political-level champions.*** TF initiatives involve multiple private and public sector stakeholders, each with its own vested interests and equities. Multi-country trade facilitation initiatives require national-level champions with endorsement from each participating country's highest political leadership.
- ***Empowered lead agency/organization.*** In national trade facilitation projects the driver is often a finance, trade, or economics minister with the executive's mandate to achieve TF objectives (e.g., Vietnam's National Single Window project). These same parties manage a country's interaction with TF-related multi-country institutions such as the ASEAN Secretariat and the Central Asia Regional Economic Cooperation (CAREC) steering committee that, in turn, become the lead drivers for regional trade facilitation efforts. Private sector counterparts such as chambers of commerce and industry associations play an essential role as well.
- ***Holistic approach.*** Project strategy must recognize and reflect the inter-relatedness and complexity of trade facilitation initiatives. Even discrete, highly technical objectives entail diverse issue areas such as broad interagency cooperation (e.g., customs, security, health, agriculture, finance), government-to-government negotiations, domestic and international security requirements (including private sector compliance measures), alignment of customs procedures and

requirements, development and adherence to national and regional guidelines, and public-private sector partnership.

- ***Focus on best practices and regional/international commitments.*** Domestic and cross-border trade and trade facilitation require harmonization to the fullest extent possible of the universe of laws, regulations, standards, processes, and practices that make commerce run. This means that national, bilateral, and regional trade facilitation projects must begin with an accurate accounting of the most significant obstacles and opportunities to increasing trade, including complying with national trade regimes, regional agreements and arrangements, multilateral commitments, and recommended best practices.
- ***A dedicated, technically strong implementation team.*** Trade facilitation initiatives tend to be multi-year and require significant numbers of expert staff and supporting resources. Finding and keeping on board qualified staff from multiple agencies is a challenge, particularly for developing countries. This is a special challenge for less developed countries, where talent is scarce and turnover tends to be high.

Gender Inclusion

There are significant differences in the ways that men and women participate in international trade, and in the barriers they face in seeking to take advantage of trade to improve their incomes and livelihoods. For example, women account for 70% of informal cross-border trade in Southern Africa, and comparable shares for other regions in Africa and parts of Latin America. Regional trade support programs have only recently included significant trade-and-gender activities or metrics, and their inclusion remains spotty. Gender activities within regional trade programs may be a function of the work program of the REC they support. In other cases, gender-inclusive activities may reflect the gender dynamics of industries or sectors targeted for export growth in the region. The West Africa Trade Hub, for example, supported the development of regional shea and cashew linkages throughout the 2000s to elevate quality levels by providing integrated training to tens of thousands of women shea gatherers or cashew farmers, and to achieve economies of scale and competitive efficiencies in processing to attract larger export contracts.

Future programs may wish to consider more systematically how to design trade support programs that improve trade opportunities (and outcomes) for women. Although little has been written about best practices in the context of regional programs, there is a growing body of literature with respect to gender-appropriate TCB programming that may be adaptable to regional trade support programming. Regional trade support programs have progressively increased their focus on gendered aspects of trade; while project mid-term and final evaluations have yet to capture the lessons learned from such programming in recent years, we expect a rich body of new findings to become available over the coming years to help guide and inform gender-sensitive regional trade support programming.

GLOSSARY

Regional Economic Community (REC) is a group of countries in a shared geographical region that have agreed to some form of economic cooperation (principally), and hence pursue policies to eliminate barriers to trade and/or economic integration.

Regional Trade Agreement (RTA) is a reciprocal trade agreement between two or more partners. RTAs include free trade agreements and customs unions, and may be concluded between countries not necessarily belonging to the same geographical region. According to the World Trade Organization (WTO), "the most sophisticated RTAs go beyond traditional trade policy mechanisms, to include regional rules on investment, competition, environment and labor."

Regional integration is "the process through which economies in a region become more interconnected and interdependent, whether market-driven or policy-led, or a combination of both" (Asian Development Bank, ADB).[5]

Regional cooperation includes "policies and initiatives by governments that encourage regional integration, [whether] formally embodied in an intergovernmental treaty or informally agreed upon by participating countries. These may include intergovernmental policy dialogue, provision of regional public goods, and regional institution building" (ADB).

Regional projects are defined as those involving coordinated efforts and actions in two or more host countries which will produce benefits and impacts in at least those two (or more) countries, but potentially in others as well—not including the donor country.[6] Importantly, we consider projects to be "regional" even when the countries coordinating efforts and actions are not contiguous, and in fact may be on different continents, as in the case of support for the Asia-Pacific Economic Cooperation (APEC) forum. Some regional projects coordinate activities and efforts with one or more REC; others do not.[7] Some regional projects have principally a government or REC institutional focus; others do not. As for counterparts, some regional projects work mainly with governments; others target private sector alliances, associations, or institutions. Modalities of assistance also vary widely: options vary from loans to grants, short-term technical assistance, direct budget support, embedded advisors, and multi-year field programs; each program has its own unique mix. We discuss these multiple objectives, counterparts, and structures throughout this paper.

Regional trade support programs/projects involve coordinated efforts and actions in two or more host countries that will produce benefits and impacts in at least those two countries. Importantly, we have elected to use this phrase to encompass the broad variety of programs we examine in this study rather than "regional trade integration" programs. We do so because we have taken note of a significant number of programs that support trade in multiple countries, but which do not necessarily focus on trade integration among the beneficiary countries. In the Andean region and in Central America, initial "regional" programs focused on implementation by individual countries (Peru, Colombia, El Salvador, Guatemala, Honduras, and Nicaragua) of bilateral free trade agreements signed with the United States, rather than on intraregional trade per se.

Regional trade integration projects/programs, a subset of "regional trade support programs," are projects or programs that specifically support trade integration within the host region.

5 For the purposes of this study we have generally adopted the ADB definitions of "regional integration" and "regional cooperation" (Regional Cooperation and Integration Strategy, 2006).

6 Donors differ in their definitions of "regional projects." (For additional insights, please see ADB (2016, forthcoming), Supplementary Appendix A.) For example, some donors (e.g., the World Bank) only term a project a regional one when three or more countries are needed in order for the project to meet its objectives.

7 Examples of regional trade support programs that do not have a counterpart REC secretariat or institution include USAID's work in the Andean and Central American regions, where the United States is assisting developing country partners (public and private sector) to understand and implement the bilateral free trade agreements these countries have signed with the United States. Some of these programs also work to address regional barriers to trade (and, in the case of Central America, barriers to food security).

OBJECTIVES, SOURCES, AND SCOPE

USAID's Bureau of Economic Growth, Education, and the Environment (E3) requested in late 2014 that the Improving Business Environments for Agile Markets (iBEAM) project undertake a broad review of USAID and other donor experience and lessons learned with respect to regional programming in support of trade and investment integration objectives. This review responds to that request. It is intended to provide a basis for additional discussion and consideration by USAID staff who are in countries that are active participants in regional economic communities—whether or not those countries are hosts to USAID bilateral missions. The purpose of this scope of work is not to evaluate program performance or impacts, in a formal sense, but to compare and contrast USAID's and other donors' regional trade support efforts to identify potential lessons learned that could be relevant to future USAID (and potentially other donor) regional trade programming.

USAID and other donors have been implementing regional trade-focused programs around the world for more than a decade. The literature associated with this extensive experience base is voluminous. To focus our review and to conduct this analysis within tight page, time, and resource constraints, we have focused principally on documents such as mid-term evaluations and final project reports (in the case of USAID). For programs funded by other donors, such project-specific sources were less consistently available, but we nonetheless identified useful background information from such sources as summaries of Aid for Trade (AfT) activities submitted to the WTO for its biennial AfT reviews and, in the case of the U.K. aid agency, reports from an independent commission on aid effectiveness.

In our literature review, we found very few prior studies that had attempted to draw lessons learned from regional programming.[8] Following our literature review, we interviewed USAID field personnel

8 We learned, in the course of our research, of at least one such study that is currently underway at the ADB—albeit with substantially greater resources and time. We exchanged early thoughts with the principal researchers on that analysis and have drawn upon some of the research materials they compiled in the early stages of their work. Late in our research we also found an OECD study, Regional Perspectives on Aid for Trade, which presented three case studies, one each for Southeast Asia, Central America, and Africa. We have included those references, among others, in Annex IV, Resources.

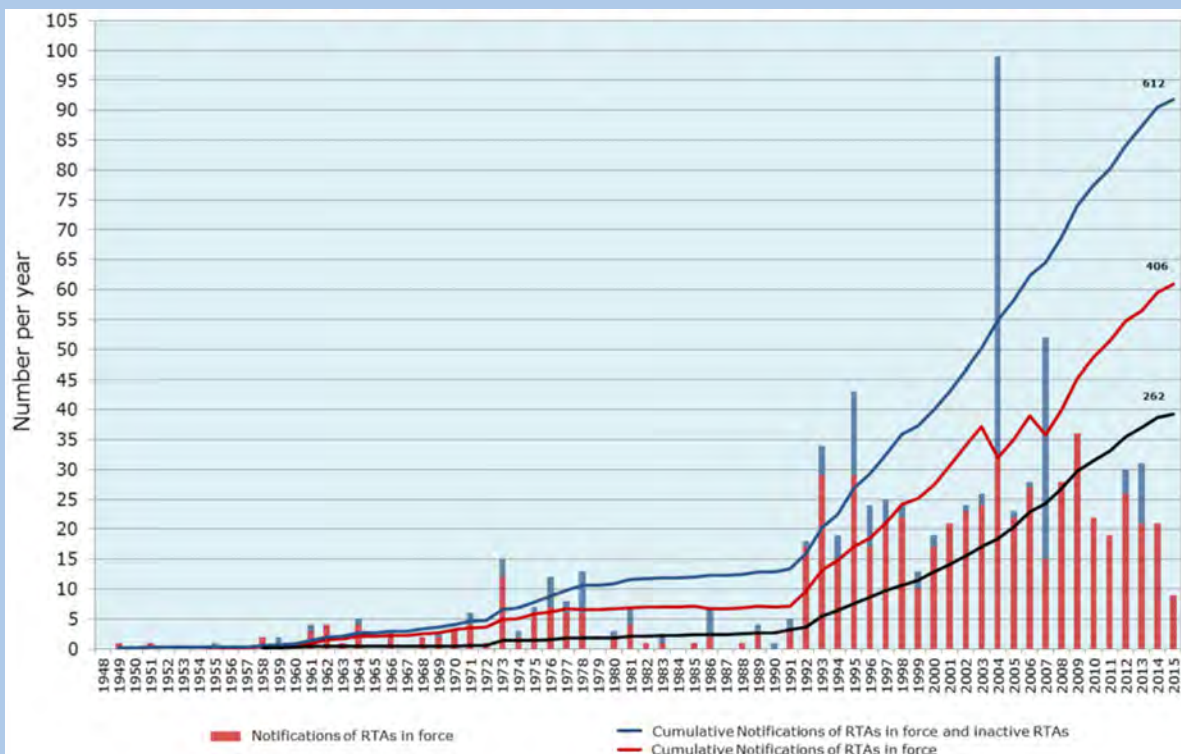
as well as a limited number of contractors who had prior supervisory or management responsibilities for one or more regional programs. Time did not permit extensive interviews of counterparts in other donor agencies, although we did interview staff from three other donor agencies involved in regional trade programming: the U.K.'s Department for International Development (DFID), Australia's Department of Foreign Affairs and Trade, and the ADB.

Regional programs have considerable diversity in their programmatic priorities, modalities of assistance (loans, grants, technical assistance, and budget support), relationships between the regional program and its relevant REC or RECs, size, funding levels, and structure. The variations can be viewed through many different lenses—by donors and by geographic focus, to name just two. As well, regional programs have all evolved over the decade we are studying. The richness and diversity of this experience cannot possibly be captured in this brief assessment, but we hope it nonetheless informs the conclusions and recommendations we make at the end of the report. In addition to the report itself, we have compiled a database of regional trade support programs over the past decade, which is available as a Microsoft Access file.

REGIONAL TRADE AGREEMENTS HAVE PROLIFERATED…

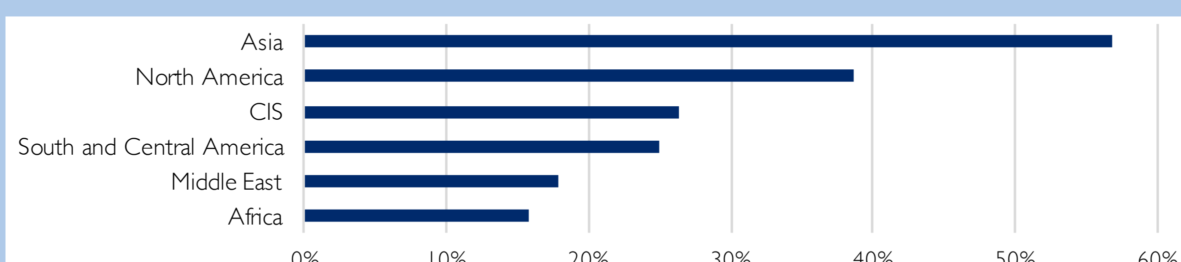
Slow progress in the multilateral trade negotiations launched in Doha in November 2001 (the so-called Doha Development Agenda, DDA) may have been a significant catalyst for the proliferation of regional agreements—most of them involving developing countries—that have occurred over the past decade. According to the WTO, as of January 2015, counting goods and services agreements for the same region as a single agreement, the WTO had received some 446 notifications of RTAs—reciprocal trade agreements between two or more partners—of which 259 are currently in force. This is more than double the level of 2005 and four times the number existing in 1995. (See figures below.)

Evolution of Regional Trade Agreements in the World, 1948-2015



…BUT REGIONAL INTEGRATION ITSELF VARIES WIDELY BY REGION

Share of Intraregional Trade Flows in Region's Goods Exports, 2013



Source: WTO

ทรงพระเจริญ
WELCOME TO THE ASEAN ECONOMIC

WHAT CAN REGIONAL ECONOMIC INTEGRATION DO FOR DEVELOPMENT?

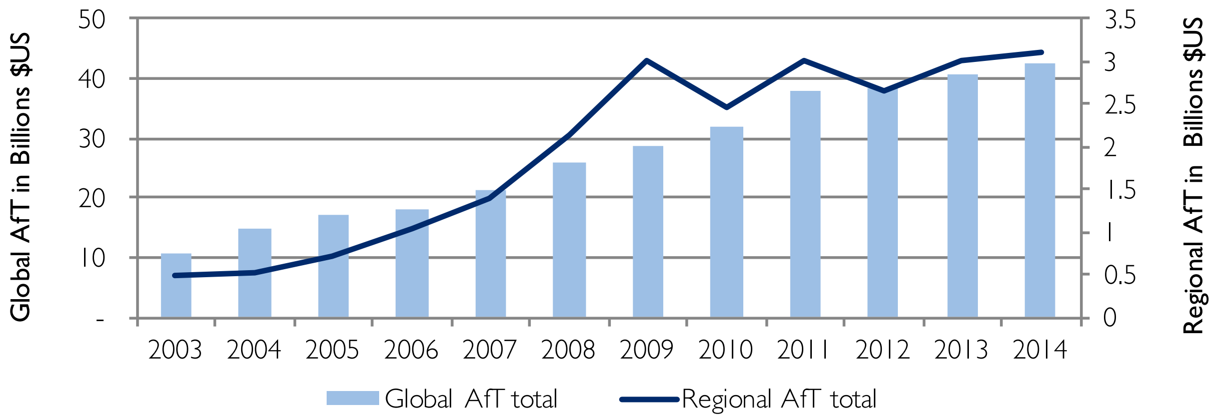
Regional programs are increasingly prominent among donors supporting trade as a tool for development. There are a handful of factors underlying this trend:

1. The rise of regional economic communities and multi-country trade agreements over the last 20 years;
2. The development of regional, multi-country trade corridors[9], and value chains for which single-country-focused programmatic assistance does not make sense;
3. Greater appreciation of the relevance of trade delays, including at border crossings, for trade competitiveness, and the realization that a country receiving trade-related technical assistance is at the mercy of its trade partners' border control authorities to get products into a desired export market on a timely, efficient basis;
4. Growing concerns over the decade about food security, climate change, and energy security—topics that lend urgency to regional efforts to move across national borders to fill shortages in one country with surpluses in another; and
5. Programmatic economies of scale that are enjoyed when a donor sets up a hub and can offer training or management assistance for multiple countries rather than a single one.

World trade has experienced a boom in the last decade, driven by large reductions in trade barriers and technological changes that have lowered the costs of communications and transport. The resulting globalization of production, with its associated dispersion of the supply or value chain, has lowered prices and increased the variety of imported goods and services for firms and consumers. It has also led to unprecedented interlinkages and interdependency among producers and suppliers

9 Trade corridors often involve multiple countries, as is the case with an Inter-American Development Bank (IDB) program in Central America and a number of ADB programs in Central Asia, South Asia, and the Mekong Delta. The USAID trade hubs in Africa have each supported corridor development, often in collaboration with the U.K. DFID and the African Development Bank (AfDB).

Figure 1. USG Aid for Trade Disbursements from All Donors, 2003-2014



within value chains—regardless of the national borders that separate them. These linkages have brought new growth opportunities for the developing countries and their producers that are able to find ways to join these supply chains—which often develop along regional lines.

While the dispersion of production into integrated global or regional supply chains has given many developing countries an opportunity to attract investment in services or manufacturing capacity to take advantage of niche areas of comparative advantage, not all developing countries have been able to integrate their producers and workers into such supply chains. In fact, the regionalization of supply chains has in some ways widened the gap between countries that have conditions conducive to their integration into supply chains, and those who do not owing to a variety of factors, including:

- Their lack of access to seaports or distance from prospective buyers (as is the case with producers in the Pacific Island countries or many landlocked parts of Sub-Saharan Africa);
- Delays (or unpredictability) in border clearance processes;
- Corruption at the border;
- Tariff and non-tariff barriers to imports of intermediate goods; and
- Poorly developed regulatory or standards regimes that hamper their ability to meet market requirements in target consumer markets.

Most of these factors—save for the first one, geography—can be improved through good governance, liberalization of trade policies, and collaboration and cooperation at the border. Technical assistance from donors and technical organizations[10] can and has supported needed improvements. Such efforts in recent years have encompassed regionally programmed assistance related to:

10 Such as the WTO and the World Customs Organization (WCO).

- Implementation of multilateral or regional trade agreement commitments;
- Creation or strengthening of regional private sector alliances;
- Development of trade corridors and associated transport and energy infrastructure;
- Regional harmonization of standards or establishment of mutual recognition processes;
- Negotiations to bring down tariff and nontariff barriers or provide for better integrated and more efficient regional services sectors; and
- Expedited border clearance processes.

Global Trends in Regional Trade Support Programming

On a global basis, regional AfT flows have grown dramatically over the past decade. According to the OECD, in 2013 they amounted to $2.9 billion in disbursements. As a share of global AfT flows, regional AfT has grown from about 4% in 2005 to over 7% in 2014. Regional AfT flows grew by over 600% over the period—almost twice as fast as overall AfT flows. (See Figure 1.)

The vast majority of regional trade support funding has focused on building productive capacities; trade-related infrastructure is the second-ranked focus area. (The same is true for AfT programming on a national level, also referred to as bilateral AfT assistance.)

Development Dividends

The specific nature of support for regional economic integration varies by region as well as by donor. It may reflect levels of existing integration and agreements reached regionally or bilaterally among governments; it may reflect existing levels of private sector integration across segments of a value chain (with or without a formal trade agreement), and it may not reflect one or either of these factors—but, rather, the optimism of either donors or host governments that such integration can be nurtured with donor assistance and, if successful, will pay development dividends such as:

- ***Enhanced food security.*** Improving the movement of surplus food to food deficit areas as well as strengthening the market forces to encourage production in food insecure countries and regions.
- ***Greater attraction of foreign investment.*** Enlarging prospective markets to make them more attractive to prospective investors than each individual economy would be by itself.

2013 SURVEY ON REGIONAL TRADE SUPPORT IN AFRICA FINDS POSITIVE IMPACT

A survey of donors conducted in 2013 by the African Union (AU), WTO, and UN Economic Commission for Africa (UNECA) found that over 80% of donors have participated in pan-African projects to promote regional trade and integration; most of these reported support for subregional initiatives such as the East African Community (EAC, 63%), the Economic Community of West African States (ECOWAS, 56%), and the Southern African Development Community (SADC, 50%).

About two-thirds of these programs have led to increased exports; 40% have led to increased economic growth and poverty reduction. One-third of the programs helped with export diversification.

A parallel survey of African economy partners listed the EU as "by far the most important source of assistance for regional trade integration." Priority sectors for regional cooperation, according to beneficiary countries, included transit corridors, trade facilitation and trade policies, agriculture, trade in services, and export promotion.

Source: OECD, Regional Perspectives on Aid for Trade, 2014, pp. 22–23.

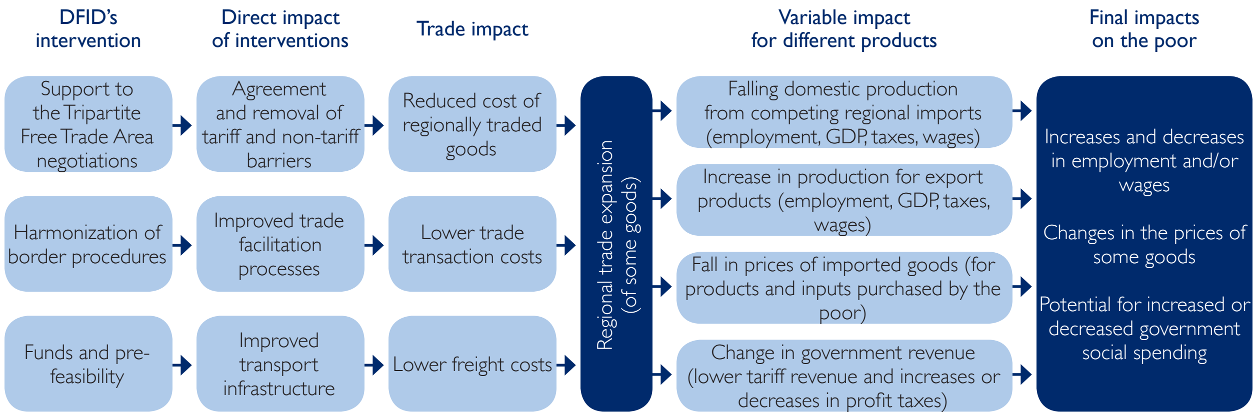
- ***Improved export competitiveness.*** Reducing the costs of inputs (goods and services) as well as the time costs of delays in clearing goods across borders, thereby improving the cost-competitiveness (and often quality or freshness) of traded goods in third country markets.[11]
- ***More inclusive growth opportunities.*** Regional trade support can enable producers—especially in countries that do not have direct access to seaports—to gain access to world markets for their outputs while, at the same time, improving the quality or productivity of their goods as a result of improved access to imported inputs.

Also, regional trade support programs can target activities to reach marginalized groups (e.g., women traders) that work in border regions, and whose livelihoods will benefit from expedited or more transparent and predictable border clearance processes.

More generally, trade development programs seek to grow trade (within the region and between the region and the rest of the world); trade growth can lower the price of goods and services for poor households. The reduction of trade barriers can provide incentives for producers to hire staff or increase wages. And increased trade can generate new revenues for governments—revenue that can be used to fund programs for the poor. Figure 4 presents DFID's perspective on the transmission channels through which support for regional trade integration helps to achieve poverty reduction.

11 The cost of crossing borders typically adds 19% to product prices in Africa (compared with 5% in most developed countries). Three-fourths of this difference is due to border bureaucracy, so improvements in trade facilitation could reduce the cost of traded goods by 10.5%. Further, according to the World Bank, deficient trade-related infrastructure accounts for 25% of the higher costs of transport in Africa, raising the price of traded goods by 3.5%. Independent Commission for Aid Impact (ICAI), DFID's Trade Development Work in Southern Africa, December 2013, p. 13. See also O. Morrissey, Transport and Transport-Related Costs of Trade in Africa, Background Paper for African Development Bank, 2009, and De-fragmenting Africa: Deepening Regional Trade Integration in Goods and Services, World Bank, 2012.

Figure 2. DFID Perspective on Trade-Poverty Linkages in Southern Africa



Source: : ICAI, DFID's Trade Development Work in Southern Africa, December 2013

POSTES DE CONTRÔLE
Police
Douane
Gendarmerie
CÔTE D'IVOIRE
GHANA
Accra
Tema

USAID AND OTHER DONOR EXPERIENCE WITH REGIONAL TRADE SUPPORT PROGRAMMING

USAID

The United States has been a leader in regional trade support programming. USG funding for regional trade programs has grown between 2006 and 2014 (see Figure 3), although it dipped in the 2011–2013 period.[12]

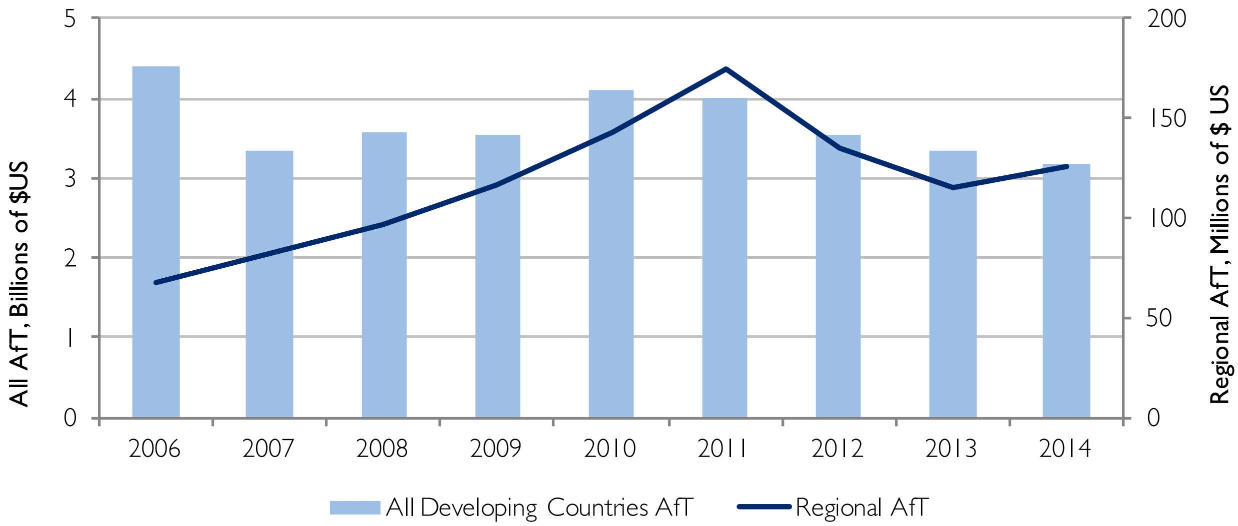
U.S. leadership in this area goes beyond simply dollars expended. USG-supported regional trade hubs in Africa, Asia (including Central Asia), Central/South America, and Eastern Europe have been highly visible as focal points for trade-related assistance to developing countries. Please see Annex I for a review of USAID's experience with regional trade support programming over the past decade. Figure 4 provides a map of current USAID regional trade support programs.

Starting in the early 2000s, USAID has supported three trade hubs in Africa, located in Gaborone, Botswana; Nairobi, Kenya; and Accra, Ghana. The hubs' priorities and approaches reflect unique and varied regional needs and opportunities, although each hub covers three principal areas:

- Advancement of regional economic integration (principally through the Southern African Development Community (SADC), the East African Community (EAC), and the Economic Community of West African States (ECOWAS) as well as through trade corridor development

12 We are unable to determine the reason for this dip in regional AfT funding after 2011. It is possible that this reflects the natural cycle of spending for regional programs (most of which are 5 years in duration) that commenced in 2009, 2010, or 2011; a number of these programs were scheduled to end in 2013 or 2014, and successor programs were not funded (or procured) as of the end of 2013, but disbursements to ongoing programs declined as support activities were scaled back in preparation for a project close-down.

Figure 3. USG Air for Trade Disbursements, 2006–2014



Source: OECD

- Promotion of African exports to the United States under the African Growth and Opportunity Act (AGOA)
- Freer intraregional trade in staple foods (although this was not covered in earlier generations of each of the trade hubs) as well as in agricultural inputs such as seeds and fertilizer.

Each of these African trade hub programs has been in existence for more than a decade, having undergone significant evolution in structure and focus, relationship with the relevant regional economic communities, and collaboration/division of labor with other donors active in the region.

USAID also supports multiple regional programs in Asia. For example, USAID supports the current ASEAN Connectivity through Trade and Investment (ACTI) program, based in Jakarta (where the ASEAN Secretariat is located); this program assists the Secretariat and ASEAN Member countries in implementing commitments under the ASEAN Economic Community (AEC). USAID also supports the Asia Pacific Economic Cooperation (APEC) process through the current U.S.-APEC Technical Assistance to Advance Regional Integration (U.S.-ATAARI) project (headquartered in Singapore), which promotes regional integration and trade integration among its 21 members on both sides of the Pacific Ocean. In Central Asia, USAID has also had several generations of regional trade and competitiveness hubs; these have had a significant focus on increasing business linkages within the region and improving transport linkages and border clearance processes to facilitate regional integration and enhance competitiveness. USAID regional programs in Asia received a major boost from the U.S. Government's "pivot to Asia" in 2012, which led to an even deeper partnership with countries in the region and which increased the role of the U.S. State Department in co-funding and helping to design and oversee implementation of regional programs in ASEAN, APEC, and Central Asia.

USAID has had a number of regional trade programs in the Americas as well. Its current program in Central America, Regional Trade and Market Alliances (RTMA), combines a focus on removing regional trade barriers and border/logistics impediments to the flow of goods with a tandem focus on food security (with an orientation toward staple crops and impediments to regional trade in them). In South America, USAID has, over the past decade, had several generations of regional trade programs. Lima, Peru, has been the physical hub of this work, and Peru has also been the primary recipient of funding programmed regionally (starting as the United States and Peru initiated negotiations toward what ultimately became the U.S.-Peru Free Trade Agreement (FTA), which initially also covered Colombia, Ecuador, and Bolivia. Initially, the Andean programs were intended to be truly regional in nature, but over time, the "regional" aspect of the program receded and eventually was supplanted by two co-implemented programs, one in Lima and one in Bogota, where programmatic efficiencies at times have enabled joint programming in both countries, which now have in place bilateral FTAs with the United States.

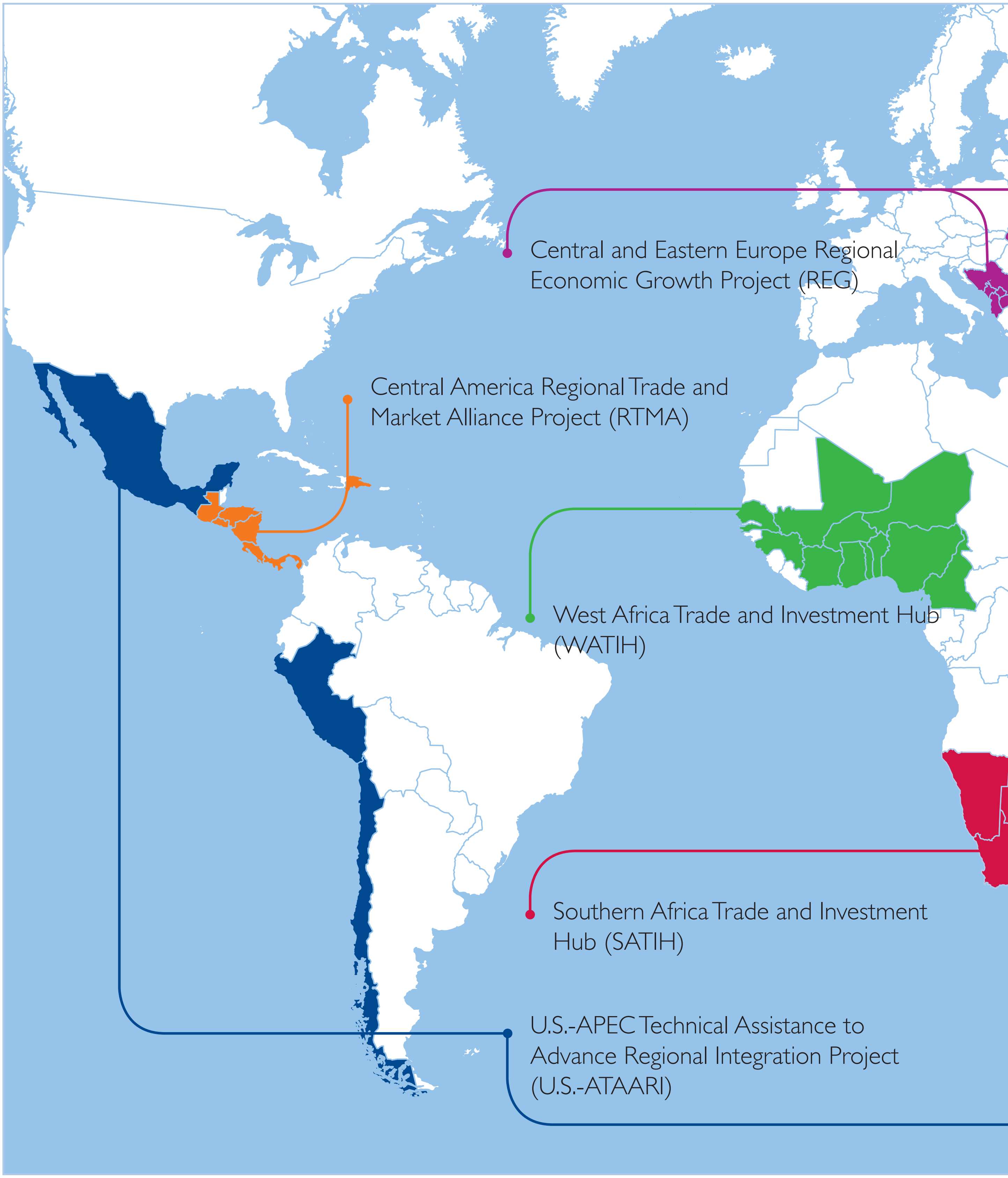
Other Donors

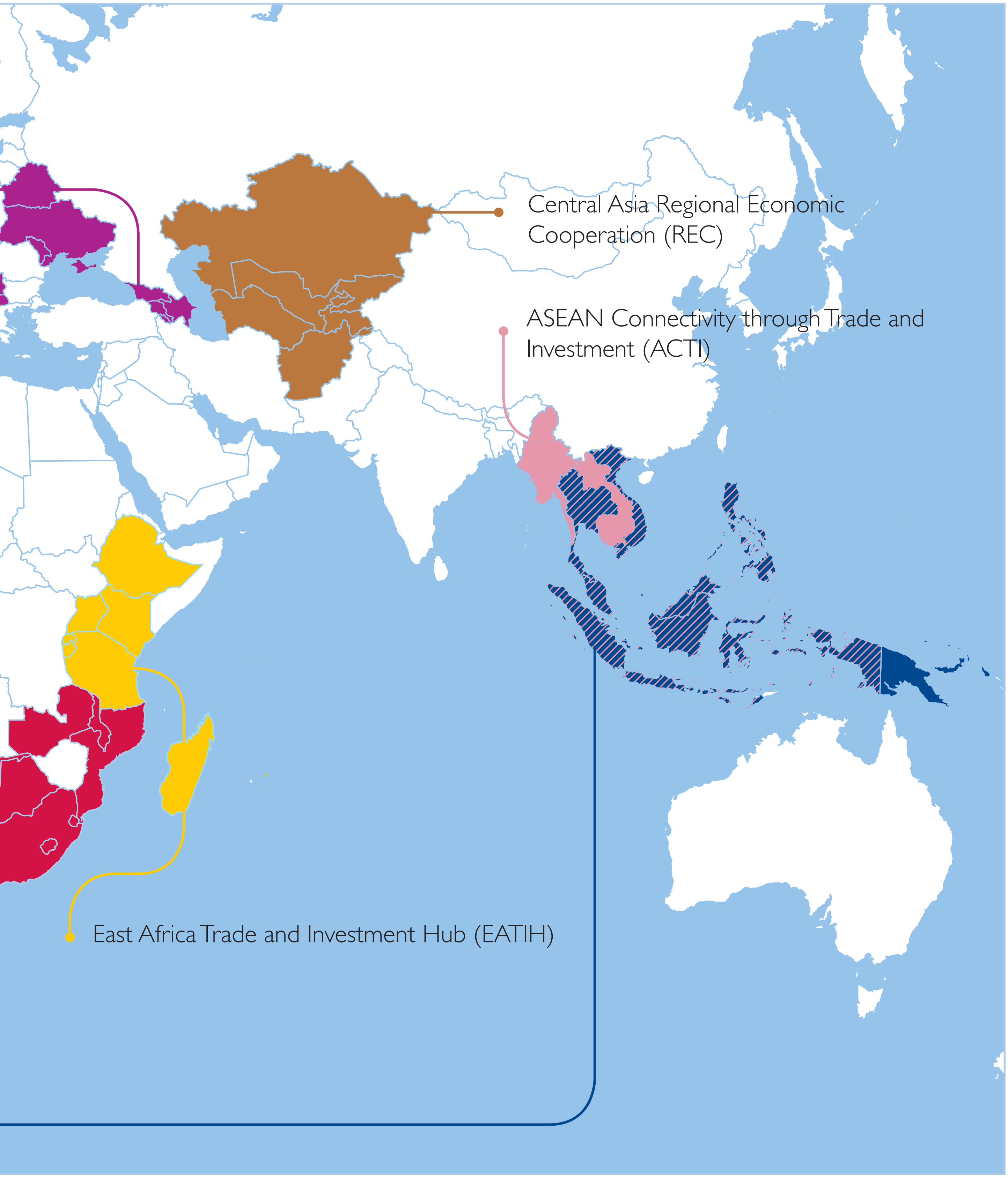
As prominent as the U.S. regional trade hubs have been, the U.S. Government is not alone among bilateral donors in supporting regional trade programs. The U.K.'s DFID also has designed and implemented regional trade programs in Africa, including through the US$500 million TMEA and the slightly smaller TMSA (see box).

