

ANNEX IV

DEVELOPMENT MATRIX

Key Areas	Objective and illustrative activities
1. Infrastructure Development	Improve existing and priority needs in infrastructure. Develop new infrastructure, in particular shared infrastructure. Secure financing from appropriate sources.
(a) Energy	Increasing the regions energy generation capacity, regional networks, distribution and transmission Activities could be: (i) Expansion of energy generation, transmission and distribution infrastructure and networks to facilitate regional energy trade. (ii) Research and development of alternative environmentally sustainable sources of energy, innovation and technology transfer including improving energy efficiency and reduction of cost. (iii) Legal and regulatory frameworks for establishment/strengthening and harmonisation of regional and national energy institutions to provide frameworks for cross border energy trade. (iv) Capacity building and design of instruments to mobilise resources for investment.
(b) Transport (Roads, Railways, Air and waterways)	Improving national and regional connectivity to facilitate deepening of regional integration in the movement of people, flow of goods and services and better access to markets Activities could be: (i) Construction of, modernisation, rehabilitation and up grading of national and regional transport corridors and ports and related transport facilities. (ii) Research and development of suitable and affordable construction materials; service standards; inter-modal transport, transit systems and technology transfer. (iii) Establish, strengthen and reform national and identified regional institutions for research, training, policy dialogue and service delivery. (iv) Improve enforcement procedures, as well as undertake policy, legal and regulatory transport reforms including policies to facilitate EU-ESA partnerships, linkages and joint ventures. (v) Liberalisation of the air transport services, provision of common management systems and institutions. (vi) Design instruments for attracting/mobilising resources for investment.
(c) Telecommunications	Strengthening of the telecommunication networks, notably the improvement of the ICT infrastructure to foster competitiveness, innovation and smooth transition to an information society Activities could be: (i) Development and harmonisation of ICT policy and infrastructure sharing, reforms in legal and regulatory frameworks and systems. (ii) Capacity building for human resource development; service standards to facilitate trade, commerce and business transactions; ICT enabled services particularly for young professionals and institutional reforms to allow for integrated electronic information systems.

Key Areas

Objective and illustrative activities

- (iii) Development of the backbone ICT infrastructure through EU ESA partnerships, innovation and joint ventures for regional connectivity and to facility infrastructure sharing in public and private sector.
 - (iv) Design of instruments to facilitate EU ESA partnerships, innovation and joint ventures to mobilise resources for investment and facilitate private sector investment in ICT infrastructure.
 - (d) Water Supply for production

Develop water supply infrastructure for water harnessing, treatment and disposal management systems and sustainable utilisation of transboundary water resources for productive purposes

Activities could be:

 - (i) Construction of water dams, irrigation and hydro-electric infrastructure and promotion of sustainable irrigation schemes, programmes for pollution control, reuse and recycling of waste water.
 - (ii) Establishment of strategic water catchments and water storage areas in rural and urban areas.
 - (iii) Technical assistance for exchange programmes and capacity building on water governance, service standards and regional water partnerships.
 - (iv) Facilitate EU ESA partnerships, innovations and joint ventures between economic operators and under 'Water for Life Initiative'.
 - (v) Establishment of a regional research centre and other centres of excellence in R&D.
- 2. Productive Sectors

Increase competitiveness of the productive sectors in the areas of Processing (value addition), Marketing and Distribution of products and services

 - (a) Agriculture and Livestock

Promote sustainable agriculture, improve production, productivity and diversification, develop agro-industry, trade, and ensure food security

Activities could be:

 - (i) Development of harmonised regional policies, legal and regulatory frameworks, Standards and Quality Assurance and certification instruments accredited to international standards and capacity building on sustainable production systems.
 - (ii) Construct and improve irrigation facilities and infrastructure, rural infrastructure linking production areas to markets, cold storage chains and related infrastructure.
 - (iii) Promotion of Agricultural/Livestock R&D and its implementation; gender mainstreaming in access to production factors; strengthening of the value chain and technology transfer.
 - (iv) Development of special vehicle insurance schemes and instruments for access to finance.
 - (v) Establish and strengthen institutions to promote modalities of disease handling, implement national and trans-boundary disease control programme and establishment of national and regional early warning systems and centres of excellence for agricultural workers.
 - (b) Fisheries

Promote, and ensure sustainable utilisation of fishery resources including fish farming development and market technical standards requirements

Activities could be:

 - (i) Institutional strengthening for standards development and related capacity building and quality assurance programmes to meet market technical requirements in accordance with international standards.

Key Areas

Objective and illustrative activities

- (ii) Support for updating policy, legal and regulatory reforms and institutional developments and reforms to meet the international standards.
- (iii) Capacity building on fish production, productivity, food safety and hygiene, marketing, aquaculture farming, post harvest handling technologies for both large and artisan fishers. And capacity building for fishery officers in public sector.
- (iv) R&D on fish stock assessments and conservation, monitoring, control and surveillance programmes for sustainable fish resource utilisation and development and improvement of infrastructure for inland fisheries and aquaculture farming; export market chains; product development, diversification and branding.
- (v) Support and facilitation of private sector participation in the establishment of cold storage chains.
- (vi) Design policies and instruments to facilitate EU ESA partnerships, innovations, joint ventures; and related finance facilities for industrial and SME fishers.