Other bilateral donors with regional programs include the European Union, Germany, Australia, Finland, Japan, Canada, New Zealand, Spain, Sweden, Belgium, Switzerland, and Brazil. Annex II reviews a number of regional trade support programs supported by bilateral donors.

Finally, a number of multilateral or regional development banks (World Bank, IADB, ADB, AfDB) have put an increasing share of their trade support programming into regional activities—although these tend to be more oriented toward grants or loans supplemented by targeted technical assistance rather than multi-year "projects" in the sense of the USAID and DFID programs. Annex III reviews regional trade support efforts funded by multilateral institutions.

Figure 4. USAID Regional Trade Support Programs, 2015




Central Asia Regional Economic Cooperation (REC)
ASEAN Connectivity through Trade and Investment (ACTI)
East Africa Trade and Investment Hub (EATIH)

A Tale of Two TradeMarks

TMSA: Independent Evaluation Prompts Rapid Shutdown	TMEA: DFID's Model Regional Trade Support Program
TradeMark Southern Africa (TMSA) was designed by DFID and launched in 2010. After three years in operation, however, the U.K.'s ICAI, the independent body responsible for scrutinizing U.K. aid, conducted a review of DFID's trade programs in Southern Africa. ICAI found major failings in TMSA's work that were so profound that ICAI alerted DFID to these issues immediately upon completion of initial fieldwork in early 2013, prompting DFID to itself undertake a Management Assurance Review that resulted in immediate actions to improve the governance and management reporting of TMSA. Despite this heightened level of supervision, problems persisted, as did negative press coverage of TMSA. DFID abruptly shut down the program in 2014. ICAI found DFID deficient in its oversight of TMSA, leading to a lack of focus with too many noncore activities that did not link (or related at best superficially) to overall program objectives. For example: • TMSA asserted that 83% of programmatic targets had been met, but ICAI found the figure to be just 21%. • TMSA was unable to leverage infrastructure finance as planned for the North-South Corridor. £67 million of the budget was placed in a trust fund in 2010 for this purpose, but as of mid-2013, it had neither been spent nor attracted additional funds. • Weak financial controls resulted in wasteful spending, poor supervision of grants (which included a grant disbursement to the Government of Zimbabwe), and contract procurements that were awarded with little or no competition. The ICAI report also was critical of the weak or nonexistent linkages between program activities and specific benefits for the poor, DFID's overall target population.	TradeMark East Africa (TMEA) was designed by DFID and officially launched in 2010 as a not-for-profit organization to promote trade growth in East Africa. TMEA is currently co-funded by the U.K., Belgium, Canada, Denmark, Finland, Netherlands, Sweden, and the United States. TMEA's secured budget to date totals about £330 million ($540 million). TMEA currently focuses on: • Physical access to markets (trade facilitation); • Enhanced trade environment (policy and capacity building) focusing on the East African Customs Union; • Common Market Protocol; and • Improved business competitiveness (national-level reforms and private sector initiatives). With its geographic focus on the EAC, the Northern Corridor is a primary focus for implementation of its regional and national trade facilitation activities. As a multi-donor effort, cooperation between TMEA and its "investors" is strong, enabling each donor to focus its respective bilateral efforts to complement TMEA and each other. Headquartered in Nairobi, Kenya, TMEA operates through six offices throughout the region, including an office in Arusha, Tanzania (EAC's headquarters). Through this structure, TMEA works in parallel on both regional and national initiatives to facilitate trade and enhance regional competitiveness. TMEA's office in Arusha supports the EAC Secretariat to carry out its regional integration initiatives, with substantial capacity building and technical assistance to the REC. TMEA also provides support to the private sector, both to engage in policy dialogue and to enhance private sector competitiveness. The latter is largely operationalized through TMEA's grant facilities. Two grant funds are currently in operation: The East Africa Challenge Fund (TRAC) and the recently launched Logistics Innovation for Trade (LIFT) Fund, which aims to promote private investment in logistics services across the region.

INITIAL CONSIDERATIONS FOR A PROSPECTIVE REGIONAL TRADE SUPPORT PROGRAM

In considering prospective regional trade support programs, USAID often must be responsive to conditions, events, and parameters beyond the Agency's control. These may include:

- A Presidential or State Department-led initiative driven by foreign policy considerations
- The negotiation of—or conclusion of—a trade agreement between the United States and two or more countries in the region
- The imminent end of an existing regional program or of multiple existing bilateral programs in a given region
- Funding and contracting vehicles and mechanisms available
- The existence and programmatic priorities of regional institutions
- The existence and scopes of work of bilateral USAID activities/ projects within the region.

In this chapter we identify some of these fundamental and largely exogenous determinants of the nature, structure, and focus of a prospective regional trade support program.

Regional Economic Communities: Zero, One, or Many?

One factor that has an enormous influence on the nature of a regional trade support program is the existence and strength of regional institutions, particularly a Regional Economic Community (REC)— and especially one that has its own secretariat.

We have developed a basic typology of regional trade support programs based on the relationship between the program and one or more REC secretariats. These are represented graphically in Figure 5.

Figure 5. Regional Assistance Models

Where one exists, USAID may elect to work in close collaboration with that REC secretariat or at a distance; USG policy may be more or less allied with the REC and may or may not be a member of the REC itself. If USAID opts to work closely with the secretariat, it may embed advisors in the secretariat or house them nearby, to foster an optimal and productive working relationship. This is the Tree model.

Regional trade support programs in Africa tend to be along the lines of the Ivy model. In Africa, where there are numerous overlapping regional trade agreements, USAID (and DFID, UNECA, and AfDB, among others) have often supported multiple RECs simultaneously. For example, the USAID East African Trade and Investment Hub supports both the EAC and COMESA. The Southern Africa Trade Hub supports SADC and SACU (whose members are mostly, but not entirely, a subset of SADC). It also to some extent supports COMESA, which has some members in common with both SADC and SACU but which also includes many members outside of the region altogether.

But USAID may instead wish—while mindful of the REC priorities and negotiations—to undertake a neutral outside agenda, collaborating only as or when appropriate. This is along the lines of the West Africa Trade Hub, based in Ghana, where activities have supported the strengthening of regional value chains, private sector alliances, and export promotion alongside activities directly supporting ECOWAS and West African Economic and Monetary Union (UEMOA) tariff liberalization, transport governance, sanitary and phytosanitary (SPS) harmonization, and customs modernization. Regional trade support programs that have multiple objectives (e.g., trade liberalization and food security and export promotion under AGOA) will tend to operate somewhat outside of the orbit of a REC, whose interests are narrower. (We have drawn our Ivy model to include some assistance that does not necessarily flow through a REC secretariat.)

Finally, there are a number of regional trade support programs that have made sense to donors even in the absence of any counterpart REC. This is depicted as the Patch of Grass model. For example, USAID has supported regional trade programs in the Andean region, Southern and Eastern Europe, and Central Asia to achieve a variety of programmatic objectives—not the least of which is cost-effective delivery of technical assistance to multiple countries within a region.

Which of these models makes the most sense for a particular donor in a particular region depends on the presence or absence of a REC secretariat (or more than one) in the region, the relationship between the donor and that REC, the functional objectives of the prospective assistance, and the relationship of prospective beneficiary countries to the REC, among many other considerations. Programs supporting REC agendas and secretariats need to be approached with tempered expectations in most cases, given that RECs typically have limited capacity to compel member states to adhere to regional agreements. Building consensus among members, monitoring progress, and providing guidance on implementation of agreements is often the extent of the REC's role in mediating trade and other relationships among its members.

Funding Available and Funding Mechanisms: Grants, Trust Funds, Loans, or Projects

The design and programmatic focus of a prospective regional trade support program generally takes as a given (i.e., as an exogenous factor) the funding level that will be available, as well as the nature of those funds (Development Assistance or Economic Support Fund assistance), and Congressional earmarks that affect the functional and geographic uses for the available funding. A number of USG-supported regional trade programs have had substantial funding from the U.S. State Department. In such cases, the State Department may retain a substantial oversight role and may be very involved in the regional project's design as well as its implementation.

More generally, our review of regional trade support projects shows that USAID's tendency to use field-based, multi-year projects, sometimes with an ongoing multi-year presence in multiple countries, is not universal among donors. Although it is difficult to disaggregate from total donor budgets the amounts allocated to grants, trust funds, loans, and programs, a review of donor literature suggest that non-U.S. donor institutions tend to use grants, loans, and trust funds to a much greater extent than does the U.S. Government. A few examples convey the greater prevalence of grant and loan funding by non-U.S. donors:

- The EU through its Infrastructure Trust Fund (ITF) has helped finance €2.4 billion of infrastructure projects in Africa by using relatively small grants to leverage in larger loans and other forms of finance.[13]

13 The EU seeks to generate twelve euros in total investment for every euro of ITF grant money. The EU calculates that since the ITF was established in 2007, it has approved 38 grants totaling €212 million that helped leverage €945 million in loans and €1230 million in additional finance.

- From 2001 through 2013, the ADB approved, through its participation in the the Central Asia Regional Economic Cooperation (CAREC) program, 59 knowledge management project loans and grants totaling $44.3 million.
- In 2013 alone ADB provided $1.1 billion in loans and grants through CAREC; these supported 10 new finance mobilization projects.[14]

The United States' use of field programs as opposed to financial instruments may reflect, in part, relatively more demanding U.S. requirements vis-à-vis programmatic accountability for fund utilization.

Programmatic Objectives—and Their Increasing Complexity

The objectives of regional trade support programs reflect many factors:

- The foreign policy imperative (if any) behind a donor's choice to support the region
- The legitimacy of the REC and its secretariat in the eyes of member states
- The donor's role in the REC or RTA (if any) receiving support
- Where there is a REC/RTA, its work program and areas where assistance is desired, both for the institution itself and for its members
- The capacity of the REC and individual member economies to enforce and implement, respectively, the agreements reached at a regional level
- Requests for assistance on the part of the REC and member states
- The existence and resources available under other donor programs assisting similar or complementary work on a regional or national basis
- External factors such as activities of nonmember economies, negotiations under other regional/global trade agreements, natural disaster, famine, pandemic, and war.

One trend to emerge over the past decade or more of USAID regional trade support programming is that of the increasing technical complexity of the projects. As countries have moved from the broad trade policy reforms associated with WTO accession, the WTO Doha Round, and regional agreements, to the nuts-and-bolts work of competing in global trade, the complex technical nature of economic integration, reform, and modernization has become more and more apparent. Competition policy, intellectual property rights, modernization, single-window customs platforms, value chain development, standards—the complexities of these and a host of other development targets challenge REC secretariats, USAID project designers, project implementers, donor agencies, host country

14 ADB Development Effectiveness Review 2013 – A Refined Perspective, p. 18.

counterparts, and the private sector, in short, all stakeholders. Much energy and foresight must be given to designing, implementing, and tracking regional trade support projects.

Apart from the increasing complexity of the trade agenda per se, many of the world's development challenges cross national boundaries, such as climate change, food security, migration, pandemics, and disaster response and preparedness. And while some of these multinational issues are bound to be programmed independently of regional trade support programs, there is clear evidence of greater bundling of food security and trade programs in Africa, Asia, and the Americas. This complicates the determination and ranking of priority objectives, relationships to anchor regional institutions, and relationships of regional programs to bilateral missions and national stakeholders.

USAID's U.S.-ATAARI project provides a good example of the range of interconnected issues and challenges that regional trade support projects may entail. The following paragraph from the ATAARI RFP notes the range of issue areas the project must address, a "tip of the iceberg" description that only hints at the breadth of the objectives the project actually encompasses:

> In collaboration with the U.S. Government and the APEC Secretariat, develop and implement activities that will improve regional cooperation on issues including, but not limited to: trade and investment liberalization and facilitation; promoting green growth; customs facilitation; regional security and counter-terrorism; transparency and regulatory reform; anti-corruption; human resource development; strengthening privacy and intellectual property regimes; biotechnology; energy security; food safety and food security; health issues (such as Avian Influenza and HIV/AIDS); and disaster management and emergency response.

It should be noted that even a "narrow" activity (such as the development of a regional single window for border clearance of goods between member countries) entails legal, regulatory, human resource, administrative, IT, competitiveness, inclusion (e.g., ability of small and medium enterprises (SMEs) and microenterprises (often women-owned), public outreach, institutional organization reform, change management, performance measurement, and other streams of work.

The Need to Plan for Flexibility

The one certainty about a regional trade program is that it must be flexible enough to respond to needs and conditions that arise over the life of the project, either within a supported REC or as technical assistance needs emerge in one or more of the member countries USAID supports.

A regional trade support project must anticipate the need for flexibility in work programming and in budget line allocations for project implementation that evolves organically according to national and

REC institutional priorities and challenges. Fundamentally, regional programs are exponentially more prone to unanticipated requirements or needs—or the closure of activities that had been long planned—than single country projects are. A regional organization's long administrative and decision-making timelines can lead to lack of clarity in project designs, differing expectations by different stakeholders, and the need to alter project approaches and outcomes after implementation has begun; strong project design and selection prior to funding decisions can provide clarity on objectives and approach. But still, the multiplicity of countries involved makes for an exponential increase in stakeholders and their priorities. This in turn makes for a highly cumbersome set of bureaucratic processes for the identification, prioritization, and achievement of member country agreement on work programs, while also multiplying the likelihood that a decision by some country will affect programming. Donor programs tend to take fairly long planning horizons, in part owing to their budget cycles. They face difficulty in responding to sudden new needs—and in reprogramming funds that are no longer needed for the anticipated purpose.

The challenge for USAID is how to plan for flexibility. Neither USAID regional programs nor those of other donors have found a universal solution to this challenge. Most USAID regional programs were designed and budgeted to cover a five-year period. Where work plans were independent of a REC, it was somewhat easier to anticipate (and predetermine) funding priorities in alignment with mission strategic objectives for the region. However, for programs that were essentially defined by work programs agreed by REC members, work planning and budgeting for the USAID regional support program was more challenging. Flexibilities were built into work planning so that ASEAN or APEC priorities could be reflected in resource allocations of the contract budgets. Moreover, donor collaboration also enabled the USAID programs to identify outside sources of funding for initiatives that had not been anticipated in USAID regional trade hub project annual work plans and budgets.

The first USG regional program in Asia, the ADVANCE IQC, utilized another approach to "planned flexibility." ADVANCE's design is unique in that it is an IQC with a single awardee (the result of a competitive procurement). Activities under the IQC evolved organically over time—not all were envisioned at the time of award. Over the life of ADVANCE, five task orders (TOs) were designed and implemented. Although the IQC holder did not have to compete with others for each task order, it did have to respond to Requests for Task Order Proposals (RFTOPs), prepare cost proposals, and identify key personnel/implementing teams for each TO prior to its award.[15] The "IQC with

15 ADVANCE's five TOs were (1) ASEAN-U.S. Technical Assistance and Training Facility (TATF, or The Facility) located in the ASEAN Secretariat; (2) ASEAN Single Window (ASW); (3) Valuing ASEAN Linkages Under Economic Integration (VALUE) to support tourism and textiles sector development; (4) Luna-Lao project to assist Laos in WTO accession and implementation of Laos-U.S. Bilateral Trade Agreement, and AEC commitments; and (5) the agricultural sector-focused TO for Maximizing Agricultural Revenue through Knowledge, Enterprise Development, and Trade (MARKET).

task orders" mechanism was ideally suited, in some respects, to "planned flexibility."[16] However, USAID/RDMA did not use this contracting approach for subsequent regional programs because future programs were smaller and did not warrant the use of an IQC mechanism.

The regional IQC model was, to our knowledge, only used in one other procurement, for the Support for Food Security in Africa (SFSA) IQC, awarded to multiple holders in May 2010 for use in individual food-insecure countries in Africa with RFTOPs developed and funded by individual missions and competed for among the four IQC holders. Although this was a regional IQC, it functioned as a contract mechanism to expedite or facilitate the design and award of national projects in Africa with a food security focus; it did not have regional integration or trade as a programmatic objective.

16 In the case of ADVANCE, the IQC structure was identified as providing the project "tremendous flexibility in responding to demands from both its donors and ASEAN," a key factor in fostering a strong relationship based on both trust and past performance. The absence of an IQC mechanism in other regional trade support programs was not cited as either a positive or negative factor in evaluations of those programs. USAID, ADVANCE – Midterm Performance Evaluation, November 2012, p. 63.

West African traders, mainly women, join the Borderless Alliance's awareness campaign, which highlighted the problems of bribes and delays along trade corridors in the region. The campaign and other advocacy efforts resulted in reduced delays and bribes along major trucking routes under the USAID West Africa Trade Hub.

CROSS-CUTTING AND OPERATIONAL ISSUES: LESSONS LEARNED

Most regional trade support programs deal with some common organizational or operational issues. This chapter addresses a number of them, including: balancing regional commitments with the national implementation efforts required to make such commitments a reality; dealing with vastly differing levels of development within the region; and determining how or whether to engage with countries/economies in the region that do not have a USAID presence, with whom the United States does not have diplomatic relations, or which are not eligible for USG assistance. Other common operational issues include ensuring ongoing coordination and collaboration with other donors or with other USG agencies; providing effective outreach, communication, and stakeholder engagement across multiple economies (and often languages); and managing risks.

National Implementation of Regional Commitments

The challenge of how a regional program can work to assist individual member economies in implementing commitments they have made to the regional grouping is an important one. This is an issue that applies to both the Tree and Ivy models of regional assistance, but not to the Patch of Grass model (where either there is no REC or the REC is not a focus of assistance).

When it comes to the implementation of commitments made in a regional agreement, coordinated and complementary activities at the national level are often essential. Ultimately, trade agreements—whether reached bilaterally, regionally, or multilaterally—must be implemented by individual signatories.

The challenge for many regional trade support programs is in facilitating national action on regional commitments or building national capacity to implement the regional agenda. There is no "one size fits all" solution to this challenge. Regional trade support programs essentially are both "top down" and "bottom up" operations. What this

Defining Regional vs. Bilateral Activities in the Context of Regional Trade Support Programming

Clearly Regional Activities	"Gray Area" Activities	Clearly Bilateral Activities
• Capacity building for the REC • Facilitation of regional talks on trade and other issues that may involve competing national agendas • Monitoring of member states' implementation of regional commitments • Capacity building for regional business associations • Bilateral activities in non-presence countries or in countries where the bilateral mission has no overlapping mandate	• Support for trade show presence by assisted firms and associations; here, the bilateral mission may be supporting individual enterprises and national associations, while the regional mission is supporting a regional business association or alliance • Support for bilateral trade talks under the auspices of the REC; here, both bilateral missions and the regional mission are likely to be called upon by partners for technical assistance • Transport corridor development; corridors of regional importance always also involve national interests	• Farmer training and other enterprise-level support • Capacity building of national agencies to implement regional commitments • Capacity building of national business associations

means is that regional programs strengthen the capacities of the relevant regional institutions they support, thereby driving regional initiatives (top down) while also building the capacity of member governments and local stakeholders to undertake the concrete steps needed to implement what has been agreed regionally (bottom up).

Where a bilateral mission exists and has funding, scope, and implementing partners to assist in national-level implementation of regional commitments, this is often the first course of action chosen: the bilateral mission, under its existing mechanisms, supports local implementation of trade agreement commitments.

However, any number of situations is likely to hamper that clear-cut solution:

- The activity may not be a priority for the bilateral mission as reflected in strategic objectives or the Country Development and Cooperation Strategy.
- The bilateral mission may lack Economic Growth funding or a mechanism for contracting directly for the technical assistance required. It may simply be less cost-effective to have individual bilateral missions contracting for technical assistance when a single technical resource could assist multiple countries in the region.[17] Regional projects have the ability to replicate best practice at the

17 This has been the case for regional trade programs in Latin America, where it was cost-effective to have experts in intellectual property provide assistance to both Colombia and Peru under the U.S. Andean Regional Trade Capacity Building Program (2005–2008). Efficiency and quality control also motivated regional activities under the various African trade hubs in support of AGOA. The West Africa Trade Hub developed a network of 21 national AGOA Resource Centers to serve as focal points for dissemination and training on AGOA-related issues.

regional level and the economies of scale that come from working in several countries across larger markets, as demonstrated by regional trade facilitation initiatives in Sub-Saharan Africa.

Regional missions and their bilateral counterparts can and should see synergies in their programming and develop a protocol for coordinating efforts on a regular basis and for ensuring they are well informed in advance of country visits or activities by staff or consultants fielded through a regional mission's program. Ideally, regional programs are developed in consultation with bilateral missions, from program design through work planning by implementing partners. Absence of this sort of consultation can result in duplication of efforts, as either regional or bilateral programs cross the blurry lines where one mandate ends and another begins. In general, program designers and managers can consider the following groupings of activities as a starting point for establishing those lines.

The only way to avoid overlapping activities in the "gray area" is good two-way communication between bilateral and regional missions. The two examples featured in the box below illustrate where such communication and coordination has been effective, whether viewed

Through the Looking Glass: Perspectives on Regional and Bilateral Programming

ASEAN Regional Program Meets National Needs with Tailored Support for Individual Countries	Philippines Bilateral Program Coordinates with ASEAN and APEC Regional Programs to Ensure Alignment
Under the ASW TO of the USAID ADVANCE regional trade support contract, country-specific assistance on trade facilitation for ASEAN countries included: • Certificate of Origin software training of trainers program for Indonesian trade ministry officials. • Legal gap analysis in Laos, Philippines, and Vietnam; helped revise Vietnam's draft customs law and review Laos' draft e-transactions law. • Launch of the Vietnam National Single Window (NSW). Organized public awareness activities for government, private sector, media, and donors. Prepared NSW master plan. Conducted a fact-finding mission that involved visits to border posts and, with Vietnam Customs, prepared a master plan template for NSW implementation. • Launch of the Lao NSW. Organized public awareness roundtables and meetings with government officials, conducted a fact-finding mission, prepared the Lao NSW Roadmap, provided training on certificate of origin processing software, and conducted a legal gap analysis. • Assessment of trade security environment by consultants who visited Indonesia, Laos, Malaysia, Philippines, Thailand, and Vietnam.	Although the Philippines receives assistance through USAID regional programs on trade facilitation that support the AEC and the APEC forum, the Philippines is a U.S. Partnership for Growth country, and as such USAID/Philippines designed and is in the process of implementing a program to assist the Government of the Philippines in meeting its commitments under the AEC as well as under bilateral and global trade agreements. Under the USAID/Philippines' Trade-Related Assistance for Development (TRADE) project, USAID supports, among other things, development of a National Trade Repository and some aspects of the Philippines' NSW—both integrally linked to the Philippines' AEC commitments. Staff of the regional and national projects coordinate efforts relating to these efforts specifically, and trade facilitation more broadly. Similarly, the Philippines hosted the APEC Senior Officials Meetings in late 2015. Thus, substantial coordination and collaboration was needed and took place between USAID's APEC regional program (U.S.-ATAARI) and the bilateral USAID/Philippines TRADE project.

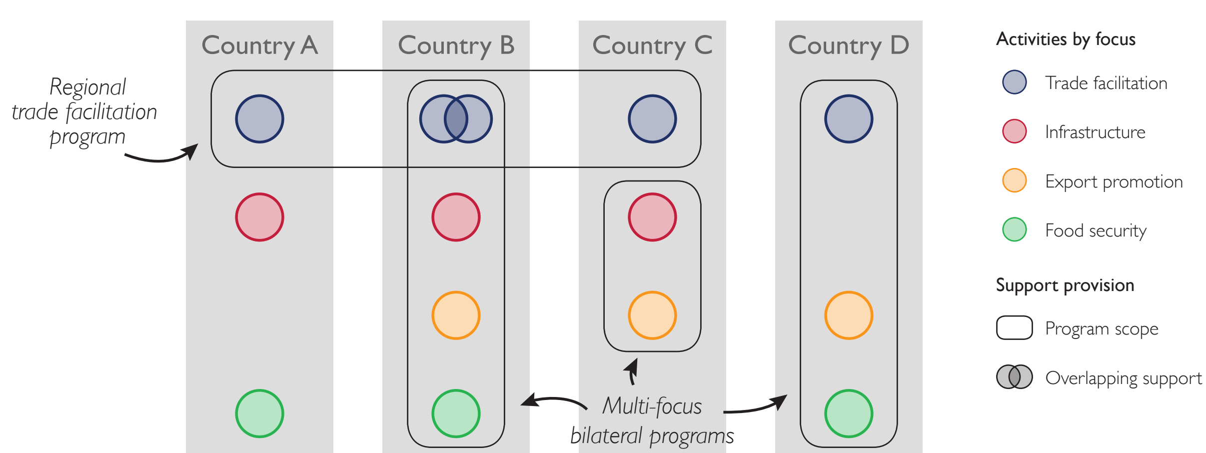
through the lens of a regional program working effectively with individual countries, or a bilateral program coordinating well with relevant regional programs and activities.

Figure 6 depicts a variety of approaches that may be taken to coordinate and collaborate between regional and bilateral programs/initiatives. The horizontal boxes depict issues (in this case trade facilitation) where support may be offered to countries A, B, and C through a regional program, but which, in Country D (possibly a developed country or a country with which the U.S. Government does not have diplomatic relations) trade facilitation (and other work, e.g., on export promotion and food security) might be taken care of by the country itself (i.e., without USG assistance), with the assistance of other donors, or through a program overseen by the bilateral USAID mission. In the illustration, Country C would be assisted on trade facilitation through a regional program, but other priorities for the country (export promotion, infrastructure) would be handled solely through a national program (possibly through a USAID bilateral mission); in the case of Country B, trade facilitation might be supported through both the regional program and the bilateral one, making ongoing coordination extremely important.

DFID's TMEA has had the resources to establish local offices in all countries it supports within the region. This helps to advance regional initiatives that are to be implemented nationally. While we cannot foresee this level of resources for USAID programming, we should be mindful of the critical importance of coordination between regional and bilateral USAID missions and programs—both to maximize results and to avoid overlap and confusion.

One way that RECs have helped to catalyze and focus implementation efforts at the national level is through the development of a benchmarking tool or scorecard. For example, the EAC (with support from TMEA) developed the EAC Common Market Scorecard to

Figure 6. Possible Approaches to Coordinating Regional and Bilateral Activities



assess the EAC's and Partner States' performance as a common market. The scorecard identified key regional and national constraints to implementation of the Common Market protocols and policies, benchmarking those constraints across all member states. EAC selected the International Finance Corporation (IFC) to implement the Scorecard. The USAID East Africa Trade and Investment Hub works with IFC, EAC partner states, ministries of the EAC, TMEA, USAID bilateral missions, and other international donors, as well as key stakeholders, to prioritize and address shortcomings identified on the scorecard.

Building National Ownership of Regional Initiatives

Regional integration requires national implementation of agreed policies, but constituencies are much stronger at the national level than regionally. There is quite frequently a disjuncture between the terms of a regional trade agreement and what is implemented in practice by the signatory countries. Implementation at the national level occurs on timetables and in the context of political processes that are national. At the national level, government leaders respond to national constituencies (voters, media, lobbyists), which sometimes conflict with the regional integration agenda, particularly when national industries that are influential in national politics have something to lose. Donors can provide a counterweight to the parochial interests of powerful groups at the national level that do not always reflect a broader public interest by educating both leaders and constituents as to the benefits of regional trade.

National governments also tend to be reticent about devoting resources (time as well as money) to activities that yield benefits that are "regional public goods" rather than national ones. For example, regional trade corridors may be critical to landlocked countries needing sea access, but the countries through which the transit will flow may not see what their national interest is in improving market access for a neighboring country. In such cases, donor programs may need to work with the REC to develop incentives for national governments to participate in regional initiatives without a clear national benefit. For example, cost sharing of port or road infrastructure development could be a sufficient incentive for a national government to ease the movement of goods along the corridor.

Assessments of the effectiveness of TCB interventions have all stressed the importance of stakeholder "ownership" in ensuring successful outcomes. This is a unique problem in the context of initiatives involving multiple countries, not to mention multiple stakeholders within each of those countries. Low levels of national-level consultation and outreach have been blamed for disappointing outcomes in a number of regional TCB projects, particularly in Africa and Central America.

Within each country, a sense of "ownership" of their participation in the regional integration process needs to be nurtured and supported. Governments, for example, should "mainstream" into their national economic development strategies national plans to implement regional commitments. Just as that process of "mainstreaming trade" into the development or poverty reduction strategies of least-developed countries was a critical outcome for those who participated in the so-called Integrated Framework for Technical Assistance to LDCs a decade ago, so too "mainstreaming regional integration" should become an integral part of national planning, staffing, and budgeting for each participating country. Broader national constituencies (beyond government) for regionalism should also be supported. For every powerful business lobby with an interest in limiting regional trade, there are several, sometimes less empowered, private constituencies with a strong interest in seeing regional agreements implemented. Donors can help both governments and private interests to bring about change through both regional and bilateral programming efforts.

In Asia, USAID'S ASEAN and APEC projects (ADVANCE/ACTI and APEC TATF/U.S.-ATAARI respectively) provide useful case studies of the role and challenges of building national-level ownership of a regional initiative. Outreach at the national level was not emphasized in the ADVANCE IQC's initial design. However, the project's original regional focus by necessity expanded over time to include more bilateral engagement, especially in Laos, which eventually became a bilateral TO under the ADVANCE IQC. ADVANCE staff therefore had to gradually make the case and build the channels for increased bilateral engagement in support of regional objectives with RDMA, the ASEAN Secretariat, individual delegations, national agencies, and bilateral USAID missions and projects. Successor projects benefited from the lesson learned in ADVANCE that regional trade integration strategy must factor in countries' capacities and political will to implement regional objectives and identify mechanisms and resources to help address constraints at the national level. USAID's second-generation program to support APEC, U.S.-ATAARI, is also including more and more bilateral capacity building activities as part of its supply chain connectivity program.

Varying Levels of Development within a Region

In most RECs, levels of economic development among participant countries vary substantially; capacity constraints vary accordingly and regional trade support programs must be mindful and responsive to this reality.

Studies find that the presence of a large economy often has positive spillover effects for smaller economies in the region (with the larger economy providing capital, technology, productive inputs, and markets that benefit the smaller economies). However, much of the donor efforts have gone into addressing challenges of the smaller economies. The South Asian Association for Regional Cooperation (SAARC) is an excellent example. The International Monetary Fund (IMF) finds that India's growth has had only a minuscule impact on the growth of its neighbors. The very low level of intra-regional trade stems from the region being the least open in the world; within the region, India remains the least open country, with the lowest trade-to-GDP ratio. Besides, SAARC is still a long way from achieving even the most basic objective of a regional organization—a no-war scenario among its members. In Africa, South Africa is relatively open, but capacity of smaller members to compete is seen as a primary challenge.

There are essentially two options for USAID in regions where there is one dominant economy—one with respect to the dominant economy and the other focusing on assistance to the smaller economies:

1. ***Encourage the larger economy to offer non-reciprocal market access to smaller economies.*** There is consensus, at least in South Asia, for donors to stress to the larger country the need for an asymmetrical relationship in which the larger country offers non-reciprocal market access to smaller neighbors. There is a political economy dimension to this in South Asia, where the administration seems to be keen on hyping the stakes for India to counter Chinese benevolence among smaller countries in the SAARC region.
2. ***Encourage exports from the smaller economies to the large one within the region.*** In the SADC context, USAID is building the capacity of smaller members to explore market access opportunities in the larger economy—even though such regional efforts are much smaller than are export promotion efforts focused on facilitating exports to the United States under AGOA.

Among other efforts, the Southern Africa Trade Hub's work included intensive support to producers, traders, and control agencies in Botswana and Mozambique to address SPS constraints preventing horticultural exports into South Africa. Both countries lacked the capacity to isolate and manage pest problems (e.g., fruit flies), and establish the safety of products that were clearly originating from pest-free zones. In addition to bilateral programs that worked to improve pest control, the Trade Hub supported the development of traceable supply chains and links to South African importers, ultimately leading to the resumption of verified pest-free horticulture imports from Mozambique and Botswana. Targeted technical support of this sort can help to level the playing field for member states within a REC in which open trading regimes still exhibit (often legitimate) market access restrictions.[18]

ASEAN and APEC collectively represent some of the world's most advanced and least-developed countries. The disparity in the economic development of ASEAN member economies is notable, in the range of

18 http://pdf.usaid.gov/pdf_docs/pa00k9wp.pdf

members from Singapore to Cambodia, Laos, Burma, and Vietnam; in APEC, the range may be greater still, ranging from the United States to Papua New Guinea. The ASEAN and APEC Secretariats therefore play a key role in facilitating policy and assistance that is responsive to the strengths and weaknesses of members with differing levels of expertise and resources. Although USAID projects reflect this reality in their approach, as an ADVANCE evaluation noted, "one of the most daunting challenges of working with a regional organization is the … varying range of capacity and abilities [of the members], and this contributes to delays in consensus-based decisions." The varying degrees of resources and sophistication have impact across the board on project implementation.

The various USAID ASEAN projects have typically differentiated training programs based on the cluster of typical needs and typical capacities. For example, many trainings are provided only to what has become known as the CLMV countries (Cambodia, Laos, Burma,[19] and Vietnam).

Another approach employed in USAID's Asia regional trade support programs is to "use as many local and regional experts and resources as possible to build local and regional expertise and to deploy resources quickly. Use of regional experts also can help build regional capacity, improving sustainability when viewed on a regional basis—and offering relatively lower-cost ongoing technical consultations on a relatively informal basis. Experts should be selected on a competitive basis and paired, on a case-by-case basis, with international experts to ensure high quality products."[20]

A corollary issue has to do with how regional programs define "localization." In the context of a regional program (which may be based in a developing country—as in the case of the APEC support programs, which are based in Singapore—USAID must carefully define "local" to include countries from within the host region, as opposed to host country. Using regional consultants introduces a variety of contracting issues—which local compensation plan applies to them, are they entitled to expatriate benefits, are they considered "local" for the purposes of USAID Forward, and so forth. This has been a major issue for the USAID ASEAN and APEC regional trade support programs.

Assistance to Non-USAID Countries

Assistance to USAID non-presence countries. In each region of Africa, bilateral relations between the United States and USAID non-presence countries (e.g., Burkina Faso, Congo-Brazzaville, Côte d'Ivoire, Mauritius, and Lesotho) have been enhanced by regional trade hub activities. Similarly, at the start of the ADVANCE program,

19 Burma is also known as Myanmar.
20 USAID-ADVANCE: ASEAN Single Window Task Order – Final Report, October 2013, p. 20

USAID had no mission in Laos and no economic growth program there, but under the ADVANCE IQC, USAID issued a task order for a single-country program that came to be known as Luna Lao; its focus was initially on assisting Laos to accede to the WTO. The existence of a regional mechanism in Southeast Asia that provided a flexible enough implementation mechanism to offer this possibility greatly expedited USAID's ability to provide this assistance. Similarly, the Embassy in Côte d'Ivoire was able to call on the support of the West Africa Trade Hub to provide assistance to the private sector during the civil war, which prevented implementation of bilateral economic growth programming during that period. This yielded results for Ivorian communities involved in shea and cashew processing, as well for regional shea and cashew industries, which subsequently drew the attention of international buyers and investors.

Assistance to countries with which the U.S. Government has no diplomatic relations. Although Burma has long been a member of ASEAN, the United States only began normalizing relations with Burma in 2011, a decade after its regional program for ASEAN commenced. In the first visit by a U.S. Secretary of State since 1955, Hillary Clinton visited Burma in 2011 during which she announced relaxation of curbs on aid. The Obama administration appointed a U.S. Ambassador to Burma in 2012. That same year the United States began an easing of Burma sanctions. Over the time when we did not have diplomatic relations, participants from Burma attended ADVANCE-sponsored trainings and other events. ADVANCE and its TOs did not host training sessions in Burma, however. Still, when typhoon Nargis hit Burma in 2008, the ADVANCE program was able to channel funds to disaster relief—and send needed regional staff to Burma—to assist with relief efforts.

Developed country REC members. How a regional program is set up and funded to achieve development objectives deals with the costs of participants in regional programs that include all REC members—even when they are from developed countries—is yet another challenge.

Cost-sharing challenges. It is important to note that the two Asian programs had and still have significant funding restrictions that apply to different categories of countries that are members of the RECs supported through the USAID ASEAN and APEC programs. According to interviews with USAID staff who have overseen these regional programs, the U.S. Foreign Assistance Act stipulates that Development Assistance (DA) funds cannot be used to fund developed nations. Therefore, regional events funded through a USAID contract (especially when supported by the U.S. State Department) must fund through other sources a specified percentage of the overall event cost (roughly proportional to the share of the event costs that can be ascribed to supporting participation by developed country participants). Even when USAID is permitted to allocate funds for regional events, foreign assistance–restricted countries will not be permitted to participate unless an outside funding source covers such participation costs. Under the U.S.-ATAARI project, for example, funding restrictions were placed on the project's ability to fund costs associated with participants from China, Russia and eventually Thailand, even though these countries were categorized as development assistance-eligible by APEC. To address the challenge of APEC and USAID having diverging definitions of countries eligible for assistance, U.S.-ATAARI would leverage funding from other sources to cover costs that were unallowable under the U.S.-ATAARI program. This leveraged funding includes money from developed APEC member economies such as Australia and Canada (e.g., to fund expert speakers), private sector resources to fund venues and lunches, and APEC Secretariat co-funding. U.S.-ATAARI tracks these costs on an activity-by-activity basis in order to identify the various sources of co-funding, and quantifies these in-kind contributions.

Embedded Advisors and Co-Location within REC Secretariats

The experiences of regional trade support programs, with respect to having embedded trade advisors in REC secretariats supported by those programs, is quite varied.

Where such advisors have existed, their presence has been credited as critical to the project's overall success. The project evaluations identified by this report that most directly address the efficacy of embedding advisors in RECs are those of ADVANCE. The evaluations of two of ADVANCE's five task orders—the TATF, which directly supported the ASEAN Secretariat, and ASW—emphatically endorse embedding project staff. By extension, this suggests that embedding a regional trade program's core hub in a REC should be considered. The ADVANCE evaluations noted the following benefits of embedding staff:

- The location of ADVANCE (as represented by TATF) in the Secretariat itself (and close by in another building) has been a critical factor in the project's visibility and image, as well as uptake for technical assistance and training.
- The presence and hard work of staff promoted ADVANCE project visibility and relationships.
- Proximity promoted an incubator effect, where ideas could be discussed and either discarded, tabled, or elaborated.

An embedded project event coordinator freed ADVANCE from the resource requirements of organizing workshops, conferences, and meetings—events that fostered networking and regionalization of interests. So important was this capacity that the project evaluation recommended that the event coordinator become an in-house one for ADVANCE.

"The location of ADVANCE (as represented by TATF) [the ASEAN-U.S. Technical Assistance and Training Facility] in the Secretariat itself has been a critical factor in ASEAN's perception and use of technical assistance and training, as well as their receptivity to the longer and more focused task orders. Each TATF COP and the small staff located in the Secretariat have created an informality of access between ASEAN and [implementer] staff, so that each can ask questions and seek minor clarifications without delay."

ADVANCE Midterm Performance Evaluation, November 2012, p. 2

ASW team's work with ASEAN and smaller groups of member country technical staff generated consensus for change and greater regional collaboration among the members. This interaction was key to ASW's success in conducting fundamental reviews and modifications of the underpinning legal structure for an automated SW and in linking the different government ministries to work towards reform—one of the most important accomplishments of the entire ADVANCE project.

USAID's experience in Africa stands in sharp contrast to that in Asia, however. In part this reflects a more multifaceted set of objectives in the African regional programs—and the existence, in each of the three regions served by a trade hub, of more than one significant REC along with a fairly fluid relationship between the United States and each of those RECs.

In none of the African trade hubs was the trade hub leadership physically housed in a REC secretariat, as had been the case with ADVANCE TATF. In one of the East African trade hubs, an embedded specialized trade advisor was housed in COMESA (in Zambia); in several generations of the East African trade hubs, a trade advisor has been embedded at the EAC (in Tanzania). In each of these cases, however, that advisor was a technical expert with a limited mandate; project headquarters were housed in Kenya, and COMESA and EAC priorities were not at all a dominant factor in overall hub programming or resource allocation. The West African trade hubs never had an embedded trade advisor in either ECOWAS or UEMOA, although the hubs did collaborate with both RECs on specific activities, such as the ECOWAS Tariff Liberalization Scheme or UEMOA's Road Governance Initiative.

In Southern Africa, the Trade Hub team has generally forged a strong working relationship with SADC without embedding advisors in the REC. The Trade Hub team and SADC headquarters are located in the same city (Gaborone, Botswana). This has allowed Southern Africa Trade Hub advisors—many of whom are former trade negotiators in the region and former advisors to SADC—to maintain close relationships without sacrificing their independence and becoming de facto "line experts" to the REC Secretariat. However, support for SADC is only one of the objectives of this trade hub; other focus areas have included, in recent years, food security, AGOA exports, and trade facilitation/corridor development. Arguably these focus areas have their anchor in other countries in the region—most prominently South Africa.

Donor Coordination

That donor coordination can leverage resources and magnify impact is not controversial. Accounts of effective donor coordination in the regional trade sphere are sparse, however. OECD undertook a comprehensive evaluation of concessional aid for trade (2006a and

2006b) and found development partners are generally less advanced in coordination and harmonization at the regional level than at the national level and need to make further progress. It identified a need to strengthen their internal coordination and strategies between regional and national desks.

Generally we have found that donor coordination occurs at project start-up and thereafter fairly infrequently over the life of a regional project. It often consists of the donor of a new project, at start-up, seeking to cost-share commitments from other donors for activities in the workplan of the new program (rather than for those in an active inventory) and reviewing other donor programs before a new regional program is designed, to ensure that it complements and does not duplicate the work of others already underway. In short, rather than seeing how other donors can contribute to a new regional program on the drawing board, the prospective program donor should consider how it can most effectively complement other programs.[21]

There are perhaps three basic modes of coordination beyond simply dialogue and exchange during the planning and implementation stages. In a sense they represent differing depths of coordination, from shallow to medium to deep. Beyond the depth of donor-to-donor collaboration, regional programs should also consider the extent to which the effort is donor-driven or coordinated through a local institution. Where local industry associations, advocacy organizations, or authorities have the capacity to serve as the coordinating point, the potential for local ownership and sustainability is much greater. Any of the following modes could be either donor or local partner driven.

Cost sharing (including through co-funding and in-kind contributions). Nearly all regional programs surveyed had some degree of cost-sharing with other donors when there were multiple donors serving a given region. Examples of shallow activity-level co-funding ranged from joint research projects with funding from multiple donors, each supporting work in a given country[22] to the allocation of programming costs for regional workshops in ASEAN and APEC among donors to avoid having the United States pay for program costs for participants from Burma (before the United States established diplomatic relations) or China (barred from receiving U.S. development assistance).

21 Unfortunately this was not the case for the DFID TMSA program. In the ICAI evaluation of the program, evaluators found: "When designing its programmes, DFID did not adequately consider (other than in the infrastructure field) whether these partners might be better placed to undertake some of the activities currently being done by TMSA…. Instead, DFID has attempted to address all the identified constraints to trade… DFID should have played to its strengths and focused more closely on providing support for higher-level Tripartite processes…. If DFID wanted to provide funding for infrastructure, it would be more efficient to make grants directly to partners with the appropriate competencies, rather than establish a £67 million trust account."

22 Support for the African Union on trade in services in 2014 and 2015 took this form, with USAID funding a study of the education services sector in Uganda, GTZ and the EU each funding one study, and UNDP funding two. Additional funding has been pegged by a mix of donors for an event to present the studies in 2015.

Australia employs the deeper form of cost-sharing approach with a range of donor and implementing partners. For example, it joined with the ADB, New Zealand, and the Republic of Korea (ROK) to establish the IMF-managed Pacific Financial Technical Assistance Centre ($15.5 million, 1995–2014) in Suva, Fiji. This initiative worked with countries throughout the region to improve technical advice on economic and financial management. Australia and New Zealand partnered in the Pacific Private Sector Development Initiative ($24.5 million, 2013–2019) to assist Pacific island countries (PICs) increase incomes, jobs, and economic growth through private sector growth. In an approach combining funding with in-kind contributions of expertise, Australia partners with educational institutions. This includes the University of the South Pacific Partnership ($49 million, 2014–2017) to improve PIC tertiary education ($49 million, 2014–2017) and to develop targeted job training in 14 PICs (Australia-Pacific Technical College, $152 million, 2011–2015). Australia extends this approach to the health care sector in its Tertiary Health Pacific Islands Project ($8.08 million, 2001–2015), an initiative implemented through the Royal Australasian College of Surgeons to support volunteer Australian surgeons and other medical specialists to operate on and treat patients in 11 PICs.

Dividing to conquer. Where donors have advance knowledge of the programs supported by others, as, for example, in the case of DFID's TMEA support for trade corridors and trade-related infrastructure, new programs can be designed to avoid a doubling up of support, freeing up funding for complementary work. In this case, the U.S. East African Trade and Investment Hub project design called for its implementing partner to collaborate with TMEA to (1) implement harmonized Customs procedures and standards; (2) develop and implement a WTO-compliant electronic valuation system throughout the EAC to increase harmonization and training of Customs officials and clearing agents; and (3) facilitate adoption of both an integrated border management policy and an electronic single window policy.

In West Africa, USAID and the World Bank shared responsibility for corridor monitoring, which is expected to evolve into a regional transport observatory under the auspices of ECOWAS and UEMOA. In the area of cashew sector development, USAID was a major co-investor with the Gates Foundation and other donors in the African Cashew Alliance, which has become a key enabler of investment and development of the region's cashew processing industry. Neither case represents a direct cost-share, but a coordinated deployment of resources toward a larger regional effort.

Over time, USAID's Asia regional trade support projects have increasingly stressed the necessity and benefits of formal coordination with other USG and international donors. Coordination is viewed as a means to expand the projects' resource and funding base. For example, ADVANCE's ASW TO worked with the European Commission, AusAid, Japan, the ASEAN Development Fund, and ASEAN Infrastructure Fund. APEC TATF partners included the United States Trade Representative (USTR), United Nations Conference on Trade and Development (UNCTAD), U.S. Department of Labor, U.S. Transportation Security Administration, U.S. Department of Commerce, the Center for Strategic and International Studies in Washington, State EAP/EP, Singapore-based Lee Kuan Yew School of Public Policy, and the State Department's Office of Global Women's Issues. The second-generation programs in ASEAN and APEC, ACTI and U.S.-ATAARI, similarly view donor coordination as critical elements that are consistent with U.S. commitments under the Paris Declaration on Donor Coordination. U.S.-ATAARI now has a bimonthly donor coordination call that includes donors from Australia, Canada, New Zealand, and the United States; this regular call allows the donors to discuss and coordinate funding and logistics or all upcoming events involving more than one donor.

Trust funds. The TMEA trust fund represents the deepest level of engagement and collaboration among donors. It does not, however, necessarily signify local ownership or sustainability. Where working with or through local institutions is not a viable option, trust funds may provide a means of drawing sufficient resources and attention to an issue that lacks a local institutional champion of sufficient stature. In the case of TMEA, funding from a half dozen donors (including the United States) supplements the predominant DFID funding.

Trust funds are one of the many regional approaches Australia uses to complement its bilateral program investments to support economic growth and poverty reduction in the Pacific. The Pacific Facility Trust Fund ($25.6 million, 2009–2014; PF4: $20 million, 2014–2018) is a joint Australia-New Zealand initiative managed by the World Bank. The Pacific Facility supports Australia's objective of helping to expand the World Bank's presence in the Pacific region to bring to bear its development expertise and leadership.

USG Interagency Cooperation

The three USAID trade hubs in Africa were conceived by the White House and implemented by USAID. The APEC TATF (and its successor, U.S.-ATAARI) was created as a partnership between USAID and the Department of State—funded by State's Office of Economic Policy within the Bureau of East Asian and Pacific Affairs (EAP/EP) at State—and eventually was funded and implemented by USAID. These are but two—albeit significant—examples of the critical strategic and foreign policy value of these programs as well as their importance to the attainment of regional development goals. With the high visibility this "co-sponsorship" brings, all trade hubs have had substantial ongoing involvement, but not necessarily funding, from agencies other than

USAID—most notably the Office of the U.S. Trade Representative and the State Department.

In Asia, both the ASEAN and APEC regional portfolios amply demonstrated the positive benefits for project budgets and outcomes of teaming with multiple USG agencies and other parties. Cooperation with numerous U.S. agencies and departments and regional educational and research institutes has enabled a pooling of resources and expertise in support of an expanded circle of project outcomes. More time and effort is required, however, to coordinate and execute partnered activities, and this must be factored into project staffing plans. In 2014, based on an evaluation of the APEC TATF project, an alternate contracting officer's representative (COR) for the successor program, U.S.-ATAARI, was based in Washington to better enable coordination among the various USG agencies and the project implementer's home office. This alternate COR was therefore able to respond directly and quickly to concerns and questions from other Washington-based USG agencies, conduct meetings with additional U.S. stakeholders, and provide direction to the U.S.-based Deputy Chief of Party, another innovation of the second-generation U.S.-ATAARI program.

USG interagency coordination can require significant investment of agency resources. Responding to input from other agencies requires additional time from USAID staff (and other USG participants). However, upfront investment in interagency coordination can pay significant dividends. For example, in the case of regional trade support projects, cross-cutting priorities can be identified that will be of interest to multiple USG agencies, project outcomes aligned with broader U.S. policies, and opportunities developed to share funding and implementation among agencies.

In either case, communication protocols need to be laid out very clearly at the outset of a new project. How information flows between agencies and what form that information takes is critically important. If a steering committee is too time- and resource-intensive, there needs to be some agreed way to share information without overburdening the participants with details.

Communications

Earlier generations of regional trade projects invested in communications, advocacy, and outreach in varying degrees. Communications and outreach were prioritized from the early days of the West Africa Trade Hub, which helped to ensure good collaboration with bilateral missions and other USG agencies. This approach was mirrored more broadly among the African trade hubs in later iterations, supported by increasing communications budgets.

TRADE AFRICA INITIATIVE

A potentially useful mechanism for generating interagency input and consensus for regional initiatives could be a USAID-chaired steering committee. Such a committee could brief development-related agencies and solicit feedback and recommendations. The committee would then inform USAID's stakeholders—Washington-based bureaus, regional missions, bilateral missions—of their interagency counterparts' views. This process would reinforce internal USAID coordination in the formulation and implementation of policies and projects. If initiated in the early stages of USAID program design a USAID-led steering committee could lay the groundwork for increased buy-in, participation, and co-funding by other agencies.

The Trade Africa Initiative in its development phase, involved extensive interagency coordination. This was led by the National Security Council (NSC).

As the initiative has moved toward implementation, NSC has asked USAID and USTR to co-chair coordination meetings. These agencies alternate leadership of monthly Trade Africa meetings.

Developing constituencies that integrate actors in multiple countries can be a challenge; interest groups are more typically set up along national (or subnational) lines, where they can act most effectively as activists, policy advocates, or lobbyists. Strong communications and outreach have been critical to regional hubs in building coalitions of like-minded interests, especially business groups, who can advocate for cohesion or harmonization across national lines, as is the case, for example, with the Borderless Alliance conceived of and fostered by the West African Trade Hub. More generally, the regional trade hubs have invested in well-developed websites that provide trade-related information to the region. The hubs also have produced high-quality documentary films on export promotion, business environment, trade facilitation, and other topics of broader regional interest.

In addition, regional trade program experience shows that the greater the number of stakeholders, the greater the importance of project communications. In project assessments, activity partners frequently stressed the need for regular and detailed feedback on the impact of their contributions. Evaluators have recommended that projects implement communication plans in which USAID regional and bilateral missions work with USAID Washington to more fully and regularly engage stakeholders across agencies.

Risk Management

Regional TCB programs are not easy to manage; they involve different national stakeholders and ministries and regulations—many of whom have interests that do not align. Regional programs also may deal with regional trade institutions, which in turn have complicated agendas and political dynamics.

Thus, to an even greater degree than bilateral programs, regional trade support programs are vulnerable to the negative impact of the absence of a program champion and lack of partner ownership of project objectives. Regional missions will want to consider fully the performance risks that exist for each functional area covered by a prospective multi-country activity, as well as the risks within each country. This assessment will need to look not just at the risks inherent in the design and implementation of the prospective USAID program but at the RECs within the region being served (if any), the timing and funding security of the other donor programs that would prospectively work alongside or collaborate with the prospective program, relevant and possibly evolving U.S. foreign policy considerations (such as, for example, with respect to non-presence countries), and the U.S. interagency dynamic.

Coordination is essential between regional donors, regional counterpart organizations, bilateral donor missions and implementers, and national governments. Such coordination minimizes risk. However, the sheer number of stakeholders complicates the task of achieving agreement between a donor and its regional and bilateral counterparts.

Regional trade projects must strive for a flexible and adaptive mechanism that allows them to capitalize on emergent opportunities to work with multiple public and private sector partners at both the national and regional levels. However, the very nature (and bureaucratic requirements) of regional organizations frequently results in a deliberative process that is at odds with a project's time-constrained, results-oriented ethos.

A solid funding basis is critical. Regional projects frequently prove more complicated, time consuming, and costly than anticipated. Projects require a funding base that can absorb the delays and revised plans that inevitably arise from the complex dynamics of regional organizations and initiatives. DFID's successful multi-donor-supported TMEA trust fund program, which has had by far the largest pool of resources of all of the regional trade support programs we have examined, still has had difficulty obtaining multi-year commitments from donors, making multi-year programming of infrastructure and transport corridor efforts difficult to sustain.

KEY TECHNICAL AREAS OF SUPPORT: EVOLUTION AND LEARNING

USG-supported regional trade programs cover a wide variety of topics employing a considerable diversity in approaches. In this chapter we summarize some of the technical areas most commonly encompassed in regional programs, including food security, export promotion, transport and corridor development, trade facilitation, standards harmonization and conformity, services liberalization, and monitoring and evaluation.

Food Security

Developing country partners have elevated the priority of achieving food security within their borders in the wake of the food crises of the 2000s. The trade dimension of this challenge is both immense and poorly understood. Inefficient and ineffective transport links between producers and consumers often result in extraordinarily high rates of product loss for key crops. More controversially, poorly formulated trade policies that aim to protect producers or consumers within national borders can have an enormous negative impact on the dynamism of agricultural markets.

Given the formidable trade dimension of the food security challenge, regional trade support programs should be deeply integrated into efforts at the bilateral program level to help national economies grow and process more food. This can be manifested in a variety of ways. In a trade facilitation context, regional trade programs can be applied to selected, priority products and the unique challenges that traders face in moving those products. Project designers working with the private sector and government officials—especially Customs and Customs-related agencies and transport authorities—will assess the full sequence of steps needed to transport, process, store, and distribute food commodities. A key objective of such an assessment will be identifying existing and potential bottlenecks and the extent to which they result in product losses or unnecessary costs that accrue in transit.

Trade policy programs supporting food security goals will often require political negotiations, supported by technical analysis, promoting cooperation in the trade of vital foodstuffs during periods of shortage, as well as a formal commitment by governments to expedite customs and SPS clearance of goods at borders. Governments that routinely utilize export and import bans to advance domestic policy goals will need to be convinced of the long-term benefit of working toward integrated and vibrant regional agricultural economies. Regional trade programs can provide the evidentiary support for integration of this sort, while also formulating phased retreats from historical policies that may have strong constituencies at the national level.

In recent years, deeper integration of USAID regional trade and food security programs has been pursued in a number of cases.

- The current regional trade program in Central America, the Regional Trade and Market Alliance (RTMA) Program, has two components, one principally focused on critical food security value chains and the other on trade facilitation and institutional capacity; the prior regional trade programs in Central America focused principally on assisting El Salvador, Nicaragua, Honduras, and Guatemala to implement their commitments under the U.S. free trade agreements with Central America and the Dominican Republic (US-CAFTA-DR).
- Second- and third-generation trade hubs in Africa have received part of their funding from the USG FtF initiative to address regional issues affecting food security (while bilateral programs focused on national issues and initiatives). In West Africa, the current Trade Hub Partners Network combines focus areas previously covered by the West African Trade Hub and the Enhancing Agricultural Trade Project under two separate contracts. In East Africa, the Competitiveness and Trade Expansion (COMPETE) program blended food security and trade focus areas that had previously been performed under the Regional Agricultural Trade Expansion Support (RATES) and East and Central Africa (ECA) programs. In Southern Africa, the current trade hub focuses on intraregional trade in maize, soybeans, and groundnuts, with food security support directed to the FtF focal countries within the region (Malawi, Mozambique, and Zambia).

In recent iterations, the trade hubs have increasingly focused on cross-border movement of staple foods (standards harmonization, removal of NTBs, market information systems, postharvest handling, warehousing/cold storage, and structured trade). Efforts by the trade hubs to improve road governance, reducing corruption and delays in border clearance procedures, and developing transport corridors were also explicitly linked to food security goals in many cases. This involved selection of corridors with major food security implications and supporting traders and agencies involved in moving and clearing goods of critical importance to regional food security. The African trade hubs also worked with regional public and private sector partners to develop systems and policies to remove NTBs to the movement of staple foods. The trade hubs' partners on food security have typically included RECs such as the EAC and regional trade associations such as the Eastern Africa Grain Council (EAGC).

Integration of FtF funding into regional trade programs presents certain accounting and programmatic challenges, given that such funding is meant to go only to the designated FtF countries. Regional trade support programs with food security funding tend to have separate budgets for their work on intraregional trade in staple foods; often such work is structured as a component within a contract. In the case of the ADVANCE IQC, food security work was undertaken under a standalone TO with its own Chief of Party, expected results, and budget.

There are, of course, many aspects of regional trade liberalization and integration with direct implications for food security. What is somewhat surprising is that this merger of trade and food security programming is less evident in the regional programs supported by other countries and regional institutions. The reality may be that USAID funding for food security—which has increased since 2008, even as funding for economic growth more generally has been flat or declined—has been an important catalyst for the development of programs that blend economic growth and trade objectives with food security ones. USAID may also have determined that integrated programming would reduce staff and contracting burdens.

Health

As with food security, funding has been more robust for health initiatives than for economic growth initiatives. At the same time, a number of health issues require regional solutions—solutions that involve trade issues. Examples include:

- Logistics, speed, and integrity in the pharmaceutical supply chain reaching from countries with seaports into land-locked countries,
- The compulsory licensing for local production of key antiretroviral drugs, and
- Certification of nurses trained in one country but seeking work in another.

The result has been both regional health programs with trade initiatives as well as regional trade support programs with health initiatives. While in-depth analysis of the former is outside the scope of this paper, such programs are certainly relevant. Issues that the USAID Global Health Bureau is addressing through USAID's regional trade projects include:

- Creating regimes of mutually recognized medical and pharmaceutical standards (perhaps established by regional organizations),

- Maintenance of cold supply chains for sensitive medical products,
- Tariff reductions and elimination of localization requirements for medical devices (such as MRIs, operating beds, and other diagnostic equipment), and
- Facilitating medical trade across borders.

Health programming within regional trade support programs is fairly limited to date; we lack sufficient data at present to draw conclusions about what works and does not. More work remains to be done to analyze experiences with regional programming of trade-and-health issues. Nonetheless, it can be said that, among RECs, APEC is becoming a leader in this field with several of its fora addressing health issues, including cold supply chains, health-related barriers to women's economic participation, and the elimination of tariff and nontariff barriers on healthcare products. APEC has identified a "Healthy Asia Pacific 2020" as a key initiative to develop a sustainable and high-performing health system. Ongoing APEC efforts across multiple fora point to the importance of liberalizing trade in health care products to achieve goals related to: reducing barriers to trade and investment; developing global value chains; enhancing regulatory cooperation; integrating small and medium-sized enterprises into global value chains; and contributing to the Healthy Asia Pacific 2020 initiative. U.S.-ATAARI completed a 2015 study that identified key tariff and nontariff barriers to trade in these products across the region and is now deepening analysis on these trade barriers by conducting a trade (tariff) analysis and study that examines how dependent APEC economies are on one another for healthcare products. This work has a gender dimension as well. U.S.-ATAARI is supporting a multi-year APEC initiative, Healthy Women, Healthy Economies, which looks to equip government officials, policymakers, non-governmental organizations, and the private sector with recommendations for improving female labor force participation through better health. Initially, U.S.-ATAARI conducted a literature review examining five areas: workplace health and safety, health access and awareness, reproductive health, gender violence and sexual harassment, and work/life balance. It also developed a companion Policy Toolkit which suggests actions in each of these areas.

Export Promotion

Regional export promotion depends on the individual economic and internal market strengths of participating countries and in turn of their producers. Therefore, promoting regional exports must take into account the specific conditions in individual economies, including the business-enabling environment as well as the strengths and weaknesses of individual firms in target sectors.

Most regional trade programs with an export promotion objective undertake a blend of business environment initiatives (sometimes defined to include transit and trade facilitation issues in the region) and productive sector ones.

Business environment initiatives, as with trade corridor initiatives (discussed below), may provide an overall regional framework of priorities or agreed benchmarks to use at the national level, but ultimately business environment improvements are made at the national or even subnational level. Factors such as the quality of a country's business environment (e.g., laws, regulations, legal system, and government administration), standards and regulations, transportation, financial system, and professional and worker skills, impact heavily on the ability of firms of all sizes to prosper individually, form robust value chains, and compete against imported products and services. If the private sector cannot succeed in its home market, it is unlikely to succeed in regional markets and the global economy. The World Bank has provided a framework for benchmarking of national business environments in the form of the Doing Business database. USAID has also developed tools for benchmarking business environment performance and establishing reform priorities, including policy gap analyses (implemented by the West Africa Trade Hub) and transport corridor efficiency assessments (FastPath and others).

Productive sector assistance typically is provided at either the firm level or—increasingly—through sector associations that represent aggregations of producers or alliances that bring together anchor buyer firms and producers, often integrating entities that operate at different levels along a value chain (e.g., from shea growers to processors to developed country buyers and distributors of shea-containing products).

Multi-country industry groups are often limited—particularly among countries that have similar factor endowments, and historical legacies in which self-sufficiency has been considered a virtue. This is true in much of Eastern Europe as it is in much of Africa. Regional trade support programs often have to decide whether to try to create regional associations of businesses that have interests (often based on a segmentation of their value chains) that cross national borders or simply work with individual export-ready producers. A need for "quick wins" in regional program results may tilt this decision in favor of firm-level support—often to firms that are already exporting to third countries. However an objective of creating stronger regional trade and investment ties may argue in favor of a project design that identifies, creates, or nurtures multi-country business associations—even if results might take a little longer than would be the case when supporting export-ready firms.

LESSONS LEARNED: USAID REGIONAL EXPORT PROMOTION ASSISTANCE IN AFRICA

USAID's three regional trade hubs in Africa have all had export promotion as an essential element. All have been anchored by a desire to assist African countries to diversify their exports to sectors other than petroleum—a central goal of the U.S. African Growth and Opportunity Act of 2000 (AGOA).

USAID conducted an evaluation of the three hubs in 2013 to assess the effectiveness of firm-level export promotion activities of the three regional projects, which had been in operation for a decade. The evaluator was asked to assess the programs' effects on sales, exports, export diversification, and job creation; their cost-effectiveness; and their regional effects. The evaluation did not seek to measure the effectiveness of the regional programs with respect to other programmatic objectives, such as the reduction of time and costs associated with crossing regional borders, or the liberalization of trade policy.

The evaluation team encountered a number of challenges in the course of its work arising from (1) the absence of baseline data for two of the three hubs; (2) different approaches to assisting firms and associations between the hubs; (3) different sectors being assisted by different hubs; (4) a lack of "control group" statistics to use for comparative purposes; and (5) a lack of consistent time series for two out of three (where the implementing partners had changed over the decade surveyed).

Data for the West Africa Trade Hub were the most robust and are as follows:

- USAID support positively affected the sales and exports of the firms assisted.
- Firms assisted were more successful in diversifying export markets than unassisted firms.
- The most dramatic increases in exports were in food and food ingredients.
- Attributable increases in exports for each dollar of USAID investment averaged $7.60 across all sectors, but varied by sector from $1.35 (home décor) to $102.10 (cashews).

The evaluation yielded two substantive recommendations for future regional trade programs:

1. Conduct market-linkage work with firms either directly or through associations; this assistance has the greatest impact on increasing exports. (Step down such assistance as the firms/associations develop capacity such that the entities eventually do not require such assistance.)
2. Facilitate access to finance; entities receiving support in accessing finance were more likely to increase exports than firms that did not.

The other recommendations focused on process—design, performance monitoring, and data collection:

1. Require implementing partners to submit a detailed Performance Monitoring Plan, development hypothesis, and results framework at the project's outset. Include outcome indicators as well as input and output indicators, and indicators that measure the validity of the theory of change assumptions.
2. Monitor both surviving and failing firms for results reporting; evaluate what works and what does not.
3. Design impact evaluations alongside projects.
4. Require beneficiaries/clients to collect longitudinal data on exports and employment.

Source: USAID, African Trade Hubs Export Promotion Evaluation, 2013

Among the business associations supported by USAID and other donor programs, some have focused on industry-specific advancement (e.g., Global Shea Alliance, African Cashew Alliance), while others have focused more generally on improving the regional business environment (e.g., the Borderless Alliance, East Africa Business Council). In general, the former have proven more dynamic and sustainable partners, even if the latter may have substantial merit.

As for AGOA assistance, all three Africa trade hubs have prioritized AGOA implementation, including (1) assisting governments to comply with the certification procedures to become eligible for AGOA trade preferences in the U.S. market and (2) assisting producers in Africa to understand how to comply with requirements of the U.S. AGOA legislation. All of the hubs have supported the development of national AGOA strategies by countries eligible for AGOA; the hubs have also provided direct assistance to exporters, although mechanisms for such assistance varied by region. In East Africa, the hubs have provided direct support to exporters (in addition to sponsoring associations). In West Africa, AGOA assistance to individual producers has been channeled through 19 national AGOA Resource Centers (ARCs) to serve as information and advisory centers for producers.

Trade Facilitation/Border Clearance

Trade Facilitation (TF) projects are invariably multifaceted. More often than not, the complexities and challenges of TF initiatives multiply with the number of participating governments. Whether a TF project is national, two-country, or multi-country in scope, key elements characterize successful implementation strategy[23]. These include:

Project champions. TF initiatives involve multiple private and public sector stakeholders, each with its own vested interests and equities. In national TF projects such as Jordan's and Vietnam's NSW programs, executive political endorsement—at the presidential and prime ministerial level—can help broker competing interests, devise a strategy, and drive implementation. High-level buy-in can motivate managers of implementing agencies and ease the allocation of resources required for project success. Private sector counterpart champions are also key. In cases where government buy-in has already been achieved, working with private sector champions toward counterpart buy-in can prevent implementation delays caused by spoilers who see change as outside of their interests, or who expected to be involved in the process. Where ineffective governments are the obstacle to an important project being realized, private sector partners can shine light on the need for change that is in the broader public interest.

23 For additional information, see Robert Holler, Erin Endean, Paul J. Fekete, and Virginia Brown, A Comprehensive Approach to Trade Facilitation and Capacity Building, USAID: Washington, DC Second Edition, June 2015.

Empowered lead agency/organization. To use a horse and wagon analogy, TF projects are big wagons carrying heavy, high-value loads pulled by a large horse team requiring a strong and expert hand on the reins. In national TF projects the "driver" is often a finance, trade, or economics minister with the executive's mandate to achieve TF objectives (e.g., Vietnam's NSW project). A head of Customs or deputy minister is frequently deputized with authority and responsibility to drive day-to-day implementation. These same parties manage a country's interaction with TF-related multi-country institutions such as the ASEAN Secretariat and CAREC steering committee that, in turn, become the lead driver for regional TF efforts. Private sector counterparts such as chambers of commerce and industry associations also play an essential role.

Holistic approach. Project strategy must recognize and reflect the interrelatedness and complexity of TF initiatives. Even discrete objectives such as national (e.g., Colombia, Costa Rica, Dominican Republic) or regional Authorized Economic Operator (e.g., European Union) programs entail diverse issue areas such as broad interagency cooperation (e.g., Customs, security, health, agriculture, finance), government-to-government negotiations, domestic and international security requirements (including private sector compliance measures), alignment of Customs procedures and requirements, development and adherence to national and regional guidelines, and public-private sector partnership.

Focus on best practices and regional/international commitments. Domestic and cross-border trade and trade facilitation require harmonization to the fullest extent possible of the universe of laws, regulations, standards, processes, and practices that make commerce run. This means that national, bilateral, and regional TF projects must begin with an accurate accounting of the most significant obstacles and opportunities to increasing trade, including complying with national trade regimes, regional agreements and arrangements (e.g., GCC, COMESA, ASEAN, free trade agreements), multilateral commitments (e.g., WTO), and recommended best practices (e.g., WCO and the United Nations Centre for Trade Facilitation and Electronic Business recommendations on establishing a Single Window).

A dedicated, technically strong implementation team. TF initiatives tend to be multi-year and require significant outlay of expert staff and supporting resources. Finding and keeping on board qualified staff from multiple agencies is a challenge, particularly for developing countries. This impacts national and regional initiatives, as in the case of less developed ASEAN member states (e.g., Cambodia, Laos, Burma, and Vietnam), requiring additional USAID project support for the training and participation of government staff in national and regional TF activities.

Trade Corridors

Underdeveloped transport corridors that link multiple countries (many of them without sea ports of their own) with major ports are often useful organizing points for regional trade programs. They are a physical embodiment of the interactions of physical infrastructure (multiple modes and nodes) with private sector actors and the overall enabling environment (policies, institutions, and civil society) at a regional, national, and subnational level. As such, they are a tangible element of the trade facilitation landscape that all stakeholders understand and rely upon.

Trade corridors are also often highly inefficient, and their inefficiencies can be measured in time and dollar terms, then broken down by segment and process to identify where interventions are needed. Given that most trade corridors in the developing world involve multiple countries, they are also a sensible point of intervention for regional trade programs. Depending on what diagnostics reveal, this can involve political and organizational interventions (getting agencies to work together more effectively and efficiently) or technical interventions (implementation of a transit bond regime or one-stop border post). Toward these ends, USAID projects have assisted countries' efforts to broker regional agreements, set common objectives, and develop the necessary institutional and human resource capabilities to achieve them.

Central Asia. The efforts of the CAREC Program are an instructive case study of trade corridor development.[24] CAREC is a practical, project-based, and results-oriented initiative, which started in 2001. Its approach includes:

1. Broad regional cooperation among 10 partner countries and six supporting multilateral institutions;[25]

2. Robust funding from CAREC countries and participating institutions;[26] and

3. Consistent focus on four priority areas: energy, trade policy, transport, and trade facilitation.

Development of six transport corridors is a key element of CAREC's strategy. Improved connectivity and cross-border overland movement are essential to the landlocked region's development. In support of this objective, CAREC countries work through sector committees and other convening mechanisms to build confidence and sustain dialogue, even

24 Central Asia Regional Economic Cooperation Program Development, Effectiveness Review: A Refined Perspective, 2014; ADB, Central Asia Regional Economic Cooperation Corridor Performance Measurement and Monitoring, A Forward-Looking Retrospective, 2014.
25 CAREC has 10 country partners: Afghanistan, Azerbaijan, the People's Republic of China, Kazakhstan, the Kyrgyz Republic, Mongolia, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan. The six multilateral institutions are the ADB, European Bank for Reconstruction and Development, IMF, Islamic Development Bank, United Nations Development Program, and the World Bank.
26 Loans and grants of $1.2 billion from ADB, Islamic Development Bank, World Bank, CAREC member countries, non-CAREC countries; technical assistance 2001–2013 of $334 million for 221 projects.

when other issues and factors threaten to create an impasse. Monitoring and evaluation are given high priority through CAREC's corridor performance measurement and monitoring (CPMM) methodology to ensure accurate assessment of progress and to inform policy. CPMM is a cooperative effort among key stakeholders—drivers and freight forwarders, national carrier and forwarder associations, international consultants, and the ADB CAREC trade facilitation Secretariat. Since its inception, CPMM "has become more than just a tool for evaluating corridor performance: it now influences investment decision making, supports project evaluation, assesses the impact of policy implementation, and aids shippers in selecting routes and managing inventories."[27]

Africa. All three African trade hubs have explicitly targeted the development of major regional trade corridors as efforts with the highest expected payoff from increased exports. In East Africa, one-stop border posts, joint border committees, IT integration, and other trade facilitation initiatives have been piloted along the Northern Corridor. Similarly, in Southern Africa, hub assistance to streamline and harmonize customs procedures has been piloted along the Trans-Kalahari Corridor of Namibia-Botswana-South Africa and the Dar es Salaam-Maputo Corridors of Tanzania and Mozambique. In West Africa, regional road governance (reducing unofficial bribes and delays) and transport efficiency (in particular harmonizing policies over such issues as axle weight limits among West African countries) along the key corridors has been a major focus as well.

Other examples. Many other donors also have prioritized corridor development—ADB, DFID, AfDB, the World Bank, and others. There does not appear, however, to be an evolving pattern of donor "comparative advantage" with respect to certain aspects of corridor development. Rather, there appear to be certain corridors that have a principal donor-catalyst behind them—the ADB for the Greater Mekong Subregion, the World Bank for corridors in South Asia, and both the ADB and the United States for corridors in Central Asia. Multiple donors support corridor development in Africa: USAID, DFID, the World Bank, EuropeAid, Finland, Germany, and the AfDB. (Although not a part of this survey, it should be noted that China is playing a major role in building the physical infrastructure of transport corridors in Africa.)

USAID and other donors also provide critical funding and expertise in addressing the multitude of legal, regulatory, standards, customs, financial, IT, transport, SPS, and other issues that collectively constitute a trade corridor. Examples include USAID's assistance in multiple areas to ASEAN's groundbreaking efforts to establish a regional Customs single window.

27 Asian Development Bank, Central Asia Regional Economic Cooperation Corridor Performance Measurement and Monitoring: A Forward-Looking Retrospective, Manila, 2014.

KEY LESSONS FROM ASIA-PACIFIC TRANSPORT CORRIDOR DEVELOPMENT PROJECTS

Holistic Strategy

Regional trade corridor and integration strategy should pursue a holistic approach. Private sector participation should be encouraged by presenting the benefits of trade and economic connectivity through infrastructure development.

Steps to Improve Analysis

Present a map tracking the speed of goods movement in transport corridor reports to help identify investment priorities and provide options for designing cost-effective transit routes.

- Include a separate section on the environmental quality of the corridor(s)
- Compare truck-operating costs (including an emissions component) for different corridors and during different seasons coupled with the value of the shipment transported through the corridor(s) to assess the true cost of delays, unpredictability, and unreliability along the corridor(s)
- Standardize border crossing point data and weight units for each corridor to provide reliable measurements for value and distribution of trade.

Policy Measures and Project Elements for Transport Corridor Projects

- Increase the availability of information about agreements, laws, rules, and regulations.
  - Establish a website or links to an existing website
  - Identify a lead private or public agency to supply information
  - Appoint focal points in each concerned ministry who will be required to provide relevant information as soon as it becomes available
  - Raise awareness about the website and the data available
- Harmonize axle-load regulations and enforce them strictly
  - Change the regulations to limit the maximum weight on each individual axle
  - Strictly enforce axle-load regulations to avoid road damage
- Minimize checkpoints along the corridor
- Extend opening hours of logistics service providers and delegate responsibilities to speed up processes; extend the opening hours of all agencies and border crossings to 16 hours a day, 7 days a week, and do not stop operations to accommodate breaks
- Improve the effectiveness of the government–private sector forums and other working groups
- Expedite border procedures by enhancing risk assessment through such steps as Authorized Economic Operator (AEO) programs to provide 'fast lane" processing for qualifying operators
- Establish service-level agreements to decrease uncertainty and increase efficiency in clearance processes by formalizing fees and setting time limits for processing clearance applications
- Use ICT to expedite the issuance of certificates of origin
- Formalize the acceptance by Customs of electronic documents (email, PDF, and other reliable copies) to meet documentation requirements.

Source: ADB, Central Asia Regional Economic Cooperation Program Development Effectiveness Review: A Refined Perspective, 2014; and ADB, Central Asia Regional Economic Cooperation, Corridor Performance Measurement and Monitoring, A Forward-Looking Retrospective.

Regional trade projects demonstrate that success is dependent on the ability of participating countries to deliver on their commitments to regional objectives. A step-by-step approach of using bilateral programs to build towards regional integration goals has proven effective. For example, through country-level efforts the EU's European Partnership and Neighbourhood Instrument (EPNI) laid the basis for eventual adoption of an Eastern Partnership regional transport network plan, as well as a master transport development plan between the EU, Eastern Europe, and Central Asia.

The outcomes for trade corridor projects ultimately depend on the degree of partner countries' ownership, commitment, and capacities. For example, long-term and robustly funded multi-donor support for COMESA and member countries has had relatively modest success in helping advance regional transport corridors. This is due, in part, to challenges COMESA and its members have faced in coordinating and driving reforms and implementation. USAID's transport corridor activities in its Southern Africa Trade Hub, in contrast, benefitted from more effective cooperation and project execution by participating countries.

Standards

Standards and regulations[28] have a major impact on commerce by determining what types of agricultural, manufactured, and other products may be imported into a country. The importance of standards and regulations in trade is reflected in the efforts of the WTO and member countries devoted to guarding against their use as nontariff barriers. For developing countries, the challenge is both on the import and export sides: They often need assistance in building their producers' capacity to meet standards in outside markets and in developing standards that will keep their consumers safe, whether with respect to items produced locally or brought in as imports. At a regional level, the existence of, and harmonization of standards can facilitate or impede regional trade and the development of regional value chains that can meet standards requirements in outside markets. The EU has been particularly effective in promoting adoption of EU standards by trading partners in Eastern European, Middle Eastern and Northern African, and African countries. The EU has a single set of official standards. The EU and member countries provide copies of EU standards to developing countries without charge, and train officials and private sector actors to facilitate their adoption. The one-stop-shop nature of EU standards and standards-related assistance makes them much better candidates for promotion in development programs than those of the United States.

28 "Standards" have a wide range of definitions and applications. "Standards," defined as specifications for the characteristics and production of goods, are of critical importance for companies and consumers. Whether followed on a voluntary basis or a mandatory one in compliance with implementing regulations, standards are key determinants of product quality and safety.

The United States has a very different approach to standards from the EU. Independent, private sector parties including standards laboratories and manufacturing associations generally develop U.S. standards. Multiple sets of standards can exist for the same products. Regulations requiring adoption of specified standards may vary from state to state. Companies and foreign governments that wish to adopt U.S. standards must decide upon which standards to follow and purchase copies, an expense that can prove prohibitive. These factors underscore the importance of U.S. assistance and expertise to countries where aid for trade has been made a priority (such as AGOA-eligible economies in Africa). This is a mandate shouldered by USAID regional and bilateral programs, as well as by U.S. Department of Agriculture (USDA) Foreign Agricultural Service officers. Regional trade programs are most effective when they leverage these broader USG resources.

The United States advocates that countries allow international equivalence in standards, an approach that does not prejudice prospects for U.S. exports. U.S. bilateral and regional trade development initiatives that help a country improve its standards testing capacity—an important component of export competitiveness, trade facilitation, and consumer protection—provide the additional benefit of strengthening its ability to implement a standards policy based on international equivalence. They also can assist developing countries to develop transparent, predictable, and inclusive processes for developing their own standards and WTO-required Standards Enquiry Points that make it easier for foreign firms to know the standards used in a given country.

Regional trade support programs can play a positive and influential role in assisting developing countries to adopt harmonized standards. Indeed, regional trade and infrastructure initiatives by their nature promote and compel harmonization across nearly all elements of a project. A major element of transport corridors, for example, is alignment of regulations (e.g., truck weights, vehicle safety, driver certifications) and procedures (Customs forms, border station hours of operation, interface of Customs electronic and paper-based systems), and development of business essential "tools" with validity in multiple countries (e.g., insurance policies and international carnets). Similarly, national single window Customs initiatives such as Jordan's or regional single windows such as ASEAN's are based on the streamlining and harmonization of many key trade elements (e.g., Customs processing procedures, Customs data sets, Customs and finance software and hardware, documentation requirements, processing times, and data protection requirements).

Infrastructure projects also foster harmonization of practices and standards. The EU's Neighborhood and Partnership Instrument provided €8 million for the studies that led to the Georgia-Black Sea Transmission Network Project. This €220 million project, financed by the European Bank for Reconstruction and Development (EBRD) and European Investment Bank (EIB), will link Georgia's and Turkey's power grids and facilitate their integration into the broader European transmission grid. To achieve this end, the project will remove obstacles to cross-border electricity transmission and connect networks with differing technical standards.

Standards, regulations, and harmonized practices constitute areas as wide and varied as the sectors they embrace. One approach project designers can utilize to identify issues of greatest concern and potential is to look at the standards, regulations and practices that have the greatest impact and potential impact on the private sector and trade. Agricultural and processed food exporters, for example, must be informed and able to meet the increasingly prevalent and demanding SPS standards importing countries apply on a "seed-to-table" basis to food imports; failure to meet these requirements can quickly lead to loss of market access, a potentially catastrophic development for affected producers, processors, and exporters. This approach is equally relevant to manufactured goods. It can likewise be applied to IT and infrastructure projects—a key question is what harmonization must occur to ensure efficient and reliable execution of the steps necessary to achieve the desired objectives.

Services Liberalization

In most USAID focus countries, the service sector's share of the national economy is large and growing rapidly. Overall, services now represent around two-thirds of GDP and employment on average in the world economy and nearly three-fourths of all new FDI flows. On a value-added basis, services constitute half of world trade, since they are incorporated as inputs into all of the other manufactured and agricultural goods that are produced and traded. Services also constitute the "glue" in global value chains, allowing for the simultaneous coordination of fragmented production processes in various geographic locations.

In Africa, the services sector has been growing at about twice the world's average in recent years and now contributes almost half of the African continent's economic output. The services sector in Africa has great potential to drive its overall growth in the future. The UNCTAD 2015 report on Unlocking the Potential of Africa's Services Trade for Growth and Development emphasized that the services sector propelled GDP growth in 30 out of 54 countries in Africa during the period 2009-2012, contrary to popular belief. However, Africa can do much better and much more in this area, with potentially great benefits, as services exert positive spillover effects on other productive sectors of the economy (particularly ICT and finance, but also distribution and transport).

In addition to being the dominant sector for economic output and investment, services are also a critical component of the trade competitiveness of goods, contributing to improved quality and design, lower transport costs, and better maintenance and repair options. Services are an enabler of more fluid trade in goods. This vital function of services is frustrated when services are confronted with restrictive barriers and with logistics inefficiencies. Major barriers to efficient services output, including trade in services,[29] limit the service sector's contribution to growth in many developing countries. These barriers include (1) explicit market access barriers (such as quotas on the number of licenses for foreign suppliers in any given service sector); (2) limitations on number of branches, numbers of foreign service professionals, amount of output services firms are allowed to produce or required to export; and (3) more pernicious regulations that embody discrimination in national treatment, such as differential taxation rates or different rules applied to foreign firms once inside the country. Inadequate regulatory policies in many developing countries also limit the ability of services sectors to play a productive role; as such government policies do not adequately address market failures in the services area related to accessibility, quality, competition and price. The consistency between national regulatory frameworks and regional frameworks for services is also an issue that needs addressing.

Given services sectors' critical importance for economic growth and regional integration, the generation of future jobs, and as enablers of more dynamic agricultural and manufacturing economies, services should be given top priority as one of the elements that a regional trade support program addresses. This is particularly important as services provision in Africa remains in many cases and sectors highly inefficient and delivered at high cost. Together, these impede Africa from fully capitalizing on its potential in this area.

The African trade hubs have all found their way into service sector activities, either in the form of direct service sector development mandates or as a logical extension of promoting trade in goods. The Southern Africa Trade Hub featured one of the largest programs focusing on a single service sector with its regional energy planning initiative. This initiative focused on improving the functioning of the Southern Africa Power Pool (SAPP) and facilitating investment by independent power producers in new generation capacity. The

29 The WTO defines trade in services as occurring through four modes:

1. Cross-border Trade, in which the service is sent across the border, most often via the Internet (e.g., hospital in South Africa sends medical opinion over the Internet to hospital in Mozambique,
2. Consumption Abroad, where the consumer travels from his/her home country to another country to consume the service (e.g., student travels from Zambia to attend college in Uganda, consuming education services there)
3. Commercial Presence, where an investor invests directly in another country's services sector (e.g., Bank in Nigeria invests in a branch in Senegal)
4. Movement of Natural Persons, where a person travels to another country to provide a service (e.g., nurse from Botswana travels to Namibia to work on a temporary basis in a hospital.

Examples drawn from Services Exports for Growth and Development: Case Studies from Africa, p. 12

SAPP has equivalents in other regions, all aiming to facilitate cross-border energy flows and create economies of scale that allow for larger investments in lower-cost energy production.

Other initiatives pursued by the trade hubs included strengthening financial services, particularly trade and agricultural finance. Trade hub advisors worked with regional banks and investment funds with a presence in these sectors to modernize product offerings and deploy them more effectively. These efforts also intersected with broader financial sector liberalization issues as new classes of investors were wading into unclear regulatory environments or developing new products—such as cross-border mobile payments—stretching the limits of what lawmakers had envisaged when drawing up regulatory frameworks. Opening up space for new products and new classes of financial service providers is often within the mandate of a REC and could be an area well worth considering for USAID regional programs.

The last service area that has received major attention by all three African trade hubs is transport. In many developing countries, transport is a politically sensitive industry. A multiplicity of small operators and unions of independent truckers constitute powerful constituencies with an interest in market protection. In West Africa, the trade hub heavily supported advocates for more open trade in trucking services in the form of quota removal and progression toward a system of cabotage that would allow for free allocation of freight to qualified providers, regardless of nationality. The potentially significant gains in fleet efficiency and reductions in transport costs would constitute a major benefit to both producers and consumers in the region.

While services liberalization is a worthwhile area for consideration regardless, the deep connection between vibrant service economies and the agricultural and manufacturing economies that they support dictates that regional programs consider a service sector engagement strategy.

Finally, most regional trade support programs that have some focus on the movement of goods between countries in the region support either or both the development of trade corridors (physical infrastructure) and the improvement of trade facilitation processes (i.e., the laws, regulations, procedures and processes that govern the movement of goods). Sometimes these are referred to as the “hard” and “soft” sides of trade facilitation. The ADB, in its analysis of the lack of progress in realizing economic and trade gains from efforts to develop transport infrastructure in the Greater Mekong Subregion, concluded that the greatest benefits to developing countries come from progressing on both fronts: transport infrastructure and trade facilitation. Physical infrastructure is a necessary but not sufficient condition for an economy to obtain benefits from trade expansion.

ASSISTANCE TO THE AFRICAN UNION ON SERVICES LIBERALIZATION AND EXPORTS

The services sector contributes almost half of the African continent's economic output. It has the potential to transform Africa. To grow, African economies must develop new, sustainable sources of employment, exports, and growth beyond traditional products such as commodities, bananas, sugar and clothing.

In January 2012, the African Union Summit of Heads of Government adopted an Action Plan for Boosting Intra-African Trade and a framework to fast track the proposed Continental Free Trade Agreement (CFTA). The plan highlighted trade in services as a promising approach to enhance intra-African trade and increase global competitiveness.

All African economies already export services in some form, but the extent to which these exports contribute to trade and economic growth is not well understood. Less understood still has been the importance of services to Africa's participation in global value chains, in which services play a key role.

To explore the potential that the development of services sectors offers African countries, the African Union Commission undertook five case studies highlighting successful service export strategies. The case studies represented a variety of regions and sectors: air transport services in Ethiopia, banking services in Nigeria, business process offshoring and IT Services in Senegal, cultural services in Burkina Faso, and education services in Uganda.

In addition to these studies, which fostered extensive dialogue throughout the continent in the context of associated workshops and presentations, USAID funded capacity-building support to the African Union Commission's Department of Trade and Industry; USAID also supported the preparation of an options paper for modalities for the AU to consider for the purpose of negotiating liberalized trade in services, as committed at their summit in June 2015.

Source: African Union, Services Exports for Growth and Development: Case Studies from Africa: Addis Ababa, December 2015 and Sherry Stephenson, Modalities for Negotiating Services: Considerations for the CFTA Services Negotiations, October 2015

Gender Inclusion

There are significant differences in the ways that men and women participate in international trade, and in the barriers they face in seeking to take advantage of trade to improve their incomes and livelihoods. For example, women account for 70% of informal cross-border trade in Southern Africa, and for comparable shares in other regions of Africa and parts of Latin America. Regional trade support programs have only recently included significant trade-and-gender activities or metrics, and their inclusion remains spotty. Gender activities within regional trade programs may be a function of the work program of the REC they support. In other cases, gender-inclusive activities may reflect the gender dynamics of industries/sectors targeted for export growth in the region. The West Africa Trade Hub, for example, supported the development of regional shea and cashew linkages throughout the 2000s in order to elevate quality levels by providing integrated training to tens of thousands of women shea gatherers and cashew farmers, and to achieve economies in scale and competitive efficiencies in processing to attract bigger export contracts.

Future programs should consider more systematically how to design trade support programs that improve trade opportunities (and outcomes) for women. Although little has been written about best practices in the context of regional programs, there is a growing body of literature with respect to gender-appropriate trade capacity building programming that may be adaptable to regional trade support programming. Regional trade support programs have progressively increased their focus on gendered aspects of trade; while project midterm and final evaluations have yet to capture the lessons learned from such programming in recent years, we expect a rich body of new findings to become available over the coming years to help guide and inform gender-sensitive regional trade support programming. (See text box for a discussion of gender-inclusive programming being piloted under the U.S.-ATAARI project.)

Monitoring and Evaluation

Monitoring and evaluating a bilateral trade support program's outcomes and impact is technically challenging; doing so for a regional trade program is all the more daunting. Most such programs have focused principally on tracking activities and outputs rather than outcomes and impact. Where attempts have been made to assess outcomes and impacts, the analysis has been complicated by questions relating to attribution; impact at the national level may have been brought about through activities or processes that had nothing to do with the regional trade support program that wishes to claim credit for it. And the time frames required for regional trade program interventions to manifest measurable impacts often extend well beyond the three- to four-year life span of a typical regional trade project. This necessitates considerable investment in post-project monitoring and evaluation (M&E), an endeavor that is often complicated by the loss of institutional memory as well as inadequate tracking, definition, and data collection mechanisms established at the outset of a regional project.

Two complementary approaches can improve M&E of regional programming, where a large number of actors are working toward common objectives.

1. Narrow the scope of M&E to focus more closely on the specific interventions. For example, rather than using Doing Business Trading Across Borders indicators that have been utilized, for example, by the Southern Africa Trade Hub, more targeted metrics, such as time release or cargo dwell time measures, or increases in trade volumes across specific borders or along specific corridors that are supported by the program.

2. Make the commitment during project design to adopt a quasi-experimental design for impact evaluations, providing sufficient time for evaluators and implementers to establish baselines for both the target population and control group. This would work well, for example, with firm-level export promotion activities, whereby

beneficiary performance can be statistically measured against non-beneficiaries.

Either of the above approaches will entail costs that need to be planned for in advance. There is also likely to be a benefit to ongoing monitoring long after the closure of the project. USAID has sought to embed ongoing monitoring in local institutions with mixed results, but where it is feasible, it can help to solidify the new practices that the project promoted.

APEC'S COMMITMENT TO WOMEN AND THE ECONOMY: SUPPORT BY U.S.-ATAARI

APEC Women and the Economy Dashboard

In 2014, after a process of deep research and consensus-building supported by U.S.-ATAARI, APEC established the Women and the Economy Dashboard. Structured according to the five APEC priorities for women and the economy, the Dashboard measures a set of indicators compiled by and available through internationally maintained sources of data. Published for the first time in 2015, the Dashboard tracks and measures APEC's progress in improving women's economic participation. These measurements serve as a baseline for understanding the status of women as economic actors as of 2015, and assessing progress over time.

WE-APEC

U.S.-ATAARI has significantly supported the establishment of the Women's Entrepreneurship in APEC (WE-APEC) initiative. WE-APEC is a vast resource of information pertaining to business networks, private-sector initiatives, and government services that support women's entrepreneurship across the Asia-Pacific region. With an online hub (WE-APEC.com) launched in September 2015, WE-APEC is a platform for identifying and connecting women's entrepreneurship networks in each economy with public and private sector support services and global supply chains to ultimately expand economic opportunities and regional trade.

Healthy Women, Healthy Economies

Within the Asia-Pacific region, it has been shown that raising female labor force participation would lift GDP substantially. In 2015, APEC committed to "Healthy Women, Healthy Economies," a multi-year initiative that develops policy recommendations and actions that aim to enhance women's economic participation by improving women's health. The initiative began with an APEC expert's group focused on identifying health-related barriers preventing women from entering or remaining in the work force. The barriers identified included 1) lack of women- and family-friendly health services, workplace policies, and education, 2) lack of access to basic healthcare, and 3) health issues such as domestic and workplace violence.

Women in Transportation

Spearheaded by APEC's Transportation Working Group, the APEC Women in Transportation initiative focuses on the linkages between increasing women's economic participation and critical labor shortages in the transportation sector. In October 2015, APEC's Transportation Ministers committed to increasing women's participation in all modes of the transportation workforce and making transportation safer and more accessible to women as users. Through implementation of the U.S.-ATAARI-developed Women in Transportation Data Framework, the region's transportation agencies, firms and other service-providers now have the opportunity to undertake actions aimed at improving conditions for women in the sector while also improving collection, sharing, and analysis of data that illustrate whether and how these interventions are working. Pilot activities, supported by U.S.-ATAARI, will be launched in 2016 and tracked and measured over time.

Source: Ann Katsiak, Nathan Associates, Inc.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CONCEPTUALIZING A REGIONAL TRADE SUPPORT PROGRAM

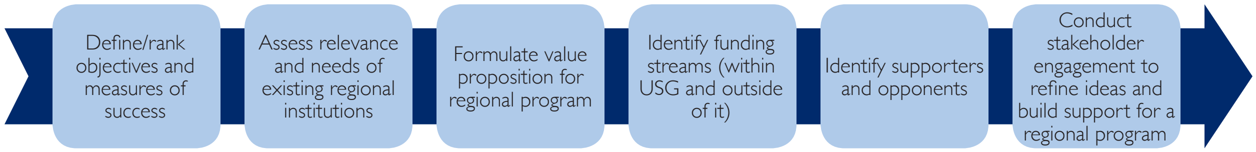
Many of the regional trade support programs we examined, particularly the second- and third-generation programs, tweaked predecessor programs to bring them up to date with current strategic priorities or Presidential initiatives, adding or subtracting components or merging programs that had previously been contracted separately (e.g., trade and food security programs in West Africa and productive sector and trade policy programs in Southern Africa). Observers have commented that "we are always fighting yesterday's battles" when it comes to designing regional trade support programs. Individuals tasked with designing the new program look closely at how predecessor programs worked (and did not work) and develop new structures that address previous weaknesses—sometimes without full appreciation of other issues that may arise when those fixes are implemented in a new and evolving environment.

For this reason, this chapter outlines a simplified process for considering a host of factors relevant to the design and implementation of a regional trade support program, we also offer depicted in Figure 8 some illustrative questions for the designers of regional trade support programs to consider. It should be noted that the particular order of the nodes in the sequence depicted below may be adjusted according to regional and USAID circumstances.

Define and Rank Objectives

It is well known and universally agreed that program design should flow from the strategic objectives and desired results a regional program is intended to achieve. This simple concept is more difficult to achieve with a regional program than it is with a bilateral one, however. While each program may have multiple objectives, a USAID regional trade support program must prioritize those objectives in line with USG interests, multiple recipient needs and interests (within the RECs as well as in individual member countries), the programs and capacities of other donors serving the region, and a host of other factors that involve

Figure 8. Possible Sequence for Conceptualizing a Regional Trade Support Program



issues and stakeholders affected by a prospective regional trade support program.

Questions to Consider:

1. Is enhanced regional trade a priority of the region's national governments, private sector groups, and/or USAID's bilateral missions?

2. If so, what motivates this priority—export competitiveness, investment attraction, food security, climate-smart efficiencies in production, resource utilization, etc.

3. Is the U.S. Government seeking to enlarge its presence in a region of growing strategic importance?

4. Is there an existing regional institution or economic community (or multiples of them)? What is the U.S. Government's attitude toward supporting these institutions?

5. Is food security a significant issue in the region? If so, are there substantial imbalances between food-abundant and food-insecure countries within the region? What are the impediments to the freer flow of foodstuffs between countries in the region?

6. Are there unique inclusiveness challenges in this region (minorities, migrants, women, rural poor, youth) to which a regional program must be responsive?

7. Are the prospective project's objectives unique to this region?[30]

8. How will success or failure be measured?

9. Are metrics for success accepted universally within the region? (For example, are they embodied in the Performance Management Plan of the REC, if there is one?)

10. Is there a USAID Regional Development and Cooperation Strategy (existing or under development)?

30 For example, is the region of unique security or strategic interest to the United States? Is a regional program being considered as a mechanism for assisting with countries' implementation of trade agreements with the United States? Is the region exceptionally vulnerable to natural disasters? Does the region comprise small island nations, distant from trading partners? Is it a region of countries aspiring to join the EU or dealing with competitive challenges arising from exclusion from the EU? Is it a region in which there is a dominant or anchor country/economy, as, for example, South Africa is to Southern Africa?

Analyze the Capacity of Relevant Regional Public and Private Institutions

Regional trade support programs should be developed with a robust knowledge of the strengths and weaknesses of existing regional economic community institutions or secretariats—and of the capacities and interests of private sector associations or civil society groups that operate on a regional basis.

Questions to Consider:

1. What are the current regional institutions on which to build (if any)?
2. If there are multiple such institutions, is there a preferred, primary focus or will there be multiple RECs to support to some (possibily varying) extent?
3. What is the U.S. Government's relationship to the RECs/RTAs to be assisted?
4. Is there a deadline set by a REC or RTA that drives priorities among members?
5. How are decisions and priorities set within these organizations?
6. Are there countries within this REC that are problematic for USAID support (e.g., not USAID host countries, not developing countries, countries with which we do not have diplomatic relations)?
7. Apart from REC secretariats, are there other regional entities (private sector associations, major regional companies, shippers/logistics firms) and what are their interests?
8. What is the recent and relevant experience in the region with regional trade integration support activities (by any/all relevant donors)?
9. Do various donors have opposing interests with respect to the region or a REC or trade agreement in the region?
10. Are there areas of concern only to the United States (e.g., exports to the United States by African producers under AGOA)?
11. Do various donors have "comparative advantages" to be considered?
12. Are there areas of prospective shared interest among donors? If so, where?

Formulate Value Proposition

The program design should reflect the unique value to be gained as a result of implementing a regional, as opposed to bilateral program and be mindful of the challenges and risks that arise from programming across countries.

Questions to Consider:

1. What is the potential advantage of using a formal regional program to achieve these objectives?
2. Where and why is it expected that a regional program would produce greater impact or higher value for money than a series of cooperating/collaborating bilateral programs?
3. How would a prospective USG regional trade support program add to, enrich, or complement the programs funded by other donors, if any?

Identify Funding Sources

Funding drives decisions about program design and priorities in very powerful ways. Decisions about what is optimal from a design standpoint must, practically, take second seat to what is funded.

Questions to Consider:

1. What level of USAID funding is available for a regional trade integration support program?
2. What is the source of that funding (e.g., ESF vs. DA, Food Security, Climate Change, Health, buy-ins from national governments, buy-ins from bilateral missions)?
3. Is there another source of funding for USG regional assistance?
4. If so, what are the parameters for such funding (single year/multi-year, calendar for planning and disbursement, approvals required for work planning and/or funds utilization, tracking/reporting requirements, etc.)?
5. Are there potential donor partners for this program who might either contribute funding to the USAID activity or cost-share certain activities or fund an initiative we would like to support, freeing USAID administrative time and funding for other uses?

Identify Allies and Adversaries

Constituencies that can become supporters of regional integration (and partners of the regional program) are sometimes difficult to identify; advocacy is much better developed at the national or subnational level—a reflection of the adage: "All politics is local." At the early stages of program design (and throughout implementation), care should be taken to identify and nurture stakeholders with regional interests. As important as allies are, it is also critical to understand interests (including within individual countries in the region) who are opposed to regional economic integration.

Questions to Consider:

1. How robust is the commitment of each country in the region to trade integration?
2. Within each country, which ministries or agencies are involved in the trade integration effort?
3. Who leads/serves as the champion for regional integration within each country?
4. Is the private sector in each country enthusiastic, supportive, or worried about the consequences of regional integration for their commercial interests? (Develop a matrix that clearly indicates prospective winners and losers.)
5. Are there civil society stakeholders in the region who favor or object to regional integration efforts?
6. What are the incentives for each country in the region to increase its exposure and participation in regional trade? How strong/compelling are these incentives?
7. Is there one country whose participation is essential (e.g., it owns the only regional port)?
8. If so, are the incentives for that country to participate in the initiative strong enough to ensure project success?

Refine Ideas and Build Support from Stakeholders

Questions to Consider:

1. What vehicles/mechanisms for public-private dialogue exist within the region?
2. Are these institutionalized/ongoing or episodic?

3. What capacity development is required in order to strengthen regional stakeholder engagement (public sector, private sector, or public-private)?

4. Are there regional media outlets?

5. What language/communication/IT challenges need to be addressed in developing an effective communications strategy?

This chapter presents only some initial and common starting points for program developers to consider in the early conceptual stages of program development. Actual program design may nonetheless be facilitated by the use of these questions and considerations in discussions with a variety of interested stakeholders.

ANNEX I. U.S. GOVERNMENT EXPERIENCE WITH REGIONAL TRADE SUPPORT PROGRAMMING

The U.S. Government provides TCB assistance to help countries negotiate and implement trade agreements and build the physical, human, and institutional capacity to benefit from trade and investment opportunities. Among USG agencies, USAID is the principal implementer of TCB assistance. USAID programs have, over the past decade, helped developing countries accede to the WTO or meet WTO commitments, and to participate in, and benefit from trade agreements with other countries, whether in their region or outside it, such as the United States. A growing share of USAID TCB spending has been programmed regionally, both toward nurturing regional trade and toward regional programs that will help participants understand and implement bilateral trade agreements they have signed with the United States.

- In Sub-Saharan Africa, each of the three regional Missions has channeled programming through trade hubs that deliver a wide range of technical assistance and capacity building, both to the secretariats of the main regional economic communities (EAC, ECOWAS, SADC) and targeted to member countries to implement their commitments. Assistance has also been provided to the private sector to support export development to the U.S. market.
- In Asia, USAID is providing assistance to both the ASEAN Secretariat and to targeted member countries and help them implement their regional commitments. Parallel programs have supported the APEC Secretariat and the organization's member economies.
- In Central Asia, the Regional Trade Liberalization and Customs Project, funded by the Regional Mission, has focused on the promotion of regional cooperation and country-level efforts to reduce barriers related to trade, transport, and transit, and to support SMEs through the provision of market information.
- USAID has supported other regional trade hub programs in Central America and the Andean region.

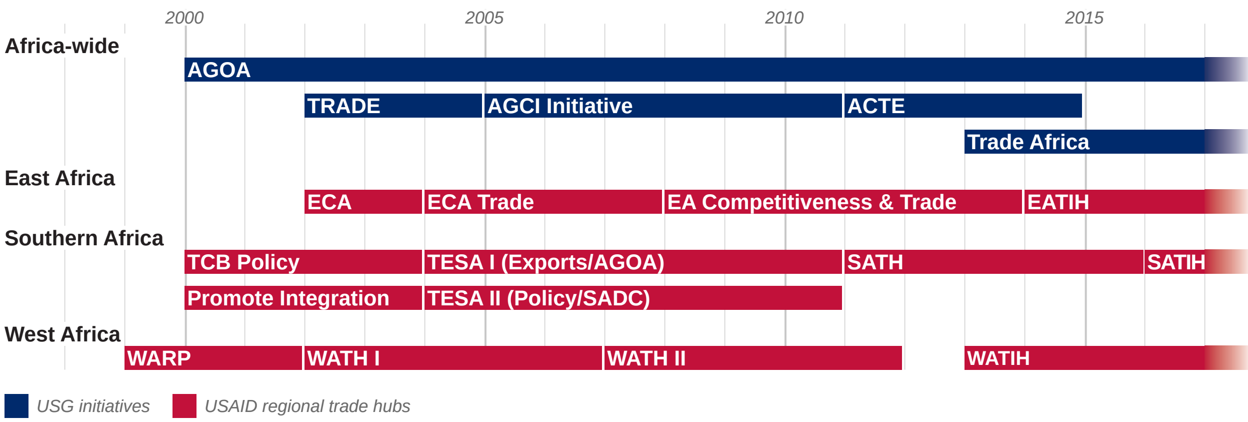
USG funding for regional trade programs has grown overall from 2006 to 2014, although it dipped from 2011 through 2012 (see Figure 3 on page 20).

In addition to USAID, other USG agencies have been substantially involved in the conceptualization of, and even initial funding for USG-led regional trade support programs. In fact, most have been initially championed by senior officials of either the White House or the State Department in the context of a Presidential Initiative or a geopolitical priority. We discuss these relationships, both in the initial phase of certain regional programs and in follow-up implementation stages throughout this document.

Africa

For nearly 10 years, three regional trade hubs—for West Africa (WA), East Africa, and Southern Africa (SA)—have been the primary implementers and regional focal points of regional USAID-sponsored trade capacity building assistance. The scope and depth of trade hub implementation across multiple "generations" has reflected a wide variety of influences, including evolving U.S. policies (often in the form of Presidential initiatives, see box), USAID regional and bilateral assistance frameworks, stakeholder priorities, and the commitment by African REC members on respective regional agreements (see Figure 9). It has also been shaped by more pragmatic concerns, such as the availability of funding.

Figure 9. USG Africa Trade Initiatives and USAID Regional Trade Hubs



The first generation of U.S. Government regional trade support programs were guided by Trade for African Development and Enterprise (TRADE 2002), the second by the African Global Competitiveness Initiative (AGCI 2005), and the third by the African Competitiveness and Trade Expansion (ACTE) Initiative (2011).

In 2013, the U.S. Government unveiled the Trade Africa initiative at the annual AGOA event;[31] these annual meetings of government and business leaders from throughout Africa and the United States focus on trade and investment between the United States and Africa, including opportunities for African exports to the United States under the AGOA preference program. The Trade Africa initiative initially prioritized East Africa, but has since been extended to guide programming in West and Southern Africa as well.

The USAID East African Trade and Investment Hub (EATIH) was the first regional hub to be re-bid under this new paradigm. Its singular distinction was to formally embrace the importance of integrating investment into the hub agenda, recognizing the criticality of investment to economic growth as well as the natural links between trade and investment. This had been a major feature of the USAID West Africa Trade Hub's activities and approach for several years and led to major transformations of key export industries in that region, most notably cashews and shea. The third generation of the East Africa regional trade program has also been renamed the Trade and Investment Hub, while the planned third generation of the Southern Africa program is also expected to formalize investment as a major focus.

31 The African Growth and Opportunity Act (AGOA) is a nonreciprocal trade preference program first authorized by the U.S. Congress in 2000 to encourage export-led growth and economic development in Sub-Saharan Africa and improve U.S. economic relations with Sub-Saharan Africa. Under AGOA, 39 countries are currently eligible for duty-free treatment (for certain products) when imported into the United States. The U.S.-Sub-Saharan Africa Trade and Economic Cooperation Forum is an annual event mandated by AGOA and serves as the U.S. Government's premier, high-level bilateral event with Sub-Saharan Africa.

Hub programming has evolved over the three generations of projects reflecting a host of factors:

- Presidential initiatives for Africa as well as globally, such as the Global Hunger Food Security Initiative (GHFSI)
- USAID regional and bilateral assistance frameworks (and national country development and cooperation strategies)
- Stakeholder (REC and national, public/private/civil society) priorities
- Political and economic realities
- Pragmatic concerns such as the availability of funding
- Interagency/whole-of-government working relationships within the U.S. Government
- Coordination and division of labor among donors to avoid duplication and improve cost-effectiveness
- Personalities, priorities, and technical capacities of USG program managers, implementing partners, and assistance recipients and partners.

At the beginning, some trade hubs focused substantially on firm-level support to help producers in the target countries take advantage of export opportunities provided by AGOA, alongside regional business environment initiatives that included trade policy integration, Customs reform, and corridor development. These initiatives remained an essential component of all three hubs over time, but the hubs' focus and funding for activities relating to regional food security grew rapidly under FtF to become a major focus of hub activities. There was also some attention given to energy sector integration (Southern Africa, in particular), telecommunications sector integration, and financial sector integration, over the years.

East Africa. USAID initially awarded the ECA Trade Hub in 2002, as a one-year contract, to the firm implementing the Regional Agricultural Trade Expansion Support (RATES) program. It subsequently awarded a five-year (2003–2008) program with components that included trade policy capacity building, working with the private sector to increase exports under AGOA, and improving the efficiency of trade-related transportation. As the first-generation trade hub evolved, the focus of efforts moved toward regional trade facilitation of the northern corridor by embedding an advisor in COMESA headquarters (Lusaka, Zambia) and supporting institutions, processes, and systems to facilitate trade, such as the single window, regional customs IT connectivity (Revenue Authorities Digital Data Exchange, RADDEx) and harmonizing regional policies. For the second-generation East Africa Trade Hub, USAID/East Africa combined the ECA Trade Hub with the RATES program under a program called the Competitiveness and Trade Expansion Program (COMPETE). This approach aligned two Presidential initiatives, the Initiative to End Hunger in Africa (IEHA) and AGCI, under a single contract. With the Northern Corridor gaining momentum in terms of trade facilitation, EAC became the focal point for the USAID second-generation hubs in East Africa.[32] Donors followed suit, and their support has reinforced the momentum. USAID ramped up assistance to the EAC region through the COMPETE program (2009–2014). COMPETE was focused on the enabling environment, especially on simplifying programs and processes to facilitate regional integration, and on building regional value chains and market linkages.

Following COMPETE, USAID designed and awarded the East African Trade and Investment Hub (EATIH), which is to run through 2019 (including option years). EATIH was the first USG African trade hub following President Obama's 2013 announcement of the Trade Africa Initiative, which redoubled the U.S. Government's engagement to increase internal and regional trade within Africa and expand trade and economic ties between Africa, the United States, and other global markets. Trade Africa is initially to focus on the Partner States of

32 The EAC was the most ambitious attempt at regional integration in Africa in the 2000s. The EAC established a customs union (2005) and a common market (2010), and has made progress towards establishing a common currency (originally envisioned for 2012).

the East African Community—Burundi, Kenya, Rwanda, Tanzania, and Uganda. EATIH promotes regional integration through support for the EAC Secretariat and its members to enact and implement regional agreements, work with the private sector to advocate and ensure national government implementation of trade and investment policy, and expanded trade—exports to the United States under AGOA, increased intra-regional trade (particularly in agriculture), and increased two-way trade with the United States. EATIH, as a reflection of Trade Africa, complements various USG interagency initiatives, including the U.S.-EAC Trade and Investment Partnership, FtF, the Partnership for Growth, and others. Trade Africa, including EATIH, is coordinated through the U.S. Trade Representative's Trade Policy Staff Committee (TPSC), an interagency committee. The TPSC may review information on EATIH activities. EATIH supports countries in East and Central Africa outside of the EAC as well. COMESA, although a substantially reduced focus for the hub as compared to earlier generations, also may receive technical assistance; EATIH does not have an embedded technical advisor there as it does at EAC (and as it had earlier done for COMESA). Another noteworthy new focus for EATIH as compared to its predecessor hub is the focus on increasing investment and technology transfer between the region and global markets, particularly the United States.

Southern Africa. In Southern Africa, the first generation of hubs under the TRADE initiative was the Regional Activity to Promote Integration through Dialogue and Policy Implementation (RAPID) program. The RAPID program design was informed by the Regional Center for Southern Africa (RCSA) Strategic Objectives, which included regional market integration and regional agricultural/natural resource management. Meanwhile, a separate technical assistance program, the Trade Capacity Building (TCB) Policy Program (2000–2004), was also providing long- and short-term trade policy capacity building technical assistance to the SADC Secretariat to facilitate the implementation of the SADC Free Trade Area.

In 2004, USAID/RCSA procured Trade Expansion for Southern Africa (TESA) I (productive sector competitiveness and export promotion) and TESA II (SADC support/trade policy liberalization) programs as, in effect, the second-generation Southern African Trade Hub. The TESA design was informed by USAID/RCSA Strategic Objective (SO) 14—"a more competitive Southern African economy." Both programs were co-located in one office in Gaborone, Botswana.

The next regional hub (dating from 2009 through 2015) integrated the "productive sector" and "policy" programs that had been procured separately under TESA I and II. Program design was aligned with the TRADE Initiative objectives, but to a greater extent than other trade hubs, focused broadly on improving the overall business environment. The program has had a dual focus on assisting SADC and on strengthening regional productive capacity, both in foodstuffs and in export-generating value chains. A fourth-generation hub will commence operations in 2016.

West Africa. When the TRADE Initiative was announced, economic growth programs in West Africa were being implemented under the West Africa Regional Program (WARP) Economic Integration SO. The first hub in the region was the West Africa Global Competitiveness Hub (2003–2008). Based in Accra, Ghana, the trade hub opened a satellite office in Dakar, Senegal, in 2005. According to the RFP for that program, it was to address both WARP and TRADE objectives and focus on AGOA, the WTO, trade facilitation efforts, reducing nontariff barriers to increased intraregional trade, building SPS capacity, and increasing awareness of opportunities for investment in West Africa.

The second-generation West African Trade Hub (WATH, 2008–2013) prioritized:

- Exports to the U.S. market under AGOA, which led to supporting firms and industry alliances in the cashew, shea, fish & seafood, handcrafts & home décor, specialty foods, and apparel value chains;
- Access to finance, which entailed bolstering the participation of banks and nonbank financial institutions in the trade sector;

USAID/REGIONAL MISSION IN SOUTHERN AFRICA PERSPECTIVE ON REGIONAL PROGRAMMING

"USAID/Southern Africa's Development Objectives strategically address development challenges from a regional perspective. Given limited funding to all operating units, the aim of programs coming out of USAID/Southern Africa is not to fill in for funding shortages of bilateral missions, but rather to do work that leverages bilateral investments to have an overall greater regional impact. To that end, USAID/Southern Africa has the following mandates as a regional mission:

- Address transnational issues that cannot be addressed by any one country alone.
- Work with and through regional public and private institutions, including making them more effective.
- Manage non-presence country programs in Botswana, Lesotho, and Swaziland.
- In limited cases, conduct programs on a country-level with precedent-setting demonstration effect.
- Provide technical and support services to bilateral missions in the region.

Without a robust presence provided by the Regional Mission efforts, the goals of the Southern Africa bilateral missions to develop sustainable programs, which spur growth throughout the region, can become fractured and myopic with only the local context in sight. Furthermore, the USG's diplomacy efforts suffer from a limited capacity to interact with regional organizations and governments, jeopardizing the USG's overall objective to encourage changes to national economic and political environments and the promotion of good governance and sustained economic growth throughout the region. The Regional Program affords the opportunity to address issues of health, trade, environment, food security and democracy and governance comprehensively…

With the entwined aspects of trade, environment, and food security, it is important to recognize that Southern Africa is moving towards regionalization as no one state or single country can attain economic growth without its neighbors….Without a regional economic program, the USG would be constrained in its ability to foster solutions to these particular economic challenges. Such assistance includes mitigating barriers to cross-border commercial trade; investing in and disseminating regional research related to agriculture and climate change to inform national policies; and fostering regional energy market harmonization that will promote investment, particularly in clean energy, that will fuel the growth of economies in the region."

Source: USAID Southern Africa Regional Development Cooperation Strategy 2011–2016, page 8.

- Business environment, which involved technical support and advocacy to advance customs modernization, finalization of the ECOWAS Common External Tariff, and full implementation of the ECOWAS Trade Liberalization Scheme (ETLS);
- Telecommunications infrastructure, which took the form of support for firms and regional agencies in evaluating and addressing access constraints for industries dependent on modern ICT;
- Transportation infrastructure, which involved analysis and publication of inefficiencies, including bribes and delays, hindering the movement of goods along the main trade corridors in the region;
- Increasing both regional trade and exports specifically by targeted value chains (including exports to the United States under AGOA);
- Facilitating the movement of goods (especially by road) between countries in the region through the creation of a private sector advocacy group, the Borderless Alliance, the reduction of bribes and delays along major freight corridors, and the creation of a network of border information centers that would expedite border clearance processes; and
- Implementation by national governments of the ETLS.

Over time, the West Africa Trade Hub implementing partner incorporated a major focus on investment mobilization as a catalyst for increased exports. This included supporting the launch of three major impact investment funds in the region, all of which utilized the trade hub premises as a base of operation as they put down roots in West Africa.

USAID used a parallel program (the Agricultural Trade Program and the Enhanced Agricultural Trade Program (ATP/EATP) to deal with agricultural production, markets, and regional cross-border issues affecting food crops and livestock.

The third-generation (current) hub, the West Africa Trade Hub and Partners Network (THPN, 2014–2019) combined the scopes of WATH and ATP/EATP to integrate food security issues more fully into the regional trade agenda. THPM (subsequently renamed the West Africa Trade and Investment Hub (WATIH) prioritizes activities geared towards building institutional capacity and sustainability of regional sector alliances for exports, further easing border restrictions, and building market information systems (such as the West African Grains Network) to improve regional food security.

Common Elements: Similarities and Differences in Approach

The hubs have many commonalities in how they have operated, but also some differences.

Food Security. Second- and third-generation hubs have received part of their funding from the USG FtF initiative to address regional issues affecting food security (while bilateral programs focused on national issues and initiatives). A key aspect of food security is to efficiently enable the flow of food from surplus to deficit areas; it was only natural, then, that regional trade hubs would focus on eliminating barriers to such flows when they cross national borders. Accordingly, the trade hubs increasingly focused on cross-border movement (standards harmonization, removal of NTBs, market information systems, post-harvest handling, warehousing/cold storage, and structured trade). Improving road governance, reducing corruption and delays in border clearance procedures, and developing transport corridors also were approaches with significant implications for food security, as for other development goals, including export promotion and improved competitiveness.

In East Africa, the second- and third-generation trade hubs have focused strongly on standards for regional trade in staples, codifying and then promoting both government and private sector adoption of standards intended to ease flows from surplus to deficit areas in the region. In Southern Africa, the approach focused more on addressing targeted technical barriers to trade and training for improved productivity. In West Africa, FtF funding was formally added to the trade hub portfolio in the last year. This funding is supporting efforts to expand the reach of regional apex associations in grains and livestock, and address barriers to food trade to do with weak transport and logistics systems along key corridors, and policy barriers such as export bans having imposed by member states.

Development of Trade Corridors. All three African trade hubs have explicitly targeted development of major regional trade corridors as a means to reducing the cost of moving goods for both exporters and regional traders of staple foods. In East Africa, one-stop border posts, joint border committees, IT integration, and other trade facilitation initiatives have been piloted along the Northern Corridor. Similarly, in Southern Africa, hub assistance to streamline and harmonize customs procedures has been piloted along the Trans-Kalahari Corridor of Namibia, Botswana, and South Africa, and the Dar-Maputo Corridors of Mozambique and Tanzania. In West Africa, regional road governance (reducing unofficial bribes and delays) and transport efficiency (in particular harmonizing policies over such issues as axle weight limits among West African countries) along the key corridors has been a major focus as well. In West Africa and, more recently, East Africa, these efforts have been coupled with concerted information campaigns and public-private dialogue initiatives aimed at dispelling myths on both sides regarding what the rules of the road truly are. Deep

USG Trade Hubs In Africa: Regional And Generational Variations

	First Generation	Second Generation	Third Generation
Presidential Initiative	Trade for African Development (TRADE): • Promotion of U.S.-African business linkages • Enhancing the competitiveness of African products and services • Expanding the role of trade in African poverty reduction strategies • Improving delivery of public services for trade • Building African capacity for trade policy formulation and implementation • Strengthening the enabling environment for African businesses	African Growth and Competitiveness Initiative (AGCI): • Improving the policy, regulatory, and enforcement environment for private sector–led trade and investment • Improving market knowledge, skills, and abilities of workers and private sector enterprises • Increasing access to financial services for trade and investment • Facilitating investment in infrastructure	African Competitiveness and Trade Expansion (ACTE) Initiative: • Strengthening regional trade and transit facilitation • Strengthening bilateral trade and investment ties • Implementation of a whole-of-government approach
East Africa Hub	• Export promotion under AGOA—worked directly with private sector to access U.S. markets under AGOA • Trade policy capacity building through support for COMESA Secretariat • Supported improvement of efficiency and cost reductions in trade-related transportation • RADDEx	• Export promotion under AGOA • Trade policy focus on regional enabling environment • Transit facilitation along corridor (reduced and refocused in coordination with TMEA) • Competitiveness of ag/non-ag value chains • Increased access to finance for exporters • Regional power grid—support for policy framework • Addition of food security to the mandate	• Exports: Promote expansion and diversification of AGOA exports • Trade Policy: Support policy formulation and national implementation of regional commitments • Food Security: Support policy reforms and strengthening of regional staple food value chains (VCs) to promote food security • U.S. Technology Transfer: Promote U.S. trade and investment in East Africa
Southern Africa Hub	Two parallel programs together constituting the trade hub (TESA I and TESA II): • Export promotion under AGOA • Trade policy, focusing on implementation of SADC Protocol • Private sector advocacy • Transport policy and corridor management • Enterprise development	• Export promotion under AGOA • Trade Policy: Focus on SADC FTA implementation and SACU through trade and transport facilitation, alignment of regional agricultural standards • Regional energy cooperation • Value chain competitiveness, including both staple foods and AGOA exports • Addition of food security to the mandate	Currently in procurement: • Exports: Promote expansion and diversification of AGOA exports; prepare for post-AGOA improved regional export competitiveness • Trade Policy/Facilitation: Strengthen compliance with regional and international agreements; improve trade facilitation, esp. implementation of WTO TFA • Food Security: Strengthen regional staple food VCs • U.S. Technology Transfer: Promote U.S. trade and investment in Southern Africa to promote more competitive productive sector in the region
West Africa Hub	• AGOA-related export promotion through associations, finance, and regional AGOA support centers • Trade facilitation and NTBs through support for UEMOA, ECOWAS, and road transport governance • Trade policy, business environment, Customs/transport	AGCI launched mid-way, with activities added to support initiative: • Enterprise development focusing on exports under AGOA with continued support for associations • Access to finance to support export development • Transportation and trade facilitation, focused on road governance along corridors • Development/capacity building for regional trade associations (shea, cashew, Borderless Alliance) • Separate (parallel) contract for regional trade in food and livestock	• Export promotion under AGOA • Private Sector Capacity Building: Buyer-seller intermediation, improved grades and standards of staple crops, and access to finance • Trade and Transport Facilitation through policy and governance along corridors • Food Security: Promote regional trade in foodstuffs and livestock (previously in separate contract) • Capacity building for local associations/ alliances/ partners developed under predecessor trade hub

mistrust between truckers, traders, and public officials has characterized trade in both subregions for decades. The trade hubs are making good headway in repairing trust and developing mutual understanding of trade rules, while brokering reforms that both public and private stakeholders are buying into.

AGOA/Export Promotion. Each hub promoted exports from the region to the United States as well as globally. Indeed, the hubs arose after policymakers realized that AGOA itself—which eliminated U.S. tariffs on goods from eligible African countries—was not sufficient to make West African producers competitive in the U.S. market. All of the trade hubs, from their inception, had global export growth targets (i.e., not destination-specific) as well as targets for assisting regional producers (from AGOA-eligible countries) to sell to the United States under AGOA.

Over time, hubs generally moved away from direct firm-level assistance (which was left for bilateral missions to support) and focused more on developing associations or alliances of producers as platforms for whole-of-industry export promotion efforts. The hubs assisted partner associations and alliances to create “brands” to aid in marketing efforts in the U.S. and other key export markets. Examples of this include the AfricaNow brand for promotion of handcraft and home décor exports from West Africa and the Source Africa brand, which Southern and West African apparel exporters adopted to promote sourcing from those subregions. The association and alliance partners were supported in their marketing efforts, but also in efforts to address policy barriers to improved export promotion, such as export tax regimes and restrictions on free movement of labor.

In West Africa, major efforts were made from the outset of alliance development efforts, particularly for shea and cashews, to recruit buyers and investors as founding members of the alliances. This has led to a different dynamic within those alliances, where buyers and investors see themselves as stakeholders advancing the alliance’s agenda, rather than mere recipients of produce marketing campaigns. Where industries faced technical challenges to building successful export manufacturing operations, lead buyers were also able to bring in outside investment and expertise to improve West African competitiveness. Evidence of this can be seen in the influx of Brazilian and Indian investment in West Africa’s cashew industry.

All three hubs also prioritized AGOA implementation, including (1) assisting governments to comply with the certification procedures to become eligible for AGOA trade preferences in the U.S. market and (2) assisting producers in Africa to understand how to comply with requirements of AGOA. All of the hubs supported the development of national AGOA strategies by countries eligible for AGOA. In engaging the private sector on AGOA, hubs’ approaches varied:

- In East Africa, the hubs provided direct support to exporters (in addition to sponsoring associations).
- In West Africa, AGOA assistance to individual producers was channelled through 18 national AGOA Resource Centers (ARCs) to serve as information and advisory centers for AGOA-related issues experienced by producers.[33] In four countries (Benin, Burkina Faso, Guinea-Conakry, and Niger), the West Africa Trade Hub provided additional assistance by enhancing their ARCs by hiring and training trade advisors. The ARCs were always run by local entities, almost always private, such as chambers of commerce.
- In Southern Africa, the trade hubs supported AGOA through technical assistance such as:
  - Textile visas and Category 9 certification
  - HACCP assessments and training
  - Capacity building to meet international SPS quality standards
  - Marketing and business linkage support (B2Bs, trade shows)
  - Sector-specific technical assistance and training

33 Of these 18, 13 were effectively operational at the end of WATH II; assistance was suspended to two countries that lost their AGOA eligibility; in three countries, ineffective host institutions rendered assistance moot.

- Sector assessments
- Market research
- Association support
- National AGOA strategies
- AGOA workshops to raise awareness.

Institutional Capacity Building for the Regional Economic Community. The hubs have taken a variety of approaches to building institutional capacity in the regional trade institutions they supported.

In East Africa, the first- and second-generation trade hubs (based in Nairobi, Kenya) used an embedded advisor approach at COMESA (in Lusaka, Zambia), which was helpful in jump-starting some key regional initiatives. But as hub focus moved to the Northern Corridor and EAC, less attention was given to REC capacity building, and the hub shifted more to coordinating efforts with REC officials. The third-generation hub no longer had a COMESA embedded advisor, but did have an EAC advisor (based in Arusha, Tanzania, the EAC Secretariat's location).

In Southern Africa, the second-generation hub (TESA II) did not have a trade advisor embedded at the SADC Secretariat, but the hub itself was located in Gaborone, Botswana (where the SADC Secretariat is based), thereby facilitating close coordination and ongoing direct support for SADC. Over time, however, as the Southern African Trade Hub has increased its focus on the SACU countries, SADC receded somewhat in importance; the third-generation Southern African Trade Hub, moreover, shifted its focus from trade policy to trade facilitation and productive sector/food security work, with support for SADC progressively weakening.

In West Africa, the trade hubs never provided embedded advisors. Advisors to ECOWAS and UEMOA were itinerant, providing the secretariats with support in the areas of common external tariff (CET) finalization (in the case of ECOWAS) and transport corridor monitoring (in the case of UEMOA). The trade hub also provided training for ECOWAS in gap analysis methods as a means of diagnosing problems with FTA implementation and encouraging forward movement by nember states. ECOWAS was unable to marshal resources to participate in the actual gap analyses, unfortunately, although the secretariat did endorse both the process and the recommendations emerging from the analyses. The trade hub then worked nationally and in coordination with the RECs to address those gaps, providing technical assistance as needed according to the specific countries in question.

Trade Facilitation. In Africa, USAID's technical assistance to trade facilitation is delivered by the hubs serving as regional platforms. Different hubs have taken different approaches to reducing time and costs at the border based on their regional needs assessments, consultations with other donors, and consultations with stakeholders.

- In West Africa, trade facilitation fell under two components: business environment and transportation infrastructure. Work under the business environment component targeted customs operations at key borders and customs interconnectivity at the national levels, as well as private sector advocacy for implementation of trade-related provisions of the ECOWAS Treaty. Work under the transportation infrastructure component dealt with improved road governance and reductions in informal delays and bribes. Border Information Centers (BICs) at key bilateral borders, as well as at the port of Dakar, were developed to support both improved transport governance and working relationships between border officials and the private sector trading community. To consolidate and amplify the voice of the private sector in the regional trade debate, the trade hub also supported the launch of the Borderless Alliance, a private sector advocacy group led by major companies trading goods and providing trade-related services in the region. The Alliance has emerged as an enduring legacy of the trade hub and a major force for trade-related policy reform.

- In Southern Africa the first-generation hub focused on improving customs procedures in Southern Africa with better tools (the Single Administrative Document, SAD500) and improving connectivity between Tanzania and Malawi (RADDEx). Both of these can be pointed to as successes that have led to more rapid movement of goods throughout the region.
- In East Africa, efforts mirrored the West Africa Trade Hub approach in the areas of corridor monitoring, border community development, and support for the RECs in developing their capacity to diagnose and broker solutions to stalled implementation of the FTAs. Joint Border Committees (analogous to BICs in West Africa) are serving as fora for resolving disputes between traders and control agencies, as well as elevating traders' knowledge of border clearance requirements. The trade hub has also worked to develop simplified certificates of origin and a system for customs interconnectivity (RADDEx), both of which are leading to reduced time and cost to trade.
- In implementing these illustrative activities, the various trade hubs encountered three types of problems: organizational, human resources, and issues related to the institutional constraints facing the RECs. In part, these are the natural outgrowth to introducing fundamental change to existing organizations and procedures across different countries. Importantly, the effectiveness of USAID's programming and the performance of the hubs are judged by how well these problems are addressed.

Coordination across Hubs. Historically the African trade hubs have operated somewhat autonomously, particularly in the areas of trade policy and trade facilitation. There has been substantially more collaboration across hubs in the area of export promotion, where hubs shared information on best practices with respect to AGOA information and collaborated on joint Africa pavilions at key trade shows in the United States. The Africa pavilions helped achieve participation at scale that elevated the profile of African exhibitors from all subregions.

Presidential initiatives such as AGCI, ACTE, and Trade Africa have sought to further deepen collaboration and coordination between trade hubs to pool resources, share best practices, and develop uniform monitoring and evaluation indicators. While the hubs remain distinct from one another, reflecting the needs and priorities and capacities of each region, several steps have been taken to deepen coordination. For example, annual meetings co-hosted with the three trade hubs have been held since 2008, with the location rotating between regions. In addition, several Washington-based programs have, since 2007, identified and disseminated best practices among African institutions, governments and enterprises, trade hubs, and other stakeholders through briefs, conferences, and trainings.

Coordination between Regional Hubs and Bilateral Missions. The African trade hubs have focused on initiatives that required coordination across countries (one-stop border posts, transit guarantees, regional policies), largely leaving national policy to bilateral missions to address. However, the line between regional and national activity has been difficult to draw. For example, commitments made in the context of a regional trade agreement ultimately must be ratified by national governments and written into law and implementing regulations nationally. At the national level, implementation capacity is often weak and some capacity building assistance is needed. Implementation of the same commitment made by multiple countries in a region can often be assisted cost-effectively under a regional program by bringing representatives of various nations together for training or by having technical experts stop in multiple countries in the region on a capacity-building assignment. Moreover, implementation of regional trade agreements is not always a part of an individual country mission's strategic objective or country development cooperation strategy (CDCS). In West Africa, the regional trade hub benchmarked national implementation of ETLS and provided tailored assistance at the national level as needed. In East Africa, the EAC's Scorecard, first released in 2014, highlighted the urgent need to increase focus on national reforms. The subsequently awarded (current) East

Africa Trade and Investment Hub has explicitly targeted assistance toward national reforms related to regional commitments.

Assistance to Non-Presence Countries. In each region, bilateral relations between the United States and USAID non-presence countries (e.g., Burkina Faso, Côte d'Ivoire, Congo-Brazzaville, Mauritius, and Lesotho) have been enhanced by regional trade hub activities. In general, the hubs have worked well with counterparts in non-presence countries, where hub services were often sorely needed and greatly appreciated by local embassies. In countries such as Côte d'Ivoire and Togo, for example, the West Africa Trade Hub provided critical assistance to exporters in the cashew sector, mobilizing tens of millions of dollars in investment and exports. These represented both diplomatic wins in countries that felt underserved and were also critical to achieving the hub's regional strategy for building a dynamic and well-integrated cashew export sector. This is one of many examples where hub services had profound impact in underserved non-presence countries.

Donor Coordination. The three African trade hubs have generally operated in an extremely crowded donor environment. The trade hubs have established themselves as focal points for trade-related technical assistance and trainings, which have enabled them to leverage the resources of other donors to the collective benefit of the region. They have also effectively coordinated with other USG departments with complementary mandates, such as USTR, USDA, USTDA, Commerce, and State. Real coordination and partnership is not without its challenges. In East Africa, for example, the launch of the U.K. DFID-funded TMEA program, with buy-ins from multiple donors (including the United States) to reach a nearly $500 million value, induced USAID to forego providing assistance through its own regional hubs in areas (such as Customs reform and port development) amply covered by the TMEA program. Over time, a division of labor developed among donors, with DFID focusing on logistics, transport, and Customs, and the World Bank and the Japanese International Cooperation Agency (JICA) taking infrastructure. This essentially freed USAID resources to focus on priorities of the U.S. Government that fell outside of the DFID, World Bank, or JICA mandates (AGOA exports, food security) as well as specific trade facilitation initiatives (RADDEx) and other areas (food security, export promotion).

In West Africa, USAID was similarly successful in leading the way for other donors into transformative programs in the trade and export promotion space. Following on the West Africa Trade Hub's work in the cashew sector, for example, the Gates Foundation committed $25 million in seed financing for the African Cashew Initiative, which continues to provide support to cashew farmers in the region. Patterned after the West Africa Trade Hub, DFID has invested in a similar program to advance regional agricultural market integration: West Africa Food Markets.

All of the trade hubs have collaborated with the World Bank Sub-Saharan Africa Transport Policy Program (SSATP) in examining transport-related constraints to trade and development. This included joint monitoring of corridors, such as the Abidjan-Lagos corridor in West Africa, and corridor development initiatives, such as the Northern Corridor Transit and Transport Coordination Authority in East Africa. As corridor monitoring initiatives evolve into long-term observatories and/or corridor management programs, effective coordination will be even more important.

Funding Challenges. Inconsistent and unpredictable funding has characterized a number of African trade hubs. Presidential initiatives may or may not have had specific sources of funding associated with them; those initiatives may have been developed after a program had been designed, bid, or awarded, or after implementation had begun. New funding (e.g., for food security) may necessitate a dramatic change to the scope of work or staffing for a regional program post award. In any event, funding for the regional hubs has always been limited relative to the scope (geographic and functional) of their work. For example, the African Growth and Competitiveness Initiative (AGCI) funds were shared across 15 bilateral missions and three regional missions and their respective trade hubs. In addition, the African trade hubs did not generally seek (or plan for) buy-ins from individual national missions in the region, an approach that could help to link national and regional efforts on common issues.

Monitoring and Evaluation. Much has been written about the lack of cross-hub indicators that provide for consistency in assessment and reporting and enable cross-hub comparisons. As noted in a 2014 assessment of all three of the hubs:

> The first step in developing a consistent and systematic viewpoint regarding the effect of the trade hub programs on exports, investment, time and cost to trade, agriculture sector yields and productivity measures is to elaborate a consistent set of expected outputs/outcomes; and to establish a consistent system for monitoring of outcomes and intermediate results through a well-defined theory of change with a clear hierarchy demonstrating desired outcomes in each intervention area.[34]

USAID is working to develop a harmonized methodology for collecting the data across hubs. The data to be collected will include basic indicators: sales, investment, trade, AGOA exports, and time/costs to trade across borders.

Communications and Outreach. Developing constituencies that integrate actors in multiple countries can be a challenge; interest groups are more typically set up along national (or subnational) lines, where they can act most effectively as activists, policy advocates, or lobbyists. Strong communications and outreach have been critical to regional hubs in building coalitions of like-minded interests, especially business groups, who can advocate for cohesion or harmonization across national lines, as is the case, for example, with the Borderless Alliance conceived of and fostered by the West African Trade Hub. More generally, the regional trade hubs have invested in well-developed websites that provide trade-related information to the region, as well as periodic newsletters. The hubs also have produced documentary films on export promotion, business environment, trade facilitation, and other topics of broader regional interest.

Working with the Private Sector. Associations in each country and region vary according to the needs of their members, levels of ambition, coherence of national and regional public institutions, and political and business cultures.[35] Private sector advocacy organizations assisted by USAID have been important advocates for the elimination of NTBs, more cohesive transport policies, and more efficient border clearance processes. The East Africa Business Council, for example, advocates for lower NTBs in East Africa. On transport issues in Southern Africa, the Federation of East and Southern African Road Transport Associations (FESARTA) serves this advocacy role on trade facilitation and road transport issues specifically. In West Africa, regional trade facilitation is advocated by the Borderless Alliance, a group of regional producers, transporters, and logistics firms developed and nurtured under the second-generation West Africa Trade Hub.

These advocacy efforts have led to more efficient, predictable border crossing and reduced transit times. For example, in East Africa, the private sector advocated for Joint Border Committees that are improving coordination between border agencies. In West Africa, they advocated for (and subsequently took over management of) BICs at key border points along the Abidjan-Lagos Corridor. In Southern Africa, private sector organizations focused on improving customs procedures in the region, in particular, the SAD500 design and rollout.

Building a private sector constituency for improved trade policies and trade facilitation requires sound analysis that can point the way for advocacy efforts. The trade hubs used their corridor monitoring initiatives and policy gap analyses to give private sector partners evidentiary support and a framework for their reform proposals. They also provided coordination and logistics support to organizations that were either just coming into existence or suffered from weak organizational capacity. Finally, they supported the recruitment of

34 Sub-Saharan African Trade and Investment Constraints and Opportunities: An Assessment and Proposed Research Agenda.
35 Kenya, for example, has a strong tradition of business advocacy; Tanzania discourages business leadership in public affairs owing to its socialist orientation in the post-independence period.

members with significant economic clout, including major trading companies such as Olam and Nestlé, into the fold.

An equally significant focus of trade hub activities involved the formation and strengthening of private sector associations and alliances in key value chains. In these cases, the trade hubs supported actors at all levels of the value chain, from producers to buyers, and allied industries (e.g., transport, finance) to unify their efforts around common challenges. These included issues such as weak value chain linkages, underinvestment at critical points in the value chain, infrastructure deficiencies that increase costs, threats emerging from climate change, etc. In the case of the Global Shea Alliance, empowerment of women producers emerged as a major theme of alliance activities. The alliance activities supported by the trade hubs have enabled economies of scale and efficiencies in addressing value chain challenges that have accelerated investment and exports.[36]

Assistance to such private sector organizations ranges from membership attraction and outreach, to strategic planning, to media and public relations. In addition, regional associations often do not have established or effective national counterpart organizations; helping them to create a "hub and spoke" operation whereby the central organization works with national committees (with some cost-sharing arrangement as appropriate) may require strategic design and capacity building assistance. Associations often lack skills in membership development and cannot develop a value proposition sufficient to attract membership dues in place of donor grants. A model that links (often more wealthy) buyers/investors with the (often poorer) producers in a sectoral value chain alliance may be considered where it does not exist, as has been the case with the shea and cashew value chain alliances in West Africa.

Asia

USAID's regional trade assistance to Asia is significant in its scale and the central role it plays in advancing the United States' broad and increasingly important interests in the region. Over time USAID assistance has become a key means for channeling U.S. support to ASEAN and APEC economic and trade objectives that the United States views as vital to its own national interests.

USAID strategy is shaped in large part by the enormous stake that the United States has in ASEAN and APEC countries' economic success. Projections for East Asia-Pacific countries' percentage of world growth over the next two decades run high as 50%. Increasing Asian prosperity will generate hundreds of millions of new middle class consumers. Expanding U.S. trade and investment with the region reflects its growing economic importance. U.S. trade with the Asia Pacific region[37] grew by 31 percent between 2008 and 2014, far outpacing the 18 percent growth in U.S. trade globally. In 2014, U.S. exports of goods and services to the Asia Pacific region totaled nearly $650 billion, an increase of 39 percent since 2008. The United States is the leading foreign investor in the East Asia-Pacific region with the stock of U.S. foreign direct investment (FDI) standing at around $640 billion in 2014, up 53% percent from the U.S. investment position in 2008, with over one-third located in ASEAN member countries.[38]

The enduring and growing significance of U.S.-Asia economic and trade relations is reflected in the Obama administration's "Pivot to Asia" foreign policy initiative and its strong commitment to achieving a Trans-Pacific Partnership (TPP) agreement, "an important outgrowth of the APEC trade and investment liberalization agenda." These developments are the most recent manifestations of the long-held view of the

36 These have included the multi-regional African Cotton and Textile Industries Federation (ACTIF), the East Africa Grain Council, the Global Shea Alliance, the African Cashew Alliance, and others.

37 Data on trade in goods and services was taken from the BEA and is only available for the 'Asia Pacific' region which includes Afghanistan, Australia, Bangladesh, Bhutan, Brunei, Burma, Cambodia, China, Christmas Island, Cocos (Keeling) Islands, Cook Islands, Fiji, French Polynesia, Heard Island and McDonald Islands, Hong Kong, India, Indonesia, Japan, Kiribati, Korea, Republic of Laos, Macau, Malaysia, Maldives, Marshall Islands, Micronesia, Mongolia, Nauru, Nepal, New Caledonia, New Zealand, Niue, Norfolk Island, North Korea, Pakistan, Palau, Papua New Guinea, Philippines, Pitcairn Islands, Samoa, Singapore, Solomon Islands, Sri Lanka, Taiwan, Thailand, Timor-Leste, Tokelau, Tonga, Tuvalu, Vanuatu, Vietnam, Wallis and Futuna

38 Principal Deputy Assistant Secretary, Bureau of East Asian and Pacific Affairs, Statement before the Senate Committee on Foreign Relations Subcommittee on East Asian and Pacific Affairs, Washington DC, December 18, 2013; FDI data from BEA's Balance of Payments and Direct Investment Position data, accessed 12/14/15; Trade data from BEA's International Transactions data on exports and imports of goods and services, accessed 12/14/15.

United States and its Asian partners that regional economic and trade development and integration are essential elements in promoting mutual prosperity, security, and stability.

Since the late 1990s, a hallmark of U.S. policy and USAID regional strategy to help Asian countries achieve these broad objectives has been a focus on partnering with, and supporting the development of the region's two key organizations, ASEAN and APEC and, in particular, their secretariats.

ASEAN. The ASEAN Secretariat was established in 1976. The first ASEAN-U.S. Economic Dialogue was held in 1977, and assistance was included on the agenda. At that time U.S. assistance focused on agriculture and later shifted to education and research. Assistance went to a number of well-known institutions, including the Asian Institute of Technology (Bangkok), the Institute of Southeast Asian Studies (Singapore), the Asian Institute of Management (Manila), and the Institute of Tropical Medicine and Public Health (Bangkok). Between 1980 and 1995, USAID provided over $70 million to support ASEAN. As USAID's target areas evolved, so did its engagement with the ASEAN Secretariat.

In the early and mid-1990s, as Asia's economic performance surged, USAID refocused its ASEAN-related assistance to two areas: private sector investment and the environment. U.S. engagement with the Secretariat strengthened in 2002 with the U.S. launch of the ASEAN Cooperation Plan (ACP) to strengthen U.S.-ASEAN relations. One of the three ACP project areas included "bolstering the administrative and project implementation capacity of the ASEAN Secretariat." Cooperation with ASEAN was further emphasized by the 2005 Joint Vision Statement for Enhanced U.S.-ASEAN partnership, in which the parties committed to supporting implementation of the 2004 Vientiane Action Plan's goal of achieving "an open, dynamic and resilient ASEAN Community by 2020 and economic integration by 2015."

APEC. The Asia-Pacific Economic Cooperation (APEC) forum has provided a forum for annual meetings of national leaders of its 21 member economies (which include the United States) since 1993, when APEC leaders met at Blake Island in the United States. USAID has directed resources to build APEC Secretariat capacity and to partner in APEC development initiatives. APEC covers the range of trade and investment, economic, energy, and environment, science, and technology issues—from anti-corruption to labor mobility to improving the resilience and connectivity of global value chains. It works on issues deemed critical to the future of the Asia-Pacific economy, including digital trade, health systems, emergency preparedness, and women's economic empowerment. USG participation in APEC allows the United States to provide intellectual leadership as an incubator for new ideas and solutions to prevent barriers to trade from emerging. These new ideas can then be taken on by other groups and organizations. APEC commitments are made at the highest levels of government. APEC includes a strong, tested working-level process for functional cooperation, that translates high-level commitments into tangible results.

USG Support to ASEAN and APEC

USAID's first-generation projects in Asia were:

- ASEAN Development Vision to Advance National Cooperation and Economic Integration (ADVANCE, 2007–2012) and
- APEC Technical Assistance and Training Facility (TATF, 2008–2013).

The successor (current) projects are:

- ASEAN Connectivity through Trade and Investment (ACTI, 2013–2018) and
- U.S.-APEC Technical Assistance to Advance Regional Integration (U.S.-ATAARI, 2013–2018).

ADVANCE (2007–2012). The purpose of ADVANCE was to allow Missions in the region to support the ASEAN Secretariat and work with and through ASEAN member states' governments, civil society, and the private sector to achieve results consistent with the goals outlined in the ACP, the Joint Vision Statement for the Enhanced U.S.-ASEAN Partnership, the U.S.-ASEAN Trade and Investment Framework Agreement (TIFA), and ASEAN's Vientiane Action Program.

USAID's design for the project reflected the importance it placed upon supporting and engaging directly with the ASEAN Secretariat. The staff for the most important of ADVANCE's five TOs, the Technical Assistance and Training Facility (TATF), resided in the Secretariat headquarters. ADVANCE's team supporting the ASEAN Single Windows (ASW) TO was also located near the Secretariat. The intent was to positively influence ASEAN's perception and use of technical assistance and training, as well as its receptivity to the longer and more focused task orders. In addition, the embedding of ADVANCE staff with ASEAN counterparts was meant to facilitate one of the underlying strategies in the project design, namely that ADVANCE assistance should reflect ASEAN strategies, rather than simply U.S.-initiated activities. TO work plans were therefore a collaborative effort of consultations with the U.S. Mission to ASEAN (established in 2011), USAID's Regional Mission for Asia (RDMA), State, ASEAN, and the dominant implementing partner and prime contractor for the ADVANCE IQC and for all of the TOs under it.

APEC TATF (TATF, 2008–2013). APEC TATF was created as a partnership between USAID and the Department of State and funded by State's Office of Economic Policy within the Bureau of East Asian and Pacific Affairs (EAP/EP) at State. APEC TATF, like ADVANCE, was effectively managed by USAID/RDMA. However, because APEC TATF was contracted as a task order under the Global Business, Trade, and Investment II (GBTI-II) IQC, the COR for this project was based in Washington, DC. The project furnished a wide range of capacity building assistance to the APEC Secretariat and member economies and included the participation of several other U.S. Agencies, particularly the Office of the U.S. Trade Representative (USTR) and the Department of Commerce (DOC). TATF's assistance focused on advancing regional economic integration and cooperation by helping APEC become a more strategically and efficiently managed institution. As with ADVANCE, the APEC project employed a demand-driven approach to deliver training for Secretariat staff and improvements to key management and administrative operations in order to build the Secretariat's capabilities to execute its mission. Engagement with Secretariat staff was likewise intended to have a leavening effect, strengthening the abilities of member nation staff and their capital-based counterparts. Member economy assistance largely centered on the provision of policy studies, workshops and conferences designed to share best practices with policy makers as a first step in helping them to fulfil their domestic commitments to APEC.

ACTI (2013–2018). ACTI's focus on ASEAN economic integration and competitiveness attests to the mutual importance accorded by the United States and ASEAN to fostering the technical capabilities and an environment conducive to trade and investment competitiveness and regional market integration. Building on the accomplishments and lessons learned of ADVANCE, ACTI aims to help complete establishment of an ASEAN Single Window, foster regional integration through initiatives such as standards harmonization, and enhance competitiveness of SMEs, particularly in less developed economies, to drive development and strengthened value chains leading to expanded regional trade. ACTI also seeks to support development of key enablers for economic development and competitiveness, namely energy efficiency (and use of clean energy) and expanded regional broadband capacity, particularly for rural areas. ACTI is more programmatically focused, including at the national level. This evolution in approach reflects ADVANCE's hard-won experience in reconciling regional initiatives with the differing capabilities, aspirations and policies of individual member countries. ACTI's provision for working with other donors and bilateral programs acknowledges the reality that progress in member countries is a key driver in attaining ASEAN regional objectives.

U.S.-ATAARI (2013–2018). USAID through U.S.-ATAARI employs a dual track approach to strengthen both the capacities of development assistance-eligible member countries and of the APEC Secretariat itself so that it can effectively advance regional economic integration. U.S.-ATAARI also emphasizes collaboration with ASEAN, other donors, other U.S. government agencies than USAID and State, and the private sector, civil society, and non-governmental organizations (NGOs). In U.S.-ATAARI, USAID again puts to work an operational principal learned in ADVANCE and the APEC TATF and incorporated into ACTI, namely, attainment of regional goals is both a top-down process—that is, working with the Secretariat to help drive regional initiatives, and a bottom up process—namely building the capacity of member country governments and local stakeholders to undertake the concrete steps needs to implement real change.

Common Elements: Similarities and Differences in Approach

USAID's four Asia regional programs have shared a common set of key objectives. In the broadest sense, first and second-generation programs supporting ASEAN as well as APEC have been designed to provide capacity building assistance in three areas.

Enhance Regional Integration and Cooperation. The projects aim to advance progress towards goals set by strategic initiatives of ASEAN (e.g., the 2004 Vientiane Action Plan and the corollary) and APEC (e.g., the 1994 Bogor goals of regional free and open trade and investment).

The objective of regional integration embraces U.S. economic and development interests as exemplified in the 2005 Joint Vision Statement for Enhanced U.S.-ASEAN partnership to cooperate in implementing the 2004 Vientiane Action Plan. The projects devote significant resources to enable Asian partners to undertake and implement bilateral, regional and multilateral trade agreements important to the United States such as Laos WTO accession, implementation of the Laos-U.S. Bilateral Trade Agreement and the TPP Agreement currently under negotiation.

ADVANCE and APEC shared the objective of strengthening member country institutional and economic capacities to reduce or eliminate behind-the border barriers to cross-border trade, a major focus for the successor ACTI and ATAARI projects. Through steps to facilitate cross-border trade, USAID's RTI projects aim to promote more unified and competitive economies able to attract foreign investment and generate broad-based economic benefits, including SMEs, which are a specific set of target beneficiaries in ACTI. By generating regional economic momentum, the projects aim to help integrate less developed member countries, a particular focus for ASEAN with its members Cambodia, Laos, Vietnam, and Burma.

Strengthen the Regional Organizations' Secretariats. USAID's Asia regional trade support programs are designed to assist the ASEAN and APEC Secretariats in becoming more strategically managed institutions with steadily strengthened technical capabilities enabling the organizations to more efficiently and effectively achieve policy objectives and assist member states in meeting mutual commitments. Strengthened secretariats are also viewed as a key means for enhancing cooperation with the United States. The objective of more capable secretariats is also critical to those organizations' ability to address the broad range of transnational, nontrade challenges affecting the region.

Improve Regional Responses to Transnational Issues. While USAID's flagship regional Asia projects have concentrated on trade and economic assistance, they are by no means limited to these areas. The projects' designs recognize the broad interplay of economic, trade and transnational issues on regional security, stability and prosperity. Accordingly, ADVANCE noted ASEAN's desire for assistance in such areas as terrorism, the environment, HIV/AIDS and other health issues, disaster management and emergency response, and trafficking in persons. APEC TATF activities included participation in programs to promote a harmonized regional approach to climate change and natural disasters, as well as a collaborative effort with the U.S. Department of Labor to examine social safety nets and labor market systems response to the financial crisis. U.S.-ATAARI and ACTI are more focused on economic and trade issues than USAID's earlier projects, but likewise address cross-cutting issues. For example, U.S.-ATAARI prioritizes actions to expand women's participation in the economy and in APEC decision making.

As befits projects with common objectives, there are similarities in the approaches taken in USAID's Asia regional trade support programs to achieve their desired goals. Differences do exist, however, reflecting the differing circumstances and capabilities of ASEAN and APEC as institutions, the varying development levels and national policies of member states, and U.S. priorities. We compare and contrast USAID programmatic approaches in Asia with respect to funding, regional management, design, priorities, and donor collaboration.

Funding. ADVANCE and APEC TATF are notable for the significant role of other USG agency funding. ADVANCE IQC was funded by USAID and the U.S. Department of State (as well as other USG departments and agencies). State EAP/EP became the main funder for APEC TATF and then for U.S.-ATAARI. USAID funds ACTI, as it had ASEAN ADVANCE. The five-year projects ranged considerably in size, from under $20 million (ACTI, APEC TATF) to over $100 million for the ADVANCE IQC (with five TOs, which ranged from $2 million to over $20 million).

Lessons Learned

While lessons learned in USAID's Asia regional trade support programs were generated by experience specific to the region, many—if not most—are valid and applicable to projects implemented in other countries and regions.

Differing levels of development present special challenges. ASEAN and APEC collectively represent some of the world's most advanced and least developed countries. Although USAID projects reflect this reality in their approach, as an ADVANCE evaluation noted, "one of the most daunting challenges of working with a regional organization is the … varying range of capacity and abilities [of the members], and this contributes to delays in consensus-based decisions." The varying degrees of resources and sophistication impact across the board on project implementation. One tactic employed by Asia regional trade support programs to manage

ASEAN SINGLE WINDOW: LESSONS LEARNED

ADVANCE's ASEAN Single Window (ASW) Task Order carefully cooperated with ASEAN Secretariat counterparts while patiently laying the groundwork for expanded roles for member countries and the private sector to drive progress toward this key trade facilitation and economic integration objective. From this experience, ASW's final report distilled a number of lessons that can constructively inform the approach to any regional trade support program. Key among them are the following:

- Progress begins with political commitment. High-level commitment is the driving force for member state participation. Ideally, senior-level commitment will be formalized in a binding agreement.
- An effective regional organization with the clout and credibility to coordinate member states and the ability to serve as the point of contact for donors and contractors can be an important driver for implementation.
- Partner organization and member country leaders and champions are needed "to keep the fire burning."
- Competition between member countries motivates progress at the regional level.
- A realistic vision propels progress.
- Local specialists contribute essential expertise.
- Regional meetings promote networks and relationships.
- Outside expertise keeps fresh ideas coming.
- Public-private partnerships amplify the impact of limited donor assistance and drive government action.

these complexities is to "use as many local and regional experts and resources as possible to build local and regional expertise and to deploy resources quickly. Experts should be selected on a competitive basis and paired, on a case-by-case basis, with international experts to ensure high quality products."[39]

Effective communication and coordination are essential. Robust and formalized communication is needed to ensure coordination between and among regional trade support programs and their multiple counterparts and stakeholders, including the secretariats, member countries, regional and bilateral USAID missions, other USG agencies, and other donors. ADVANCE and APEC evaluations cited the desire among RTI participants for improved communication. APEC assessments highlighted the importance of improvements in this area for increasing the engagement, funding, and understanding of other USG agencies. Specific recommendations include formalized channels of communication, real-time calendars and dedicated messaging systems, common templates for key reports, and a dedicated USAID staff member responsible for lines of communication between the regional USAID office and projects, as well as increased participation of USAID in Washington interagency deliberations.

Coordination with other USG agencies merits emphasis as it offers the potential for being a project force multiplier. For example, it was found that

> "perhaps most notable among the drivers of [assistance] APEC [was] the community of deeply engaged diverse U.S. Government stakeholders who compete for, and are potentially able to profit enormously from, the broad array of support that … [a TATF-like platform provides.]"[40]

Implementers must match multiple requests for assistance and multiple sources of assistance. A regional program that is responsive to an agenda that is an organic one, and which involves many different countries, must build in flexibility. A demand-driven approach is essential. However, the demand-driven model presents its own challenges. Differences frequently arise between what USAID and other USG participants are willing to fund and what ASEAN and APEC are willing to approve—and vice versa (e.g., what ASEAN and APEC sets as their programmatic priorities and what USAID and other USG agencies are prepared to fund). This necessitates time- and resource-consuming mediation between the project implementer, USAID, and the regional organization. It is a basic reality of regional projects that must be reflected in project design, staffing, and expectations. Multiple sources of requests for assistance (e.g., from various countries under a variety of different functional or sectoral work programs) must be taken to multiple sources of possible assistance (USAID, State, other USG agencies), and decisions must be coordinated with other potential donors to avoid overlap or to leverage assistance.[41]

Regional programs have to achieve strategic as well as development objectives. USAID's regional trade support programs are designed to advance key USG strategic, economic, and trade objectives. At the same time they are intended to reflect and support the regional and national development objectives of ASEAN and APEC. This dichotomy necessitates a balancing between strategic and development objectives. The same may be said of many bilateral USAID programs. However, our survey of USAID-implemented regional trade support programs shows a higher level of interest and coordination with the State Department, the White House, and/or the National Security Council for regional programs than is the case in most bilateral ones. This is well illustrated by the existence in Jakarta of a U.S. Mission to ASEAN, a U.S. Embassy, USAID's bilateral

39 USAID, ASEAN Single Window Task Order Final Report, October 2013, p. 20.
40 APEC U.S. TATF Mid-Term Contractor Evaluation, Volume 1, January 2013, p. 8.
41 Formally, requests to the project were supposed to originate from the appropriate ASEAN technical lead/office following an internal ASEAN process to develop the ASEAN request/position. In practice, however, over time, project and ASEAN technical leads would informally and quietly confer together and with key countries. Proposals would then be run back through the Secretariat process by the ASEAN technical lead. Once accepted by the Secretariat as the "originator" of the activity, the Secretariat would present the activity to the project, with a request for assistance.
- Paralleling this process, a series of informal discussions would be held with individual ASEAN representatives, their national government counterparts and USG bilateral missions (State, USAID) and bilateral USAID project leads. Ideas and initiatives would be formulated and then carefully introduced into the Secretariat to generate support (as the originator). All these steps would be vetted with RDMA, which in turn had its own consultative processes.
- These informal—but important—channels developed organically. They were not written down and perhaps would not be acknowledged today. We relay them simply to indicate that regional programs have perhaps unusually high levels of ambiguity in work planning and in implementation.

mission, and the ASEAN Secretariat, as well as all of its individual member delegations. USAID projects and their regional missions must consider all these parties, making regional project administration as much a matter of diplomacy as it is technical assistance. In project design as well as in implementation, USAID needs to plan for an extraordinary high level of communication, coordination, consultation, and intermediation. This has implications for assignment of regional mission oversight/coordination staff who are bureaucratically savvy (and patient) communicators—as it does for the quantity and quality of implementing partner staff involved in this coordination process. Staff must be able to see these projects as having both strategic and development value, work with bureaucracies in REC secretariats and in individual member economies, effectively communicate with (and receive input from) the private as well as public sector, and navigate USAID regional/bilateral/headquarters politics, as well as USG interagency processes.

Regional programs need to navigate between regional and national objectives. Although focused on enhancing the capabilities of regional institutions to advance common regional goals, ADVANCE and APEC TATF—and their successor programs—had to dedicate substantial (and an increasing share of) resources to assisting member nations in building their capacities to meet APEC and ASEAN obligations. Expanding the projects' reach to engage at the bilateral level was an incremental and, at times, delicate undertaking that challenged both the regional organizations and member country governments to embrace a new concept of collaboration. A concrete example is the significant effort required to persuade ASEAN to involve the private sector more fully in the ASW initiative, although the initiative is by its very nature business oriented. USAID drew on this experience to increase emphasis in ACTI and U.S.-ATAARI on project coordination with other bilateral, regional, and other donor initiatives.

Coordination between the regional program, USAID/RDMA, and various bilateral missions was another significant requirement. And yet experience varied from country to country depending on the bilateral mission's strategic objectives and existing programming and whether activities sponsored under the regional program supplemented, displaced, or overlapped with their own programs. One clear area where regional programming was effective in supplementing national programs run by USAID bilateral missions is in the area of capacity building support from the regional programs to national-level officials and institutions on "how to host APEC" in advance of each major event, such as a Senior Officials Meeting, given that the location for hosting APEC events changes each year.

Monitoring and evaluations matter. USAID and other donors such as ADB have placed steadily greater emphasis on M&E and quality control of activities. These disciplines serve as a unifying element for the broad array of activities spread across multiple areas of focus that characterize regional trade support programs. While an important element of ADVANCE and APEC TATF, project evaluations recommended that M&E and quality control be given even higher priority in follow-on projects.

Regional programs may face unique and challenging start-up, operational, and management issues. The universe of USAID managers and implementing partners with experience implementing regional programs is more limited than it is for those with experience implementing bilateral programs. Moreover, regional programs encounter unique challenges in start-up as well as in ongoing management and oversight of activities. At start up, this can play out in terms of difficulties in executing basic operational tasks related to bank accounts, funding processes, and project registration. Such delays need to be anticipated and addressed as they can significantly impact project implementation. APEC TATF's experience is illustrative. Project registration in Singapore was delayed not due to APEC concern about TATF or the contractor. Rather, it was the Singapore government's first experience with such a project. Extra time was required for decisions regarding such matters as project registration and taxes as they were precedent setting. As for ongoing management issues, the funding of activities implemented regionally in ASEAN or APEC has been complicated by the participation of three groups of economies: (1) those that are too developmentally advanced to qualify for development assistance, (2) those with whom the United States does not (or at one time during project implementation did not) have diplomatic relations (e.g., Burma until recently), and (3) countries the United States cannot fund, such as Thailand, Russia, and China.

Co-location with REC secretariat breeds familiarity, fostering integration into REC activities. The USAID mission overseeing these programs, the USAID Regional Development Mission for Asia (RDMA), provides technical and contract oversight of these programs through frequent, daily phone and email contact, as well as frequent travel. That being said, the regional programs have all been based in cities other than the one in which RDMA is headquartered (Bangkok, Thailand). The ASEAN programs have largely[42] been based in Jakarta, home of the ASEAN Secretariat, and the APEC ones have been based in Singapore, where the APEC Secretariat is housed. Furthermore, the ADVANCE TATF and the APEC TATF were embedded within their respective Secretariats and structured to provide a wide array of services in response to the internal needs of the Secretariat as well as the member economies. ADVANCE TATF's location within the ASEAN Secretariat was cited in third-party program evaluations as critical to its success.

At the same time, capable, respected, and accessible project staff and consultants working closely with counterparts and, in the case of ADVANCE and APEC TATF, embedded in the Secretariats, have proven an effective strategy for building effective relationships with ASEAN and APEC and the member countries. The embedding of ASEAN TATF and APEC TATF staff was credited with promoting a positive view of the projects and technical assistance, support for longer term and more rigorous task orders, a high level of project visibility, and accelerating progress toward key objectives of the regional organizations and member states. Successor programs ACTI and U.S.-ATAARI carry forward USAID's continuing emphasis on close collaborative work and relationships as project priorities.

IQC and other contracting mechanisms must provide for adaptation/quick response. While all regional trade support programs have multiple objectives and technical areas of focus, ADVANCE's design is unique in that it is an IQC with a single awardee (the result of a competitive procurement). Activities under the IQC evolved organically over time—not all were envisioned at the time of award. Over the life of ADVANCE, five TOs were designed and implemented. Although the IQC holder did not have to compete with others for each TO, it did have to respond to RFTOPs, prepare cost proposals, and identify key personnel/implementing teams for each TO prior to its award. ADVANCE's TOs convey USAID's ambitious vision for the project's reach and outcomes. ADVANCE's five TOs were (1) ASEAN-U.S. TATF (or The Facility) located in the ASEAN Secretariat; (2) ASEAN Single Window (ASW); (3) Valuing ASEAN Linkages Under Economic Integration (VALUE) to support tourism and textiles sector development; (4) Luna-Lao project to assist Laos with its WTO accession and implementation of the Laos-U.S. Bilateral Trade Agreement, and ASEAN Economic Community (AEC) commitments; and (5) the agricultural sector-focused Maximizing Agricultural Revenues through Knowledge, Enterprise Development and Trade (MARKET) TO. The IQC-with-TOs mechanism was ideally suited, in some respects, to "planned flexibility."[43] However, USAID/RDMA did not use this contracting approach for subsequent regional programs for a variety of reasons, including USAID's desire to reduce the scale of the contract going to an international implementing partner, while increasing funding to regional or local entities within the region under the USAID Forward initiative.

Regional programs must balance/accommodate both U.S. and REC priorities. Program priorities have reflected both U.S. strategies and priorities and those of the RECs they support. The United States is not a member of ASEAN and yet assistance to ASEAN is a strategic U.S. priority. Within the USG ASEAN programs, however, priorities have been led from ASEAN work planning and calendars, not by the United States,

42 Under the first ASEAN program, ASEAN ADVANCE IQC, the TATF (the first task order under the IQC) was based at the ASEAN Secretariat with an offsite administrative back office. Subsequent task orders (e.g., for the ASEAN Single Window) also were based in Jakarta. However, a task order focusing on developing or strengthening ASEAN value chains was based in Bangkok (where most private sector partners were based) and another task order assisting Laos to prepare for accession to the WTO (Luna Lao) was based in Vientiane, Laos. Regardless of location, all ASEAN and APEC regional programs reported to CORs and COs at USAID/RDMA.

43 In the case of ADVANCE the IQC structure was identified as providing the project "tremendous flexibility in responding to demands from both its donors and ASEAN," a key factor in fostering a strong relationship based on both trust and past performance. The absence of an IQC mechanism in other regional trade support programs was not cited as either a positive or negative factor in evaluations of those programs.

although ADVANCE and ACTI both consulted with the U.S. Mission to ASEAN. For the APEC programs, the same may be said—even though, unlike ASEAN, the United States is a member of APEC. Programmatic priorities for both the APEC TATF and its successor, ATAARI, flow from the calendar and priorities of APEC. That being said, however, it is worth noting that ATAARI differed from the predecessor program in that it is structured to include not only a Singapore-based Chief of Party, but also a Washington, DC-based Deputy Chief of Party charged with coordinating with the State Department, USAID, and other USG agencies involved in various aspects of the APEC work program (e.g., the Departments of Commerce, Agriculture, Justice, and Labor, among others).

One of the underlying strategies in regional trade support project design is that the pattern of U.S. assistance would mirror ASEAN strategies, rather than simply U.S.-initiated activities. This approach is not to the exclusion of U.S. objectives; it also embraces U.S. priorities shared by ASEAN and APEC such as the TPP Agreement and bilateral U.S. trade initiatives with member countries.

Regional programs involve extensive cooperation and coordination with other U.S. agencies, donors, and institutions. Over time, regional trade support projects have increasingly recognized—and reflected programmatically—the necessity and benefits of broad donor as well as interagency coordination. Coordination is viewed as a means to expand the projects' resource and funding base and magnify the impact of each individual donor's contribution. For example, ADVANCE's ASW TO worked with the European Commission, AusAid, Japan, the ASEAN Development Fund, and ASEAN Infrastructure Fund. APEC TATF partners included USTR, UNCTAD, U.S. Department of Labor, U.S. Transportation Security Administration, U.S. Department of Commerce, the Center for Strategic and International Studies, State EAP/EP, Singapore-based Lee Kuan Yew School of Public Policy, and the State Department's Office of Global Women's Issues. ACTI and ATAARI similarly view donor coordination as critical elements and consistent with U.S. commitments under the Paris Declaration on Donor Coordination.

As stated in the ATAARI RFP, USAID's cooperation imperative extends to seeking "opportunities for collaboration with U.S.-funded activities supporting ASEAN—such as the similarly structured [USAID] ASEAN Connectivity through Trade and Investment (ACTI) program or the [ADB's] Lower Mekong Initiative (LMI)—or other regional institutions such as the East Asia Summit (EAS) and the Pacific Islands Forum (PIF)."

Latin America and the Caribbean

The United States has focused its TCB spending in the Western Hemisphere on Central America and the Andean region, where the U.S. Government has signed and implemented recent bilateral FTAs (with the developing countries of Honduras, Guatemala, El Salvador, Nicaragua, the Dominican Republic, Peru, and Colombia, as well as with several relatively developed countries: Costa Rica, Chile, and Mexico). The U.S.-Central America-Dominican Republic Free Trade Agreement (CAFTA-DR) was the first to include a formal measure to address TCB needs. During and following the FTA negotiations, the U.S. Government recognized that training was needed in many of these countries to build public sector understanding of the rules under negotiation, enforcement capacity (e.g., in intellectual property protection) and to help government officials develop more robust coordination and outreach mechanisms, both intra-governmental and between the public and private sectors.

A series of "regional" programs ensued, in the Andean and Central American region, although most of these programs did not have a regional counterpart secretariat as an anchor institution, but rather concentrated on delivering capacity building assistance to counterpart national governments. The fact that there were multiple bilateral agreements between the United States and a number of nations in a given region allowed for both procurement and programmatic efficiencies via a regional program even in the absence of such a counterpart institution.

Objectives

Support for U.S. trade objectives has been a main driver of USAID's Central and Latin America regional trade initiatives. USAID's projects have worked to help equip U.S. FTA partners to prepare for and implement the comprehensive and high standard commitments of these agreements.

The broad objectives of U.S. free trade agreements in the region include the elimination of tariffs and removal of barriers to U.S. services; fostering a predictable legal framework for investors; and strengthening protection for intellectual property, workers, and the environment, thereby promoting stronger trade and investment ties, prosperity, and stability throughout the region.

In 2005 the U.S. Congress passed the implementing legislation for CAFTA-DR, an FTA between the United States, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and the Dominican Republic. By 2009, CAFTA-DR had entered into force in all partner countries.

Similarly, the United States pursued both bilateral and regional trade and economic objectives through FTA negotiations with both Peru and Colombia. In addition to the broad objectives of reducing and eliminating foreign barriers to trade and investment, these FTAs sought to create the economic foundation necessary to support democracy and fight drug activity. The efforts yielded the United States-Peru Free Trade Agreement (2009) and The United States-Colombia Trade Promotion Agreement (2012).

Approaches

USAID has employed both regional and bilateral trade support programs supportive of regional objectives in helping FTA partners develop the capabilities to implement and benefit from the agreements.

CAFTA-DR requires significant reforms of the import-export environment as well as transparency and efficiency in administering customs procedures including rules of origin. USAID implemented a suite of regional and bilateral projects to assist partner countries in meeting these commitments. These USAID projects, listed below, were also designed to advance and reinforce bilateral program efforts in support of partner countries' national development objectives.

- CAFTA-DR Bilateral Trade Program in El Salvador (2006–2010)
- Central America-Dominican Republic Free Trade Agreement Implementation Project (2007–2012)
- Cooperative Agreement for Compliance with Rules of Origin and Customs Procedures (2006–2010)
- CAFTA-DR Regional Trade Program Project (2007–2012).

In addition, USAID and the U.S. Department of Agriculture have for many years had a Participatory Agency Program Agreement for Sanitary and Phytosanitary Standards. The current program (2011–2016) is to "promote food security and trade integration through SPS and other agriculture-related capacity building."

In the Andean region, USAID implemented similar regional projects to support implementation of U.S. FTAs, strengthen trade capacity throughout the region, and support national development objectives. These USAID projects included:

- Andean Regional Trade Capacity Building Program (2005–2006)
- Peru and Andean Trade Capacity Building Program (2010–2013)

Collectively USAID's CAFTA and Andean projects addressed a wide range of technically demanding areas, reflecting key U.S. FTA chapters including Labor, Intellectual Property, Trade Facilitation, Administrative Simplification, Technical Barriers to Trade, Medicines, Telecommunications, and SPS. Given the range of objectives the projects employed a full complement of assistance mechanisms, including workshops, seminars, and training events; studies; technical advisory assistance to improve institutional capacity and enhance public-private sector dialogue; embedded advisors; and grants. Also of importance was USAID's role in some projects in coordinating with—and in the case of USG agencies providing logistics for—other donor organizations, notably the European Union, IDB, IBRD, and the Inter-American Institute for Cooperation on Agriculture (IICA). The broad coverage of U.S. FTAs led to USAID projects engaging with a vast range of partner country trade and economic-related agencies.

USAID has also taken a regional approach to food security in its Central America USAID Regional Trade and Market Alliances Project, 2013–2016. This project works to improve trade facilitation and market access for agricultural value chains in Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama. It aims to promote food security and economic/trade development by expanding interregional trade and public private sector cooperation. The project employs grants to improve the competitiveness of small producers and to support trade capacity building and trade facilitation advocacy in the private sector.[44] This program coordinates with SIECA (Secretariat for Central American Economic Integration) and has provided organizational capacity building for SIECA itself, making this program unique among regional USAID programs in Latin America and the Caribbean in that it is more of the Tree model than the Patch of Grass model described earlier in this paper.

Lessons Learned

Reviews of USAID's CAFTA and Andean regional trade support projects provide an abundance of findings and lessons learned.[45] Key lessons learned common to all projects are the following:

There is no one model for the structure of a regional trade support program, particularly in the absence of a counterpart regional secretariat to support, or through which to channel support, to member countries. There has been considerable experimentation in refining and adjusting the model. In the Andean region, for example, a single COR and COP (both based in Lima, Peru) oversaw technical work in Peru, Ecuador, and Colombia initially. Subsequent programs dropped Ecuador as bilateral tensions grew along with a change in government in that country. A successor program had a COP and COR in Peru and related/similar activities (overseen from Peru) in Colombia. The most recent generation has had two separate contracts, one for work in Peru and one for work in Colombia. The same implementing partner manages both programs, but each contract has its own COR and COP. Neither Colombia nor Peru has USAID funding for trade support per se in this current iteration; as well, there is no South America regional trade funding available. The Peru program has evolved to focus on environment-related trade programming, with funding from the Global Climate Change initiative.

Government support of reform is necessary for success. Without government support, activities will not result in the implementation of reforms. In trade capacity building projects, governments must have a positive and proactive attitude to trade facilitation.

Extensive coordination, engagement, and communication—within USAID, with U.S. agencies, and across agencies and embassies—are essential to the success of regional projects. Coordination meetings between all USAID Missions, their government counterparts, and the contractors can help develop a clear understanding of scope, coordination, and process to implement regional projects.

Regional missions (and programs) and bilateral missions (and programs) should work together to leverage opportunities and resources, including developing buy-in mechanisms for bilateral missions to join in regional

44 USAID, SOW Regional Integrated Trade and Food Security Project, 2012; Nathan Associates, Website, Regional Integrated Trade and Food Security Project Information.

45 USAID, Evaluation of CAFTA-DR Final Report, 2011; Central America, Evaluation, DR-CAFTA Implementation Project, 2011; Peru and Andean Trade Capacity Building Program, USAID Final Report, 2013; USAID Andean Regional Trade Capacity Building Program, 2006.

initiatives. Design of regional projects must include bilateral concerns to enable USAID bilateral missions to develop a sense of ownership to facilitate their participation in implementation.

Build trust between projects and project stakeholders in government agencies. Team experience and expertise is important for building confidence with counterparts. Probably the most important factor in ensuring superior performance on the project is the assembly of a team of highly competent and committed professionals able to respond quickly and effectively to requests.

Plan intelligently and focus on activities that are the most likely to achieve the desired results.

Europe and Eurasia

Objectives

In Central Asia USAID has sought to foster economic growth and improve conditions for international and cross-border trade and transit. Key programmatic objectives supportive of that broad goal have included:

- Simplification of import tariffs, preferences, and government pre-export barriers
- Moving project countries toward WTO accession and/or compliance
- Strengthening governments' ability to formulate and implement trade policy
- Improving customs procedures to reduce delays and costs to traders of complying with customs requirements
- Improving the efficiency of transportation of goods and traders, including transit across intervening jurisdictions
- Achieving improved private sector access to market information
- Improving capacity to compete for international business
- Supporting construction and rehabilitation of roads
- Developing the public and private sectors' capacity to partner, implement legal reforms, and streamline administrative and legal processes
- Strengthening the private sector's—including SMEs'—competitiveness in regional and international commerce.

Approaches

Regional and sub-regional projects constitute a major portion of USAID efforts in Central Asia.[46] This reflects the reality of the challenges in the region. Perhaps most significant is the landlocked nature of the countries in the region. Added to this is the legacy of Soviet era transport infrastructure and a wide range of NTBs that choke efficiency and economic performance. These challenges require USAID and other donors to apply interventions that foster cooperation across borders to integrate economies and enhance national and regional trade facilitation. USAID has focused the greater part of its efforts in the region on Kazakhstan, Kyrgyzstan, Uzbekistan, and Tajikistan.

USAID's Regional Trade Liberalization and Customs Project (RTLC, 2007–2011) is notable for the ambition of its objectives and the range of its assistance mechanisms. RTLC embraced most of the programmatic objectives noted above. The project worked with the private sector—including associations and targeted

46 USAID Central Asia projects reviewed for this report include the USAID Regional Trade Liberalization and Customs Project (Kazakhstan, Kyrgyzstan, and Tajikistan), USAID Enterprise Development Project in Central Asia (Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan), USAID Business Environment Improvement Project (Kazakhstan, Kyrgyzstan, and Tajikistan), USAID/CAR Trade Facilitation and investment Project (Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan).

sectors—to increase business and trade competencies, as well as to enlarge the private sector's role in policies. The project partnered with foreign donors, notably the German Agency for International Cooperation (GIZ). Over the course of its assistance to its partner countries, RTLC engaged with nearly every trade-related agency.

There was significant overlap of technical areas of focus and approach between RTLC and the USAID/Central Asian Republics (CAR) Trade Facilitation and Investment Project (2001–2006). This earlier Central Asian project included a particular emphasis on the highly technical, but critical, areas of Metrology, Accreditation, Standardization and Quality. SMEs featured prominently in USAID's Enterprise Development Project in Central Asia (2002–2006) and Business Environment Improvement Project (2006–2011). The design of the Enterprise Development Project was true to its regional objectives—the project delivered its assistance through 12 Enterprise Development Centers located in its five partner countries.

The subsequent Regional Economic Cooperation Project (RECP) implemented from 2011 – 2015 reflected the increased attention on Central Asia's role in stabilizing Afghanistan, with emphasis on building trade links to support SME growth and integrating Afghanistan in regional trade. RECP's primary focus was on building the capacity of private sector firms to increase exports regionally and internationally by reinforcing networks of export partnership groups developed under predecessor projects, and supporting exporters from Central Asia in their efforts to supply goods to the U.S. Department of Defense for use in Afghanistan. RECP also built upon previous trade policy work, helping to implement pro-trade policies and procedures, evaluating transport corridor performance, assisting Tajikistan's WTO accession efforts, and providing capacity building support to trade promotion agencies.

USAID concentrated on improving macroeconomic stability through promoting economic diversification and broad-based growth in Kazakhstan and Turkmenistan under the Macroeconomic Project (MEP) (2011-2016). The MEP project focused on improving trade policy in both countries and supported activities on public financial management and private sector development in Turkmenistan and regulation and business environment in Kazakhstan.

Lessons Learned

Given its ambitious objectives and the array of challenges it faced, RTLC provides useful lessons for future project strategy and design.

The central lesson of RTLC is the dependence of a project's success on the commitment of its foreign partners to implementing and sustaining project objectives. The project review[47] noted that little progress was observable in key results areas[48] as they did not reflect government priorities or would depend on post-project implementation. Where partner governments embraced project objectives—as in the case of Tajikistan's push for WTO accession—significant progress resulted. This was not a criticism of efforts made, but rather an observation of the vulnerability of the project to the vagaries of the implementation environment.

A key second lesson learned is the importance of well-crafted and realistic M&E. In numerous results areas, the review described progress towards objectives and extensive project activities, but provided no quantification of outcomes. The review observed that "it is almost impossible to make an assessment of the [project's] economic impact at the macro level. The review also noted that the "impact indicators included in the project performance management plan (PMP) are not adequate to assess the economic impact of the project."

47 The USAID Regional Trade Liberalization And Customs Project Evaluation Final Report, February 2012.
48 Ibid. Result 1: Simplification of import tariffs, preferences, and government pre-export barriers; Result 2: Move project countries toward WTO accession and/or compliance; Result 3: Improve customs procedures to reduce delays and costs to traders of complying with customs requirements.

Other noteworthy lessons learned from Central Asia USAID projects include these:

1. *Design a flexible and broad scope* and a correspondingly *responsive implementation mechanism* such as a mini-IQC.
2. *Customize the project for each country.* Don't force the regional approach. There may be different reforms promoted in different countries of the region by the same regional project.
3. *Engage individually with the public and private sectors in each participant country.* It is desirable to have a project advisory committee in every project country.
4. *Strike a balance between private sector and government assistance.* Both sectors are part of any effective trade support program, whether delivered regionally or bilaterally.
5. *Plan for sustainability, including funding.* This may involve co-funding by multiple donors or working with private sector associations or informal alliances to build institutional capacity and to create economies of scale for potential investors and members.

ANNEX II. SELECTED OTHER BILATERAL DONORS' EXPERIENCES WITH REGIONAL TRADE SUPPORT PROGRAMS

The U.K.'s Department for International Development (DFID) also has designed and implemented regional trade programs in Africa, including through the US$500 million TradeMark East Africa (TMEA) and the slightly smaller TradeMark Southern Africa (TMSA). The EU and Germany have placed an increasing share of their trade support programming into regional activities—although these tend to be more oriented toward grants or loans supplemented by targeted technical assistance rather than multi-year projects in the sense of the USAID and DFID programs. Other bilateral donors with regional programs include Australia, Finland, Japan, Canada, New Zealand, Spain, Sweden, Belgium, Switzerland, and Brazil.

U.K. Department for International Development

DFID's global trade development assistance is substantial and growing, exceeding $1 billion per year in recent years and accounting for about 12% of DFID's total expenditures.[49] Half of DFID's AfT commitments go to Africa. Regional trade development assistance accounts for a large and growing share within DFID's AfT for Africa (See Figure 10).

DFID's Trade and Investment for Growth White Paper[50] sets out the U.K.'s policy on AfT. It prioritizes:

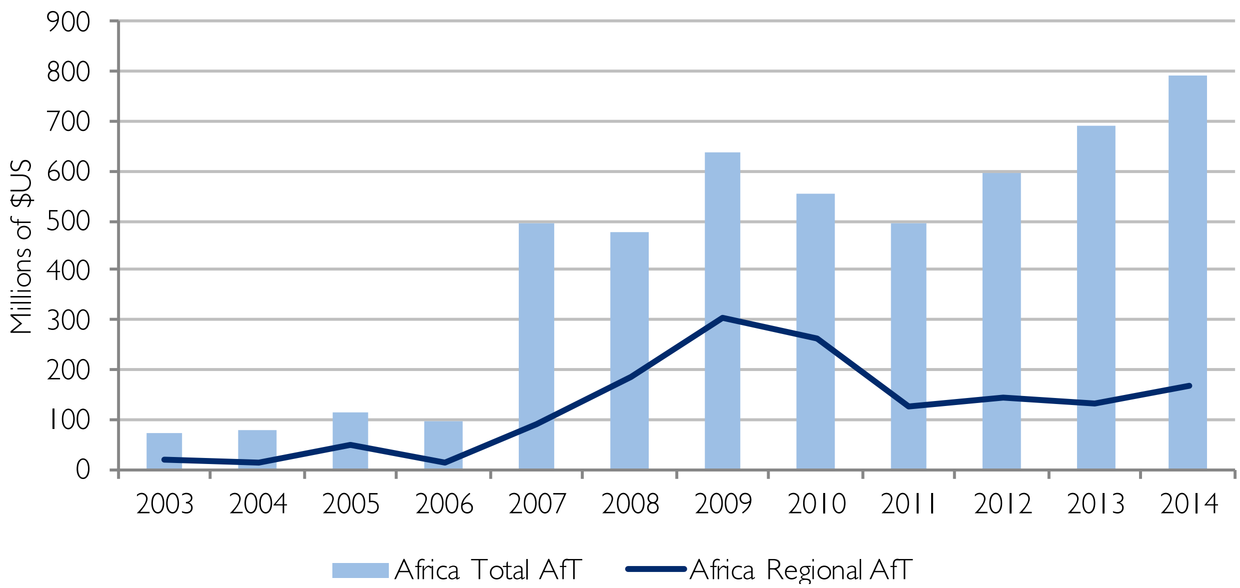
- Easing border delays
- Capacity building (especially for negotiations)
- Country competitiveness (including through stronger engagement with the private sector).

DFID addresses trade policy and regulation support at a regional level, while addressing productive capacity in its private sector development programs principally at the country level. DFID supports trade-related infrastructure development at the multinational, regional, and national levels, via a combination of internationally managed trust funds, regional programs, and country programs, respectively.[51]

In Africa, DFID has supported a number of RECs, including the three largest: COMESA, EAC, and SADC. DFID's regional trade programs in Southern and East Africa have especially focused on the Tripartite talks,

49 ICAI, DFID's Trade Development Work in Southern Africa, December 2013, p. 4.
50 Trade and Investment for Growth, Department for Business, Innovation, and Skills, 2011, http//www.bis.gov.uk/assets/biscore/international-trade-investment-and-development/docs/t/11-717-trade-investment-for-growth.pdf
51 ICAI, DFID's Trade Development Work in Southern Africa, December 2013, p. 4.

Figure 10. DFID AfT Spending in Africa, including Africa Regional AfT, 2003–2014



Source: OECD

an attempt (launched at the 2007 African Union Summit) to merge these three RECs to establish a free trade area covering 26 of Africa's 54 countries. DFID's regional trade support programs in Southern Africa[52] prioritize:

- *Market access.* Reducing tariffs and NTBs
- *Border delays.* Harmonizing documentary requirements and regulations, and supporting one-stop border posts
- *Trade-related infrastructure.* Reducing the costs of transport by rehabilitating road, rail, ports, and energy infrastructure through leveraging donor financing with private sector investment.

Although the vast majority of DFID's regional programming in support of trade initiatives has been dedicated to Africa, DFID has historically supported regional trade programs in Latin America as well.[53] DFID also has supported the establishment of Economic Partnership Agreement (EPA) implementation units with the Caribbean Community Secretariat and in Grenada, Guyana, and Antigua and Barbuda. One such effort is supported through a regional Challenge Fund, co-financed with the IDB and the Canadian International Development Agency.[54]

DFID considers that regional cooperation activities typically have higher costs and greater risks than national ones. However, it also points to high-return regional activities that DFID has supported, including internal rates of return (IRRs) of 120% for the Southern Africa Power Pool and of 25–65% for various East African regional integration activities. DFID's Value for Money approach, applied to regional cooperation activities, suggests that programs should analyze not just gross returns, but also the pattern of costs and benefits on a national or even subnational basis—and among specific target populations (women, youth, the very poor).

52 These include TradeMark Southern Africa (TMSA, funded at £109 million), the Mozambique Regional Gateway Programme (MRGP, funded at £9 million) and the second phase of the Making Financial Markets Work for the Poor Programme (FinMark Southern Africa, no funding information).
53 'Punching above its weight' An Evaluation of DFID's PSP, LAMIT and ENLANCE programmes in Latin America, December 2008, http://www.oecd.org/derec/unitedkingdom/44879767.pdf
54 UK's 2011 White Paper on Trade and Investment, https:///www.gov.uk/government/uploads/system/uploads/attachment_data/file/228941/8015.pdf

DFID'S TRADE ADVOCACY FUND

Although not regional in focus, DFID's global Trade Advocacy Fund (TAF), launched in September 2011, is a multi-country initiative that offers short-term support to the poorest developing countries to help them to engage in crucial trade negotiations. TAF support is available to governments from Least Developed Countries (LDCs), Low Income Countries (LICs), Lower-Middle Income Countries (LMICs), and their representative membership organizations (e.g., RECs). TAF provides:

- Independent technical and legal advice to ensure that delegates can access high-quality information as they prepare for key talks
- Targeted training and capacity building for developing country officials to ensure they have the technical and legal skills they need to bring real negotiating power to the table
- Logistical support to ensure that countries can engage in key negotiations that will affect their future.

With respect to Africa specifically, the region receiving the greatest share of DFID funding today, DFID supports regional trade programs not just as an efficient way of managing scarce financial resources, but also as the best way to achieve DFID's wider development objectives: social development, governance, conflict prevention, and climate change. In its Africa Regional Programme, funding is allocated as follows: 37% to economic activities, 25% to humanitarian support, 13% to climate change, 9% to governance and the remainder (24%) to health and education.

Over the past decade, DFID has designed, funded, and implemented more than a dozen regional trade support programs in Africa alone; these have included:

- The Regional Trade Facilitation Program in Southern Africa (2003–2009) and its successor, TradeMark Southern Africa (2009–2014)
- The Food Retail Industry Challenge Fund (FRICH)[55] (2006–2012)
- The Mozambique Regional Gateway Program[56] (2011–2016)
- Making Commodity and Service Markets Work for the Poor (2004–2009)
- West Africa Food Markets Programme (2014–2019)
- East and Southern Africa Staple Food Markets Programme (2011–2018)
- Regional Standards Programme (2006–2009)
- TradeMark East Africa (2010–2016)[57]

A number of these programs dealt with trade issues involving multiple countries, including cross-border issues, but most have focused on infrastructure. Others had a multi-country trade focus but did not deal with regional trade integration (e.g, the FRICH program, which sought to attract investment from supermarkets that source their fruits and vegetables from a variety of African countries, thus, the quality and food safety of foods imported into the U.K. were the focus).

55 World Trade Organization and Organization for Economic Cooperation and Development, "Aid for Trade Case Story: UK, Establishing and Managing a Regional Aid for Trade Programme," January 31, 2011.

56 This program focuses on improving transport, ICT, energy, and infrastructure along the Beira Corridor by the landlocked countries of Zimbabwe, Zambia, Malawi, and Botswana, leading to increased regional and international trade and economic growth.

57 There are many others in addition to those listed, including the Southern Africa Trust and the ComMark Trust, NEPAD Infrastructure Programme Preparatory Fund, Infrastructure Consortium for Africa, European Investment Bank Africa Infrastructure Trust Fund, Investment Climate Facility, African Enterprise Challenge Fund, and the Making Financial Markets Work for the Poor Programme (FinMark Southern Africa Programme) (2000–2010 and 2010–2015).

DFID'S WEST AFRICA FOOD MARKETS PROGRAMME

DFID developed a Sahel Disaster Resilience Strategy to improve the region's resilience to natural disasters. A key focus of it is to improve the functioning of food markets so as to make food more affordable to the poor.

DFID designed and funded a five-year pilot, the West Africa Food Markets Pilot Programme (WAFM) to identify and tackle the causes of the multiple market failures in staple food markets. WAFM, together with the East and Southern Africa Staple Food Markets Programme and the Africa Enterprise Challenge together will contribute to DFID's goal for its Africa regional programs of ensuring that an additional 3 million people benefit from cross-border value chains.

WAFP seeks to increase food production (through increased yields and reduced post-harvest losses) and to boost cross-border trade along the Ghana-Burkina Faso and Nigeria-Niger trade corridors, thereby helping to lower seasonal price volatility in certain food markets. It seeks to reach 130,000 farm households and 700,000 rural poor. Targets for 2018 are:

- Reduced differential in harvest vs. hungry season prices by 2% for selected staples;
- Increased production in focus countries by 1%; and
- At least six key policy changes that promote and facilitate trade in selected staples in the focus countries.

WAFM essentially operates as a grant-making facility. It uses two tools: a challenge fund and a policy facility. The challenge fund focuses on incentivizing companies in Burkina Faso, Ghana, Niger, and Nigeria to identify and co-invest in innovations that will not only expand their own businesses but also strengthen national and regional food markets. The policy facility supports policy and institutional changes by providing grants to organizations to improve the policy and regulatory environment for food trade.

We have selected two of these programs to profile: TradeMark Southern Africa (TMSA) and TradeMark East Africa (TMEA), since these roughly parallel the regions in which USAID has regional programs, and since the structure and experience of each has been unique and there are, not surprisingly, somewhat different lessons to be drawn from each of them. DFID elected not to develop a TradeMark West Africa in parallel with these other programs, but has a West Africa Food Markets program (see box) and reportedly may be considering design of a TradeMark West Africa in the near future.

TradeMark Southern Africa

TMSA was designed to focus on "behind the border" problems that limit Southern Africa's trade and restrict market integration. It emphasized supporting the achievement of an inter-regional trade agreement. TMSA, launched in November 2009, was a successor to the DFID Regional Trade Facilitation Programme (RTFP). RTFP had evolved from a focus on support for SADC to greater focus on the emerging COMESA, EAC, and SADC Tripartite—established in 2006 with the goal of harmonizing policies and programs of the three RECs in the areas of trade, customs, and infrastructure development. At a High Level Conference in April 2009 in Lusaka, donors (including the United States) and international financial institutions pledged $1.2 billion to projects supporting development of the North-South Corridor.

DFID designed TMSA as a £100 million five-year program with the objective of "improv[ing] Southern Africa's trade performance and competitiveness for the benefit of poor women and men"; £67 million was programmed for infrastructure funding, with £33 million to reduce regional trade barriers in Southern Africa. TMSA was headquartered in Pretoria, South Africa, with dedicated units in the COMESA Secretariat (Lusaka, Zambia) and the SADC Secretariat (Gaborone, Botswana). TMSA had a staff of approximately 15 to 20 persons. TMSA was established as a private nonprofit company in 2011, registered in South Africa and limited by guarantee.

TMSA's work was reviewed by the U.K.'s Independent Commission for Aid Impact (ICAI) in 2013. ICAI found a number of serious issues with TMSA's ability to achieve impact resulting from deficiencies in governance, financial management, procurement, value for money, and transparency of spending. ICAI was so concerned with its preliminary findings that it alerted DFID, which immediately launched a Management Assurance Review of TMSA led by DFID's Internal Audit Department. Ultimately, DFID elected to close down TMSA ahead of schedule, and it has begun to design a new regional trade program for Southern Africa.[58]

Although our survey of regional trade support programs is not intended to convey the findings of each evaluation conducted on each program we feature, we nonetheless have summarized some of ICAI's finding with implications for future program design by DFID or other donors:

- TMSA's design and implementation were based on assumed benefits for the poor rather than causal relationships between activities and impact. The program had insufficient focus on the poor and did not adequately seek to assess impact on the poor.
- The program appropriately addressed constraints to trade (tariffs, border delays, transport costs) which, if removed, could stimulate growth and reduce poverty. However, it did not focus on where DFID could address the constraints most effectively or on how DFID could best complement other donors.
- DFID did not exercise effective oversight of TMSA and this led to a lack of focus, with too many noncore activities. TMSA misreporting of performance went undiscovered by DFID, for example. Moreover, only a third of TMSA's activities related to the program's goals of cutting red tape, improving infrastructure, or reducing tariff and nontariff barriers.[59]
- TMSA's large trust account (£67 million) to leverage infrastructure finance for the North-South Corridor was largely untouched from 2010 to 2013; it had neither been invested for the benefit of infrastructure development nor attracted additional funds as had been planned. (Press reports of an unauthorized grant agreement with, and money disbursed to the Government of Zimbabwe may have been the "last straw" leading to DFID's sudden closure of TMSA.)
- Because of TMSA's private company status, a private company was in effect managing a £30.6 million DFID program without any formal contract with either COMESA or DFID. ICAI found this structure, ownership, and legal status to be inappropriate.[60]
- TMSA was helpful in establishing frameworks for the Tripartite negotiations, but DFID should identify "a more suitable mechanism" to deliver technical assistance to the Tripartite. In particular, there was confusion over TMSA's role and responsibilities in the Tripartite process in that TMSA both organizes and attends negotiation meetings and submits some technical support papers.
- TMSA paid insufficient attention to sustainability or an exit strategy. As for implementation of Tripartite FTA negotiations, TMSA was doing little to address implementation at the country level within the 26 member states, where implementation has been slow and capacity is weak.

58 Claire Provost, "UK's trade development program failed to prioritize the poor," The Guardian, December 6, 2013. The article highlighted the findings of a report from the Independent Commission for Aid Impact. ICAI commissioner Diana Good reportedly said: "We've never seen a programme as bad as this…. DFID is not as engaged with their programmes as they should be. If DFID does not get into the field more, how are they going to know what is going on?" Within a week of the report's publication, DFID Secretary Justine Greening announced that DFID was closing down the program, citing serious concerns about financial oversight.

59 For example, TMSA paid for the planting of 4,000 avocado trees to support 60 farmers in Zambia.

60 ICAI noted that DFID Southern Africa had considered, but opted not to establish a trust for TMSA (as it elected to do a few years later in East Africa, as outlined in the section to follow).

- TMSA (and DFID Southern Africa) had insufficient consultation with key stakeholders. Governments, businesses, and civil society were largely unaware of TMSA or, if they were aware, they had approached TMSA with contributions to the regional trade debate but were largely ignored.
- TMSA operated only at the regional level and—even after many other relevant regional programs, including the USAID trade hubs in Africa had evolved from working principally with regional institutions to working at both the regional and national levels—persisted in ignoring the Tripartite implementation challenges at the national level.

Trademark East Africa Program

TMEA was designed by DFID and officially launched in 2010 to promote trade growth in East Africa. Its design occurred after that of TMSA but well before the ICAI investigation into TMSA and the findings and recommendations noted above. Nonetheless, the design for TMEA did take note of the TMSA design and observed its lack of focus on national-level implementation; TMEA thus was set up with a combined regional (horizontal) and national (vertical) focus. TMEA also supports an interregional approach through its support for the Tripartite process. TMEA is currently co-funded by the U.K., Belgium, Canada, Denmark, Finland, Netherlands, Sweden, and the United States. TMEA's budget to date totals about £330 million ($540 million). TMEA is structured differently from TMSA; it is a multi-donor trust, with strategic direction set by a program investment committee comprising representatives from EAC and TMEA's bilateral donor investors.

TMEA currently focuses on:

- Reducing transport and related costs along the key corridors in East Africa
- Supporting EAC institutions to develop a comprehensive framework for regional integration
- Supporting partner states to implement a comprehensive framework for regional integration
- Engaging private sector and civil society to positively influence regional integration policies and practices to spur trade growth.

TMEA has several discrete indicators of success:

- Reduction in average time to import/export a container from an East African port to Burundi and Rwanda by 15%
- Increase of 5% above trend in export values from EAC countries to the rest of the world
- Increase of 25% above trend in the share of intraregional trade in total East African trade.

With its geographic focus on the EAC, the Northern Corridor is a primary focus for implementation of TMEA's regional and national trade facilitation activities. As a multi-donor effort, cooperation between TMEA and its "investors" is strong, enabling each donor to focus their respective bilateral efforts to complement TMEA and each other. For USAID, TMEA's strong trade facilitation focus has meant a shift in its spending for the East African Trade Hub away from trade facilitation and trade-related infrastructure and toward other areas, such as food security and export promotion.

Headquartered in Kenya, TMEA operates through six offices throughout the region, including an office in Arusha, Tanzania (headquarters of the EAC), that enables close coordination at both the national and regional level. Other country offices are located in Bujumbura (Burundi), Dar es Salaam (Tanzania), Juba (South Sudan), Kampala (Uganda), Kigali (Rwanda), and Nairobi (Kenya). Through this structure, TMEA works in parallel on both regional and national initiatives to facilitate trade and enhance regional competitiveness. For example, in the area of trade facilitation, regional efforts focus on regional policy formulation (e.g., regional legislation for one-stop border posts, standards harmonization). National efforts complement this through the development of national ICT systems, port modernization, national single window facilities, and customs modernization.

With its office in Arusha, TMEA has developed a strong focus on supporting the EAC Secretariat to carry out its regional integration initiatives, with substantial capacity building and technical assistance to the REC, in addition to its on-the-ground implementation support in individual countries. This is furthered by the role of the EAC Secretary General on TMEA's Program Investment Committee, alongside its donors/investors and national representatives from beneficiary countries. TMEA is exploring avenues to further strengthen its capacity building support to and coordination with the EAC Secretariat through more direct "twinning" of its resident advisors with EAC directorates and a new governance structure.

While the majority of TMEA assistance is directed at regional and national public institutions, significant support is provided to the private sector, both to engage in policy dialogue and to enhance private sector competitiveness. The latter is largely made operational through TMEA's grant facilities, rather than through direct technical assistance to the private sector. Two grant funds are currently in operation.

- The TradeMark East Africa Challenge Fund (TRAC) promotes private sector innovation, focusing on smallholder farmers and small businesses, to increase regional trade and improve competitiveness. Individual grantees include value-added coffee and organic dried fruit producers in Uganda, an avocado producer in Tanzania, and a regional mobile money service provider.
- The recently launched Logistics Innovation for Trade (LIFT) Fund is directed at promoting private investment and innovation in logistics services across the region. As of April 2015, 30 private sector companies have applied for grants. The fund has raised $16 million to provide challenge grants (ranging from $250,000 to $750,000) to help companies develop new ways of cutting the cost and time involved when trading goods within East Africa. It aims to encourage private sector investment in East African logistics and transport by reducing the perceived risk of investing in East Africa.

A midterm review of TMEA examined progress in reaching goals at both the national and regional level. The findings were overall quite positive:

- *EAC Secretariat.* Progress has suffered from lengthy approval procedures at the EAC, but work has been ongoing and notable achievements have been made in spite of a pause in activities when a new Secretary General undertook a review of TMEA's engagement and activities.
- *Corridor development.* Progress has been good. One Stop Border Posts taken over from the World Bank have made more progress in one year with TMEA than in the previous six years. Single Window and transport observatories are progressing appropriately.
- *Tariff and non-tariff barriers.* TMEA has assisted with strengthening the legal framework for the elimination of NTBs. Work on regional harmonization of standards has been delayed by EAC Secretariat issues but is progressing at the national level.
- *Stakeholder engagement.* Six regional issues-based platforms have been established and grants awarded for institutional capacity development in eight organizations.

Recommendations included:

- *Varying needs suggests different resource allocations among countries.* Consider increasing levels of effort for lagging country programs or scaling back ambitions when those programs are slow to progress; the current goals expect similar outcomes for similar resources in these varied countries.
- *Identify quick wins* to help gain momentum and visibility, gain support from donors and implementing partners, and catalyze additional results.

- *Coordinate ambitions to work more effectively in infrastructure with other development partne*rs to focus on areas where TMEA has a comparative advantage.
- *Diversify the funding portfolio by attracting new investment from existing or new development partners.* Further, donors need to increase the predictability of their support for TMEA by providing more multi-year commitments.
- *Ensure the completion of linked interventions even when funded by others.* Several integrated and sequenced interventions are required to ensure that one-stop border posts deliver maximum benefits (given the multimodal nature of economic corridor interventions); TMEA needs to ensure that all bundled interventions are delivered (whether entirely by TMEA or in coordination with others).
- *Further improve coordination of regional and national support*. TMEA is known for its coordination of work linking national and regional interventions. Still, more is possible. For example, there is significant work at the national level on elimination of NTBs. TMEA could help the capacity of the EAC Secretariat on NTBs.
- *Differentiate priorities and assistance to landlocked vs. non-landlocked countries.* The needs and priorities of these two groups of countries in the region vary widely. Differentiation of support by TMEA could help TMEA reach its overall objectives. For example, the costs of transportation in landlocked countries are much higher than in Tanzania and Kenya, since the landlocked ones have a higher percentage of trucks that bring goods into the landlocked countries returning to port cities empty. Moreover, more can be done to reduce nontariff barriers in countries where goods transit from port to landlocked interior countries. The majority of nontariff barriers in the region are reputedly in those countries with ports. Reducing NTBs in the landlocked countries would have a much lower impact on overall trade flows than it would if they were reduced in Tanzania and Kenya.
- *Enhance alignment with the EAC Secretariat.* TMEA might include the EAC Secretary General in its oversight committee, providing a strong signal of close alignment and placing the EAC at the heart of TMEA's programmatic decision making.

European Union

The European Union's 2007 "Aid for Trade Strategy" (AfT) is the EU's global framework for delivery of trade-related assistance. Its funding commitments are directed through "geographical instruments"[61] that deliver funds to prioritized countries and regions. In the case of MENA and E&E countries this is the European Neighborhood & Partnership Instrument (ENPI).

These initiatives exemplify the EU's strategic approach to framing and implementing trade-related assistance. To a significant extent the EU's regional assistance goals are achieved through the cumulative impact of individual EU member country efforts guided by the broad funding and development objectives of instruments such as the AfT and ENPI. This contrasts with the U.S. RTI approach in which a single project will engage a set of countries to achieve regional outcomes.

Objectives

AfT's core objective is to assist all developing countries, especially Least Developed Countries (LDCs), "to better integrate into the rules-based world trading system and to more effectively use trade in promoting the overarching objective of eradication of poverty in the context of sustainable development." The AfT is viewed as an important adjunct to trade negotiation efforts, in particular to the Doha Development Agenda (DDA), to expand benefits for trade for developing countries. Other objectives include:

61 In addition to the ENPI other instruments include the European Development Fund (in the African, Caribbean, and Pacific (ACP) countries) and the Development Cooperation Instrument (in Asia, Latin America and South Africa). This type of mechanism also encompasses multi-regional instruments for ACP countries.

- Enhancing the impact of AfT on crosscutting issues such as sustainable poverty reduction, economic empowerment of women and improved working conditions
- Promoting the environmental, social and economic sustainability of AfT, including a focus on impact assessment measures to accurately gauge the impact of development efforts
- Supporting regional integration and achieving greater complementarity and cooperation at regional level.

Approach

The EU's 2006 AfT strategy is ambitious. It is backed by significant funding that totaled approximately €18.7 billion in commitments between 2005 and 2011. A key component of overall AfT commitments is Trade Related Assistance (TRA).[62]

In 2005 the EU set the annual target of achieving by 2010 €2 billion in TRA with €1 billion to come from the EU and €1 billion in bilateral assistance from Member Countries. Since 2008 the EU and Member States have generally met this annual funding goal as in 2011 when its TRA commitments totalled €2.8 billion.

The AfT strategy aims to achieve its main objectives by directing assistance to the six WTO AfT categories.[63] It places a particular emphasis on using "demand-driven, pro-poor development strategies." The AfT strategy encourages Member States and the EC to employ a broad range of approaches that encompass productive capacities, trade-related infrastructure and trade-related adjustment, as well as cooperation with other international donors and the private sector.

The main objective of ENPI[64]—the AfT "instrument" directed to neighboring Eastern European and MENA countries—is to "create an area of shared values, stability and prosperity, enhanced cooperation and deeper economic and regional integration by covering a wide range of cooperation areas." The ENPI builds on predecessor programs for Eastern European and Mediterranean countries implemented between 2007 and 2014. The 2014 launch of ENPI was motivated in part by the Arab Spring (2011). Robust funding is a characteristic of ENPI as with other AfT instruments. ENPI approved funding for 2014–2020 is €15.4 billion. This compares with €11.2 billion for the prior period of 2007–2013.

Mediterranean/Southern Neighborhood Countries. EU assistance in the Southern Countries is predominantly bilateral as opposed to regional.[65] Between 2007 and 2013 the EU committed a total €9.1 billion in assistance to the Mediterranean Countries. Activities categorized as "regional" accounted for around 7 percent (€631 million) of this total. While activities falling into categories (Regional Integration, Investment and Regulatory Convergence with EU policies) that might contribute to broader RTI objectives received only €123 million in commitments. Bilateral programs with the most robust trade-related elements appear to occur in Morocco and Tunisia, two countries engaged in "Deep and Comprehensive Free Trade Agreement" negotiations with the EU. The relative absence of EU RTI projects reflects the European Community's focus on responses to the 2011 Arab Spring and its subsequent national and regional crises, events that further fractured a region generally seen as the world's least economically integrated. These same factors influence the priorities of USAID and other donors in the region.

62 Trade-Related Assistance (TRA) is defined as assistance directed to the WTO-defined AfT categories of Trade Policy And Regulations (TPR), Trade Development (TD) and Other Trade-Related Needs. See also Footnote 3.

63 The six AfT categories agreed upon by the WTO are (1) Trade Policy And Regulations (TPR); (2) Trade Development (TD); (3) Trade-Related Infrastructure; (4) Building Productive Capacity; (5) Trade-Related Adjustment; (6) Other Trade-Related Needs.

64 ENPI encompasses the following countries in the following two categories: (1) Eastern Partnership and Russia (Armenia, Azerbaijan, Belarus, Georgia, Moldova, Ukraine, and Russia) and (2) Mediterranean/Southern (Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Palestine, Syria, and Tunisia).

65 EU regional trade support assistance is delivered within the context of initiatives encompassing issue areas well beyond just the trade-related. Non-AfT areas include democracy, good governance and stability; economic integration and convergence with EU policies; energy security; and people-to-people contacts; civil society (protection, migration, justice and security); small and medium-sized enterprises; regional electricity markets, energy efficiency and renewable energy sources; environmental governance; prevention, preparedness and response to natural and man-made disasters; and transport, youth and culture.

Eastern Partnership Countries. The Eastern Neighborhood has proven more fertile territory for EU regional initiatives than the Southern region. Between 2007 and 2014 the EU and Member Countries committed €631 million to regional programs, around 15 percent of the total of €3.9 billion in Eastern Partnership and Russian funding. Areas of focus include regional cooperation and integration with the EU (€164 million); networks (€39 million for such areas as regional gas and electricity markets, regional transport network development); and—perhaps most significantly from an RTI perspective—funding from the EU and ERDF to local authorities for Cross-Border Cooperation programs that include €254 million in large-scale border crossing infrastructure to advance the objective of Integrated Border and Migration Management.

Lessons Learned

Success Depends on Partner Country Commitment. From the EU's perspective budget support is a preferred method of cooperation that offers significant advantages in supporting reforms compared to project-related approaches. However, success is dependent on partner country commitment to rigorous eligibility criteria, including adoption of national reform policies.

Outreach and Communications Matter. Lack of public awareness of U.S. assistance efforts and benefits is a recurrent challenge for USAID. The EU addresses this problem by making communication of policies, actions, programs and outcomes a top priority. Communication strategy needs to be embedded in all aspects and levels of a program with budgets specified and allocated; implementing partners required to publicize efforts and results; and public awareness activities undertaken at the local, regional and headquarters levels.

Germany

Over the past decade, Germany has increasingly focused its AfT activities on capacity building for regional integration and trade facilitation in Africa, Asia, Central Asia and Central America in line with Europe's focus on assisting ACP countries. All their programs aim to be demand driven and focused on the priorities of the partner country, which GIZ believes leads to more partner country ownership and long term results. GIZ programs tend to use a variety of tools or programs, such as trainings, exchanges, or south-south cooperation, to build the capacity of local and regional organizations and stakeholders, allowing them to be more effective in developing and implementing national and regional agreements and policies and increasing their capacity to engage in regional and international trade.

GIZ has maintained a particularly deep presence in Africa, having supported EAC integration since 1998, with current programs focusing on increasing stakeholder capacity to decrease NTBs, coordinate standards, and increase public private dialogue. Similarly, GIZ's current West Africa project focuses on capacity building within the ECOWAS commission and implementation of a common external tariff, while an earlier project aimed to improve standards within the cocoa industry across three ECOWAS states.[66]

66 GIZ has been working since 1998 to help East African integration. GIZ supported the establishment of a Regional Quality Infrastructure in the East African Community under a program that was implemented from 2004 to 2013. Certification Capacity Enhancement project (2010-2012) (Ghana, Cote d'Ivoire, Nigeria), GIZ worked to promote sustainable productive cocoa cultivation and easier access to markets to improve living conditions of smallholder farmers. The project focused on (1) promoting cooperation on standards initiatives—fair trade, rainforest alliance and UTZ certification, and developing collective training programs to help farmers achieve these cultivation standards and improve access to markets, and (2) expanding training, including through a service center established to offer extension services.
In East Africa, from 2004-2016, GIZ also funds Support for the EAC Integration Process. This project focuses on (1) improving EAC organization and branding; (2) liberalizing trade, coordinating standards, eliminated NTBs and improving implementation of the customs union, and promoting investment and industrialization; (3) improving public private dialogue and EAC capacity for communication and civil society engagement.
In West Africa, GIZ funds the Support Program for the ECOWAS Commission (2010–2019). The project aims provide technical assistance and capacity building to the ECOWAS commission to improve design and implementation of agreements on taxes, customs, tariffs, and other trade related issues. The project has three main components: (1) supporting strategic planning communication and coordination within ECOWAS (2) introduction of the Common External Tariff (CET) (3) fostering cooperation around ECOWAS institutions to facilitate peace and security. GIZ works with the German Metrology Institute on this project.

In South Asia, GIZ is providing capacity building support to the South Asian Association for Regional Cooperation (SAARC) trade promotion network, and developing new trade facilitation and promotion initiatives.[67]

In Central America, GIZ is building technical capacity of the CARICOM Secretariat, to promote regional integration and facilitate the Economic Partnership Agreement (EPA).[68]

In Central Asia, GIZ worked with the ADB and EU to fund and coordinate Senegalese technical assistance on single window implementation to several Central Asian countries.[69] In the Central Asia program, GIZ support is focused in scope and time frame: €16.5 million to be expended between 2005 and 2014 to support adoption of pre-customs single window programs in the four partner countries. This focus and GIZ's self-described "pragmatic approach" allowed the project to research existing technology used in over 30 countries with a proven track record to identify solutions that would be to the resource and sophistication levels of its partner countries. GIZ followed a determined course not to reinvent the wheel in devising new technical approaches when existing options would suffice.

Lessons Learned

GIZ's Central Asia single window project[70] provides a useful case study of a well planned and executed project that strove to turn challenges and resource limitations into virtues through the following steps:

Win essential political buy-in by demonstrating concrete benefits to leadership and conducting thorough research. The team discovered that although informal trade procedures worked relatively efficiently, the official ones were among the most cumbersome in the world. Until then many governments in the region had not recognized the full seriousness of this problem, or its negative implications for state budgets and national economic growth. The studies showed that introducing a PCSW, a single administrative document, a modern closed customs systems (including computerized risk management) and a one-stop shop at the border would increase GDP by around 1.5%, a prospects local leaders could not ignore.

Strong leadership, strong interagency coordination and strong public-private sector partnership are essential. Presidential support was key to securing agreement and cooperation between ministries. For example the Kyrgyz government created a cross-functional team of local stakeholders and experts to draw up a concept for their single window. Particular care was taken to include private sector representatives, such as the customs brokers and freight forwarders associations, whose members would be the users and beneficiaries of the PCSW.

Take a pragmatic approach that reflects resource limitations of partners and builds on proven successful approaches in similar countries. Several technical solutions from abroad were studied. An existing African single windows solution was applied initially in Kyrgyzstan that quickly produced results that persuaded other countries in the region to undertake similar reforms.

67 In South Asia, GIZ has an ongoing program, Promotion of Intra-Regional Trade Potentials in the SAARC Region (SAARC Trade Promotion Network SAARC-TPN, 2014–2016). The project supports the SAARC-TPN through improving management and building capacity to overcome trade restrictions, as well as facilitating trade negotiations. The project will also support the introduction and implementation of new trade facilitation and trade promotion initiatives.

68 GIZ supported until recently a program called Supporting Regional and National Institutions in the Implementation of the Economic Partnership Agreement (EPA, 2009–2014). The project worked with the Caribbean Export Agency, the CARICOM Secretariat, and other key regional actors to promote regional integration through improved public-private dialogue and networking. It prioritized Caribbean nations' implementation of their economic partnership agreements with the EU.

69 GIZ has supported regional economic cooperation in Central Asia under several projects. The Support for Regional Economic Cooperation in Central Asia project ran from 2005 to 2014. A parallel program, Promoting Small and Medium-Sized Enterprises (SMEs) (2008-2013) also ran during most of the same period. The latter project encouraged dialogue and networking between the business associations and private companies from Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan. GIZ provided training on technical and managerial skills in Germany as well as follow up workshops held in country, focusing on transport and logistics as well as on trade promotion.

70 GIZ, Three-Party South-South Cooperation: Using Senegalese Knowledge and Experience to Improve Trade Administration Systems in Central Asia, 2013.

Partner with other donors to share expertise, management and funding responsibilities. GIZ provided project management, USAID technical and legal expertise and the ADB furnished financial assistance.

Coordination with large donor and international organizations has its benefits, but it is not easy. Partnership requires preparations to accommodate different—and sometimes contradictory—purchasing and administration procedures.

Australia

Australia views regional trade support programs as a direct complement to its bilateral programs to support economic growth and poverty reduction in Asia and the Pacific. Its regional trade support initiatives are spurred by the view that many development challenges cannot be addressed solely on a country-by-country basis.

Areas deemed as best suited for a regional approach include assistance to provide services that would otherwise be beyond the reach of individual governments (e.g. tertiary education and statistics) and on cross border issues (e.g., fisheries management and a "Pacific Voice" on global issues and in negotiations). Australia's aid agency supports regional trade and integration programs in South Asia, the Pacific Islands, and in ASEAN.

Australia's ASEAN Australia Development Cooperation Program (AADCP II) shares similar elements with USAID's Asia regional trade support programs. Its overall objective is to assist ASEAN in achieving regional development priorities and to complement bilateral programs. Similar to USAID's regional trade support programs it aims to strengthen and professionalize ASEAN as an institution. For example, the program funds five positions related to human resources, legal advice and contracting, financial management and trust funds, and macro-economic analysis. Similar to its USAID counterparts, Australia's AADCP II works in a partnership mode; planning and implementation is shaped by ASEAN priorities.

ANNEX III. REGIONAL AND MULTILATERAL INSTITUTIONS' EXPERIENCE WITH REGIONAL TRADE SUPPORT PROGRAMS

Support for regional trade-related programming by a number of multilateral or regional development banks (World Bank, Inter-American Development Bank, Asian Development Bank, African Development Bank) has been ongoing for decades, but in recent years, regional programming by regional and multilateral institutions has generally grown as a share of their AfT spending.

World Bank

Alleviating poverty is the central operational orientation of World Bank programming. Increasing access to markets for poor—who are disproportionately disconnected from regional or even local markets—has been a cornerstone of the World Bank's regional programs in Africa since the early 2000s. World Bank AfT regional programs work on the premise that regional integration offers opportunities for employment creation across the region, by increasing productivity and efficiency, and lower the region's cost base, thereby enhancing their global competitiveness.

The World Bank administers its regional programming through three primary channels—lending operations (technical assistance and advisory services), and research and analysis.

The World Bank's regional programming is focused around the RECs in each region. In Africa, the World Bank's lending is centered on three sub-regional Trade and Transport Facilitation Programs covering Eastern Africa, Southern Africa (Dar Corridor), and West Africa (specifically the Abidjan-Lagos Corridor); the World Bank delivers financing for trade facilitation and infrastructure development in support of the regional economic communities and their member countries. These programs include projects supporting the development of trade-related facilities, such as export processing or free trade zones, storage facilities for trade products, sector specific infrastructure for exports/imports, or railways and roads that are explicitly intended to facilitate regional trade and transit. The Abidjan-Lagos Corridor program is designed, for example, to support the improvement of the road network along the corridor, and promote policy and administrative reforms to reduce port dwell times and border crossing times along the corridor. This includes a wide range of project activities, including the establishment of single windows, the operation of joint border posts, streamlining customs and other border procedures, and institutional strengthening. (USAID's West Africa Trade Hub collaborates with the World Bank on these activities.) World Bank loans are channeled through individual beneficiary countries to undertake specific activities to facilitate trade, as well as fund project management and coordination that is led by the designated beneficiary government agencies. (Some of these activities may have significance for regional integration; however loans are not made to RECs directly.)

WORLD BANK REGIONAL TRADE PROGRAMS IN THE MIDDLE EAST AND NORTH AFRICA

The World Bank employs two main approaches to supporting regional trade goals: grants and research/strategy support.

Grants. As the lead coordinator of the multi-donor MENA Transition Fund the World Bank helps provide grant funding to MENA countries to advance a number of RTI-supportive objectives such as improved economic governance, competitiveness and integration. The MENA transition fund is one of a number of initiatives identified in 2012 by the G8's Deauville Partnership with Arab Countries in Transition as a mechanism through which the international community can assist transition nations in the region.

Since the start of the Transition Fund in 2012 donors have provided US$172 million in project grants. Funding has been divided roughly equally between Egypt, Tunisia, Jordan and Morocco, with lesser amounts going to Yemen and Libya. The grants have financed a range of projects with RTI implications, including regional integration through trade and transport corridors and development of SME exports.

Research and Strategy. The World Bank also plays a key research and planning role in support of MENA development efforts. Its numerous reports and support for government planning efforts are important catalysts for fostering individual country and regional initiatives. For example, the WB helped support a two-year process of research and consultations leading to its 2012 Regional Study on Trade Facilitation and Infrastructure for the Maghreb Countries. Prepared in cooperation with the five Maghreb countries and the Secretariat of the Arab Maghreb Union, the report identified specific regional barriers to trade and proposed a detailed action plan. The report was instrumental to agreement by Maghreb nations to implement its action plan to strengthen trade through investments in critical infrastructure and trade facilitation measures.

The World Bank also supports the RECs through analysis and technical assistance. For example, it has supported COMESA on expanding the free trade area and moving toward a customs union, including analysis of the revenue implications; SADC on regional trade performance, the trade protocol, and rules of origin; and the EAC on trade policy harmonization. The World Bank also has provided sector-focused support to RECs. For example, the Africa Agriculture Market Program partnership with COMESA has just been launched, with the core objectives of: (1) strengthening the institutional capacity of COMESA to implement a regional marketing and trade program for food staples and inputs; (2) enhancing knowledge of national decision makers by providing analysis on issues facing agricultural input and output markets; and (3) creating a regional network for dialogue. The World Bank has also been supporting the COMESA Secretariat team and the 16-member states to calculate the revenue losses from tariff and tax reforms by member states.

In addition, the Investment Climate Advisory Services (IC) team of the Trade and Competitiveness (T&C) global practice of the World Bank Group in Africa (IC Africa) provides advisory services to regional bodies such as EAC, the Organization for Harmonization in Africa of Business Laws, and ECOWAS in order to promote regional trade. A key effort of IC in East Africa is the EAC Common Market Scorecard, which measures the degree of Partner States' legal compliance with their obligations to liberalize the cross-border movement of capital, services, and goods enabling REC and other regional institutions to measure progress of commitments made under their respective agreements.

As a large share of World Bank programming is delivered through its lending operations, donor coordination is often left in the hands of the beneficiaries to manage. In 2007, an Evaluation commissioned by the World Bank found that of eight regional programs in Africa, donor coordination in only one African project was found to be substantial. The evaluators described modest donor coordination on the Lake Victoria environmental management program in the following way:

> Although the project was funded only by the International Development Association (IDA) and Global Environment Facility (GEF), other donors have supported a range of initiatives in and around the lake basin for many years. The Bank worked with bilateral donors to ensure that GEF/IDA-funded activities complemented work already funded by other donors, especially the EU. […] Overall, the various donor efforts generally have not been well coordinated. Some donor-supported activities addressed priority environmental concerns, but they were not coordinated at the regional level. Rather, for the most part, they have been small, fragmented and uncoordinated activities that put heavy burdens on national implementing agencies.[71]

African Development Bank

The regional integration agenda in Africa is driven by the New Partnership for Africa's Development (NEPAD) of the African Union (AU), which focuses on selected pillars and seeks to deliver results by fostering partnerships at global, regional and national levels. Its strategy and mission is to eradicate poverty, promote sustainable growth and development, facilitate Africa's integration into the global economy and step up the empowerment of women, consistent with other major multilateral donors.

AfDB Regional Integration Policy Paper, 2000	AfDB Regional Integration Strategy, 2009
• Policy-based Operations	• Regional Infrastructure
• Regional Infrastructure	• Capacity Building
• Private Sector	• Strategic Partnerships
• Capacity Building	• Cross-cutting Issues
• Sustainable Development	

The first African Development Bank (AfDB) strategy, its "Regional Integration Policy and Cooperation Policy," was established in 2000. The most recent Regional Integration Strategy (2009-2015) builds on the 2000 strategy as well as on a Regional Operations Framework for the African Development Fund, set up shortly after the launch of the first AfDB strategy. The current strategy elaborates the AfDB's triple role of catalytic financier, knowledge broker, and partner, and builds on the AfDB's key comparative and competitive advantages as Africa's premier development finance institution.

The AfDB Regional Strategy is based on two pillars, namely regional infrastructure (including support to the development corridors and investment) and institutional capacity building (including trade facilitation). The AfDB's regional investments in 2005 accounted for nearly a quarter of all regional investments in Africa. The regional operations envelope of AfDB has grown substantially over the years, especially in infrastructure development—transport, energy and ICT.[72] Regional projects and programs have been key vehicles for implementing infrastructure-related assistance. In West Africa, for example, AfDB has financed construction, improvement, or maintenance of roads in development corridors between Guinea, Mali, Senegal, Burkina Faso, and Ghana, costing over $280 million. It has also financed power interconnection networks between Ghana, Togo and Benin; Nigeria, Togo and Benin; and Mali, Mauritania and Senegal (as well as several national power projects).

Under the Aid for Trade Program (AfT) for Africa, AfDB, as with other regional development banks, has been requested by the WTO to collaborate with the United Nations Economic Commission for Africa (UNECA) and the World Customs Organization (WCO) to provide support to African countries through:

- Identification, prioritization and financing of bankable regional infrastructures, including roads, railways, one-stop border posts, and corridor ports;

71 World Bank, The Development Potential of Regional Programs: An Evaluation of World Bank Support of Multicountry Operations, Annex F, (Washington, DC), 2014.
72 The AfDB has devoted 36 percent of its total commitments to this sector, equivalent to US$52 billion. NEPAD's launch gave new impetus to infrastructure, and AfDB's contribution in 2007 reached $ 2.27 billion, up 88 percent from 2006.

- Trade facilitation, including support to regulation of transport services, simplification of trade procedures, customs modernization; and
- Monitoring and evaluation of these AfT programs at the sub-regional levels.

The AfDB has also provided extensive technical assistance, policy advice, advocacy and a range of knowledge products for regional integration and trade initiatives at continental and regional levels. This includes extensive technical support and policy advice to regional economic communities on approaches to building and strengthening regional cooperation, trade and economic integration, including the processes towards the establishment of the African Economic Community. In the sphere of knowledge creation, mobilization and dissemination, the AfDB has conducted and published extensive research and statistical analysis on key topics related to regional integration and trade, including an African Development Report in 2000. The AfDB is also finalizing a study on regional financial integration and on macroeconomic convergence. The AfDB has forged strong partnerships with UNECA and the African Union Commission (AUC), and contributed to studies, which formed the basis of the streamlining of the African RECs.

Approaches

The RECs, which were designated as building blocks for the implementation of NEPAD, have also drawn up strategies towards facilitating integration through the various stages from FTA to Common Markets. AfDB used a Regional Integration Strategy Papers (RISPs) as the main instrument for delivering the Bank's support to regional integration and to complement its Country Strategy Papers, which address country-level development constraints. The decision to merge COMESA, SADC, and EAC into the Tripartite makes it possible to develop REC-based RISPs that are also sub-regional. Four RISPs were prepared namely: Northern Africa, covering the Arab Maghreb Union (AMU) countries, Western Africa, covering the ECOWAS Economic Community of West African States countries, Central Africa, covering the Economic Community of Central African States (ECCAS) countries, and Eastern and Southern Africa, covering the COMESA, SADC and EAC countries.

In implementing future programs, the RECs are the building blocks for African integration, and they were and will be the core partners for the AfDBs regional integration activities. However, the multiplicity of RECs and their overlapping nature complicate building partnership with them. The challenge is exacerbated by the fact that some of the RECs have much weaker institutional capacities than others.

In view of the increased emphasis on regional integration, the AfDB has established a dedicated department to champion the Bank's regional integration and trade activities.

In terms of financing programs, AfDB continues to use the following financing mechanisms:

1. African Development Fund (ADF) Country Resources
2. The ADF Multinational Operations Window
3. AfDB Resources
4. The Private Sector Window.

In addition, the AfDB is setting up a Trust Fund on AfT in response to Africa's need for greater integration into global service and production networks. First, the Fund will be utilized to scale up and complement trade-related activities in the sectors identified in the Bank Group Regional Integration Strategy (RIS) as well as the Bank's Medium Term Strategy (2008-2012) as the priority areas for Bank engagement (infrastructure, governance, and private sector development) and other investment support (agriculture).

Trust Fund programs will be a vehicle for helping the Bank to deliver increased aid for trade and respond effectively to the requirements of Regional Member Countries (RMCs) and the RECs. In this regard, the Fund is used to improve coordination and effectiveness in implementing AfT interventions both within the Bank (i.e. across the various sector and regional departments) and across different stakeholders such as governments, private sector and other donors.

Lessons Learned

Strategic Alignment and Design in a Regional Context. An evaluation of AfDB regional program's Operations Evaluation Group in 2009 concluded that many of the early regional integration activities in which the Bank participated were predominantly project-driven, narrow objectives, with the likelihood of inadequate economic and risk analysis that overestimated the benefits or insufficiently estimated and mitigated the risks arising from regional dimensions.

The Infrastructure Consortium for Africa (ICA), hosted by the AfDB, was established as a result of the 2005 G8 Gleneagles Summit to assist with scaling up financing for African Infrastructure. It is a partnership between multilateral and bilateral donors and African institutions acting as a platform to catalyze donor and private sector financing.

Regional Ownership and Strong Country Commitment. It is also concluded that that regional projects are locally owned and demand driven or they risk not getting enough attention from the national bureaucracies. What emerges from this assessment is the importance of ensuring that all parties clearly perceive the benefits for their respective countries at the inception. This task is normally facilitated if a solid feasibility assessment of the project is conducted in agreement with all parties. Ownership is also enhanced if there is a regional champion and/or a platform (such as has been established within NEPAD) for negotiating agreements and resolving conflicts among participating countries.

There was recognition that AfDB's support for regional integration initiatives will be conditional upon commitment and ownership at continental, regional, and national levels to both the process and objectives of regional integration. Acknowledging this reality, there was emphasis, moving forward, that AfDB Group interventions also need to focus on empowering beneficiaries, through advocacy, policy dialogue and capacity building support, to participate in the design of projects and to take the lead in managing the integration process

Effective Coordination Mechanisms. Regional programs face complex coordination challenge, and they have been more successful where clear delineation and coordination of responsibilities among national and regional institutions have been established. What is practical and has generally worked best from past experience is reliance on national institutions for execution and implementation of programs activities and on regional institutions for coordination.

Donor Coordination. Past programs did not always accord recognition to the need for cross-donor coordination and management of regional programs. Consequently, opportunities to mobilize additional resources and create synergy with the intervention of other development partners were missed. Given the huge resource needs, the very demanding analytical and implementation capacity requirements and the diversity of development partners involved, the Bank will work closely with the relevant development partners, and seek to ensure that adequate resources are mobilized and the resulting programs are better managed and coordinated.

Accountable Partnership Arrangements. Past programs did not always accord recognition to the need for cross-donor coordination and management of regional programs. Consequently, opportunities to mobilize additional resources and create synergy with the intervention of other development partners were missed.

Given the huge resource needs, the very demanding analytical and implementation capacity requirements and the diversity of development partners involved, the Bank will work closely with the relevant development partners, and seek to ensure that adequate resources are mobilized and the resulting programs are better managed and coordinated.

AfDB Organization, Resources, and Skills. Regional projects require more resources for preparation and supervision than single-country projects. The importance of appropriate budget and time be allocated for their quality preparation, implementation, and supervision is emphasized in the renewed Strategy. Reflecting their difficult and complex nature, regional projects also require appropriate skills. Regional teams should include appropriate staff numbers and skills mix. Additional incentives will be built into performance management to encourage staff with desired skills to manage and work on regional projects.

Asian Development Bank

The ADB's charter mandates that it stimulate and support regional cooperation. The ADB adopted a formal policy on regional cooperation in 1994 in which it was recommended that the ADB encourage cooperation. Since then, ADB has assisted with a number of sub-regional cooperation programs, including the Greater Mekong Subregion (GMS) program, the South Asia Subregional Economic Cooperation (SASEC) program, the Central Asia Economic Cooperation (CAREC) program, the Subregional Economic Cooperation in South and Central Asia (SECSA) program, and numerous initiatives since 2001 of its "Pacific Plan" to eliminate poverty in the region. ADB support for initiatives to foster closer regional monetary and financial cooperation rose in response to the Asian Financial Crisis of the late 1990s. It also launched regional initiatives to advance control of infectious diseases, environmental management, and disaster preparedness.

ADB replaced its 1994 regional cooperation strategy with a strategy for "regional cooperation and integration" in 2006. The latter was designed to address the challenges of an increasingly interconnected global market, being more strategic and visionary and less activity-focused. The ADB 2020 strategy (2008) confirmed the centrality of the Bank's regional cooperation and integration efforts and set a target of 30% of the ADB's lending going toward regional cooperation and integration by 2020.

The 2020 strategy was based on four pillars, although it recognized that the weights of each of these pillars would be expected to vary according to sub-region and country needs:

1. Cross-border physical infrastructure and related software (such as trade facilitation, harmonization of regulations, and legal systems)
2. Trade and investment cooperation/integration (including support for regional and subregional fora, capacity and institutional development, and research and information dissemination)
3. Monetary and financial integration
4. Cooperation in regional public goods (such as health, climate change)

The ADB anticipated the bulk of its lending going toward Pillar 1, with the other pillars supported largely through non-lending operations.

Robust funding primarily disbursed as loans and grants, as opposed to direct technical assistance, has characterized the ADB's Asia and Pacific development efforts. From 2003-2013, ADB funded $20.7 billion for 982 RCI projects. A majority of funding ($20 billion) and projects were RCI public sector loans (146) and RCI grants (96) and private sector operations (13). Technical assistance accounted for 727 RCI projects in the amount of $729 million.

Greater Mekong Subregion (GMS). The GMS was ADB's first support for regional activities, dating from 1992. ADB operates the GMS Secretariat. Initiatives come from member countries; these countries hold regular summit meetings of Heads of Government. As of late 2011, it had implemented 55 investment projects at a total cost of $14 billion (of which ADB provided $5 billion) covering cross-border road, rail, and air improvements; hydropower for regional markets; tourism infrastructure; and communicable disease control. Evaluations of the program have noted that it has made more rapid progress on physical infrastructure in support of regional cooperation than it has with supporting "software" such as an agreed regulatory framework for power trade in the region.

Central Asia. The ADB's Central Asia Regional Economic Cooperation (CAREC) program launched in 2001 was modelled on the GMS but has attracted involvement from other donors, including the European Bank for Reconstruction and Development, the UN Development Programme and the World Bank. It also has a Secretariat based in ADB (moved from the region to ADB headquarters in Manila in 2007) and is not a formal treaty-based organization; it is, rather, an informal forum based around specific areas of cooperation such as transport and trade corridors and energy market initiatives. From 2001-2010, approved investment has totaled $14 billion. Eighty percent of funding has been in transport, with the remainder being largely in energy (with a small allocation for trade facilitation.) The CAREC strategic framework for 2011-2020 points critically to past failings as: a lack of country ownership, an absence of clear priorities for activities, and an inability to attract private sector investment. Other sources have echoed these findings, while also noting a lack of country ownership, a paucity of interest among the region's top leaders. At the same time, even among critics, CAREC's support for physical infrastructure in the region has been reviewed favorably.

Joint efforts have comprised a significant portion of regional development efforts. For example, since 1997 the 10 CAREC member countries and its multilateral partners have focused heavily on regional transport and trade. Between 2001 and 2013 the parties dedicated $1.2 billion in loans and grants to these efforts. The work was conducted under CAREC's 2008-2017 Transport and Trade Facilitation Strategy (TTFS), a strategy refined by a later version, TTFS for 2014–2020 (TTFS 2020). Trade policy, transport, and trade facilitation comprise three of these strategies four priority areas. CAREC has invested heavily in application of M&E. Its M&E approach and tools provide an outstanding template for selection, design, implementation and evaluation of M&E for trade integration and facilitation projects.

South Asia. The ADB's lending in support of integration in South Asia has been relatively modest, perhaps reflecting high tariff and nontariff barriers to trade in the region. Critics have pointed to complex decision-making processes, political sensitivities, and minimal country ownership as impediments to the success of the South Asia Sub-Regional Economic Cooperation Program (SAREC) between the ADB and the South Asian Association for Regional Cooperation in 2000. Priorities noted in the 2011–2020 regional strategy include transport, energy, and trade facilitation (Customs modernization, transit agreements, and logistics improvements).[73]

Lessons Learned

Strengthening Strategic and Institutional Links s Critical. The results of a major ADB project[74] to assess the links between the ASEAN, GMS, Brunei Darussalam–Indonesia–Malaysia–Philippines East ASEAN Growth Area (BIMP-EAGA), and Indonesia– Malaysia–Thailand Growth Triangle (IMT-GT) boiled down to a key finding common to Asia regional trade support programs. Namely, there are two critical factors for forging effective strategic and institutional links at the regional and subregional levels: (1) well-functioning in-

73 This discussion draws on Supplementary Appendix E of the draft ADB report on support for regional cooperation and integration, 2015 (forthcoming).

74 Regional and Subregional Program Links: mapping the links between ASEAN and the GMS, BIMP-EAGA, and IMT-GT Mandaluyong City, Philippines: Asian Development Bank, 2013.

country coordination and (2) national, regional, and subregional secretariats with sufficient competencies and mandates to effectively promote linkages.

Mitigate Negative Effects and Impressions of Regional Development. Project implementers should raise awareness, provide policy advice, and support enforcement to reduce the negative impacts of economic modernization and regional integration. One such step could be an increased focus on regional public goods.

Transport Infrastructure and Trade Facilitation Must Go Hand in Hand. Analysis of the lack of progress in realizing economic and trade gains from GMS efforts to develop transport infrastructure led to the conclusion that the greatest benefits to developing countries come from progressing on both fronts: transport infrastructure and trade facilitation (i.e. the laws, regulations, procedures and processes that govern the movement of goods). Physical infrastructure is a necessary but not sufficient condition for an economy to obtain benefits from trade expansion.

Coordination between Donors and Regional Partners. Regional trade support projects should identify other development implementers, private sector participants, and countries that can bridge financing gaps, especially for integrated multi-sector projects. Regional projects should foster strong coordination with sector working groups and national and sub-regional projects. Regional trade support programs should promote coordination between sector departments within donor organizations and bilateral missions.

Tailor Regional Activities to Member Country Specifics. The ADB's focus on economic integration through trade facilitation, and in particular the extensive efforts in Transport Corridor development in Central Asia under the CAREC program, yield useful guidance and lessons for USAID regional trade support programs. Key findings of these initiatives are summarized in a text box later in this report.[75] One takeaway is that data on each country within a region must be analyzed on an individual country basis—as done by the World Bank in its Doing Business rankings and Logistics Performance Index before programmatic decisions are made, which are tailored to the unique needs of each of the beneficiary countries. Having individual country benchmarks provides for a greater incentive for national governments and country-based associations to use the data either for external benchmarking or for internal improvement. Country-level data also introduce competition among countries within a region; such competition tends to catalyze action.

Change Happens; Plan On It. A regional trade support project must anticipate needing flexibility in work programming and in budget line allocations for project implementation that evolves organically according to national and REC institutional priorities and challenges. Fundamentally, regional programs are exponentially more prone to unanticipated requirements or needs—or the closure of activities that had been long planned—than single country projects are. A regional organization's long administrative and decision making timelines can lead to lack of clarity in project designs, differing expectations by different stakeholders, and the need to alter project approaches and outcomes after implementation has begun; strong project design and selection prior to funding decisions can provide clarity on objectives and approach. But still, the multiplicity of countries involved makes for an exponential increase in stakeholders and their priorities. This in turn makes for a highly cumbersome set of bureaucratic processes for the identification, prioritization, and member country agreement on work programs while nonetheless multiplying the likelihood of some decision by some country that will affect programming. Donor programs tend to take fairly long planning horizons, in part owing to their budget cycles. They face difficulty in responding to sudden new needs—and in reprogramming funds that are no longer needed as they had been anticipated.

75 Greater Mekong Subregion: Maturing and Moving Forward. Regional Cooperation Assistance Program Evaluation. Manila: Asian Development Bank. 2009. See also: Central Asia Regional Economic Cooperation Corridor Performance Measurement and Monitoring: A Forward-Looking Retrospective. Mandaluyong City, Philippines: Asian Development Bank, 2014 and Trade and Trade Facilitation in the Greater Mekong Subregion. Mandaluyong City, Philippines: Asian Development Bank, 2012.

Organization of American States

The Organization for American States identifies trade as a major issue for the Americas, with professed attention to trade capacity building and institutional strengthening. Over the past decade, they have published numerous pieces on the subject; however, concrete initiatives are relatively few. The OAS at times also serves as an implementer for bilaterally-funded initiatives. Programming usually takes the form of trainings; a selection follows.

- Master's Program in International Trade Policy (MITP) for government officials and private sector representatives at the University of the West Indies (UWI)
- OAS-WTO Annual Two-week Trade Course for Latin American countries
- Trade Capacity Building Program for CARICOM countries to assist them in the negotiation of the CARICOM-Canada Trade Agreement
- Technical support to the ARCO Working Group on Investment and the Services and Investment Working Group of the Alianza del Pacífico
- Support to the CAFTA-DR Trade Capacity Building Committee
- Trade Capacity Building Program for the Implementation and Administration of Trade Agreements, in cooperation with the Governments of Mexico, Canada, Chile, and the United States
- Capacity building on intellectual property.

The OAS also maintains SICE, the Foreign Trade Information System, as a digital collection point for information on trade policy in the Americas.

Inter-American Development Bank

Since its founding, the Inter-American Development Bank has prioritized regional integration and cooperation. The proliferation of regional trade agreements beginning in the 1990s pushed the Bank to create the Integration and Trade Sector (INT) and approve an official Integration Strategy. The most recent iteration of this Regional and Global Integration Strategy established a concrete financing goal: 15% of total annual approvals should be dedicated to integration projects by the end of 2015 (approximately $1.8 billion per year). The IDB focuses on harmonizing the regional trade agreement ecosystem, building capacity on the national level to effectively implement existing trade commitments, reducing logistics costs by improving transport, trade, and communications infrastructure, improving regional financial integration, and promoting regional cooperation and the provision of regional public goods. The Strategy especially prioritizes improving both the software and the hardware of integration, simultaneously upgrading policy and regulatory frameworks and improving physical integration measures.

The IDB employs a wide range of financial and non-financial instruments to finance integration activities, including:

- *The Aid for Trade Fund.* Created in November 2008, the AfT Fund finances technical assistance grants in four priority areas—trade policy, services, agricultural standards, and trade facilitation—and two cross-cutting themes—trade and gender and trade and the environment. Between 2008 and 2012, the Bank financed (or co-financed) approximately $28 billion in AfT activities: 56% focused on developing economic infrastructure, 43% on building productive capacity, and 1% on strengthening trade policy and regulations.

- *Fund for the Financing of Technical Cooperation for Initiatives for Regional Infrastructure Integration (FIRII).* The FIRII was created in 2005 to promote the integration of physical infrastructure across national borders. It provides grant-based technical assistance to help countries prepare strategic infrastructure integration projects, project viability assessments, and social and environmental impact evaluations.
- *Regional Infrastructure Integration Fund (RIIF).* The multi-partner RIIF provides financial incentives for the preparation of strategic infrastructure integration projects in LAC. It focuses especially on the development and harmonization of regional regulatory frameworks, the strengthening of institutional capacities for regional and global integration, and the preparation of physical infrastructure projects with a regional integration impact.
- *Multilateral Investment Fund (MIF).* The MIF encourages increased private investment and private sector development, working with the private sector to develop, finance, and execute innovative business models.
- *Regional Public Goods (RPG) Initiative.* Created in 2004, the RPG Initiative aims to add value to national interventions and foster regional development solutions. The RPG Initiative is thematically open and has approved 92 technical cooperation projects for a total of $73 million.

The IDB has recently begun to expand their Integration and Trade Capacity Building Program, dedicating $1.5 million to develop content and deliver capacity building to support implementation and sustainability of integration projects. The Program consists of multiple online trainings, and has reached over 800 regional officials to date.

Despite prominent positive publications of these regional integration efforts, a recent report by the Office of Evaluation and Oversight expresses concern that these representations have been overstated. Data analyzed while evaluating commitments under the Integration Strategy shows that historically no more than 5% of the Bank's loans have been in pursuit of regional integration and cooperation. They identify multiple definitional issues involving in categorizing a program as "regional." The inaccuracy of the current methodology is illustrated by the fact that they indicate that between 20% and 40% percent of Bank lending was regional in 2006–2009; this means that the 2015 target (15%) would already have been achieved at the baseline. They express concern that the current categorization guidelines over- rather than under-state regional initiatives; notably that some projects with no notable regional effects have been included. Additionally, they find that the confusion and lack of transparency when it comes to the definition and classification of regional projects leads to an overly broad and operationally unpractical strategy.

The IDB, in cooperation with the Institute for the Integration of Latin America and the Caribbean (INTAL) and the Inter-American Institute for Economic and Social Development (INDES), is working to build public and private sector capacity to advance its Regional and Global Integration Strategy. The IDB aims to commit approximately US$1.8 billion per year to these activities in such areas as negotiating and implementing trade agreements, trade facilitation and security and customs innovation, export promotion and investment attraction, and physical integration including transport, border crossings, energy efficiency and interconnection, broadband access and financial integration. The IDB views support for regional integration as part of its "institutional identity."

Lessons Learned

The IDB[76] has identified a wide range of Lessons Learned to inform its evolving strategy in support of regional integration:

76 Inter-American Development Bank, IDB Support to Competitive Global And Regional Integration, Profile for a Strategy. IDB in cooperation with the Institute for the Integration of Latin America and the Caribbean and the Inter-American Institute for Economic and Social Development, Integration and Trade Capacity Building Program, 2014.

Strategy and Implementing Measures Must Keep Pace with the Times. Today's complex global and regional integration agenda cannot be addressed with old approaches. New areas and interventions must be developed.

Cutting Edge Policy Research is Crucial to Maintaining Donor's "Value Added" in strategy development, technical assistance and innovative operational programs.

Regional Program Challenges Differ from Bilateral Initiatives. Regional programs face intertwined institutional and operational challenges, as they need to: (1) promote policy cooperation and cross-border investments; (2) incorporate incentives to compensate for countries' coordination failures; (3) be executed with a combination of financial and non-financial instruments at the regional and national level simultaneously; (4) be supported with resources that offset the additional costs they command; and (5) be monitored and evaluated with specific methods not yet adequately developed.

Monitoring and Evaluation Instruments Must Persuasively and Effectively Communicate Results to Relevant stakeholders to ensure that their value is understood, especially in comparison with national investments that may be perceived as having higher returns in the short term.

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