(c) Mining

Address vulnerability of mineral dependent countries, ensure environmentally sustainable mining and improve investment climate to facilitate private sector participation and protect small scale miners and community rights

Activities could be:

- (i) Design policies and regulatory frameworks to promote EU ESA partnerships, linkages and joint ventures for technology transfer.
- (ii) Capacity building and institutional support for exploration, exploitation, marketing and information exchange; R&D, value addition and product diversification; promotion of health and safety standards.
- (iii) Support programmes that ensure local community participation and protect small scale miners and community rights.
- (iv) Information exchange on mining and mineral resources and geo-science to aid in exploration and mining investment and institutional and enterprise support for adoption of environmental friendly technologies in the mining productive processes.
- (v) TA to create mineral beneficiation and processing capacities and in particular support value addition and establish training programmes in the manufacture of jewellery and lapidary industries. Establishment of a regional post-graduate training centre on mineral law and administration, mineral and resource economies and business management.
- (vi) Develop policy and mechanisms to manage vulnerability of mineral export dependency countries.

(d) Services

Expand services and improve existing including quality, access and competitiveness. Facilitate trade in services.

Activities could be:

- (i) Policy and legal framework to support trade in services in the region.
- (ii) Enhance ICT infrastructure sharing and capacity building on ICT enabled services.
- (iii) Rehabilitation and upgrading of institutional infrastructures and establishing institutions to coordinate private sector trade in services.
- (iv) Support to carry out studies for selective liberalisation and support to deepen financial reforms; and diversification of financial instruments.

Key Areas

Objective and illustrative activities

- (v) Support for centres of excellence for quality leadership training, management and entrepreneurship; establish training centres for service providers and strengthen statistics institutions. Training on Monetary Policy and the Financial Sector.
 - (vi) Macro-econometric modelling in the services sector.
- (e) Tourism

Sustainable development of a competitive tourism industry nationally and regionally; linked to other economic sectors while preserving, safeguarding and promoting natural, historic, cultural, integrity and interests of local communities

Activities could be:

 - (i) Development of sustainable, harmonised tourism policies that link public, private and local communities.
 - (ii) Joint development and promotion of diversified tourism products in partnership with local communities.
 - (iii) Support to public/private in the expansion of tourism infrastructure in high potential areas.
 - (iv) Establishment of Regional Tourism Centres of excellence for leadership training, management and entrepreneurship and support for participation in international tourism promotion fairs and exhibitions.
 - (v) Capacity building in human resources, improvement in service standards and institutional structures.
- (f) Manufacturing (Industry)

Create a conducive investment climate with complementary capacity and institutional frameworks

Activities could be:

 - (i) Policy, legal and regulatory reforms, capacities and strategies to create and maintain a predictable and secure investment climate in support of regional integration and globalisation.
 - (ii) Support the development of appropriate instruments, institutions and intermediary organisations to promote investment, EU ESA public/public sector partnerships, access to finances – in particular to access EC financial institutions and investment funds. Support R&D in research institutions.
 - (iii) Develop and strengthen national and identified regional centres of excellence for human resource development, skills training, strengthen institutional capacities of investment promotional agencies, business associations and chambers of commerce.
 - (iv) Capacity building for business support services to SME sector in product/design development, modernisation of the manufacturing sector; entrepreneurship development; marketing, technology innovations development. Technology for increased productivity in both large and SMEs sectors.
 - (v) Support to promote the development of activities in areas in the areas of processing, marketing, distribution and transportation and promotion of productivity programmes, value addition and harmonisation of national/regional SQMT standards.
 - (vi) Support for the establishment/adoption/upgrading of environmental protection plants for treatment of industrial effluent, uptake of clean air production technology for environmental protection.

Key Areas	Objective and illustrative activities
(g) Gender	Promotion of female entrepreneurship through targeted interventions Activities could be: (i) Support Programmes that help women improve access to all resources in particular those for trade and development. (ii) Promote female entrepreneurship to facilitate participation in regional and global markets.
3. Regional Integration	Strengthen and deepen regional integration
(a) Regional economic integration	Development of regional markets, harmonisation of policies, strengthening of fiscal administrations and policy, macroeconomic stability, trade facilitation, harmonisation of standards, enforcement and arbitration, facilitate movement of people, goods and services, and capital; and establish and invest in regional institutions and structures Activities could be: (i) Support for development and harmonisation of regional trade/ investment/ fiscal and financial policies and regulatory frameworks consistent with WTO rules, instruments and standards. (ii) Facilitate trade in services and right of establishment and movement of goods, services, capital and people and support to exploit fully transboundary opportunities, improve coordination, cooperation and communication including support for e-commerce. (iii) Support to establish/strengthen institutions of regulatory bodies for enforcement and arbitration and support towards amending and development of commercial laws to address emerging trade arrangements and products/services. Support towards R&D, in particular to centres of excellence. (iv) Harmonisation of statistical methods of data collection, analysis and interpretation and support to increase human resource capacity. (v) Budgetary support for sequenced liberalisation linked to regional integration. Development of facilities and instruments for mobilising resources for trade and investment. (vi) Support to build human and institutional capacities and strengthen related institutional governance to facilitate faster implementation of customs administration and procedures to meet emerging security requirements.
(b) Management of Transboundary programmes	Facilitate movement of people, goods and services and capital. Exploit fully transboundary opportunities; improve coordination, cooperation and communication among ESA countries. Activities could be: (i) Coordinated approach to regional/continental management of transboundary programmes which include among others disease control and environmental management. (ii) Support towards regional programmes that facilitate free movement of people, goods, services and capital and support to establish or strengthen regional/continental institutions coordinating transboundary programmes. (iii) Strengthening regulatory frameworks for transboundary programmes.

Key Areas	Objective and illustrative activities
(c) Management of the environment and natural resources	Protect the environment and enhance biodiversity conservation, genetic preservation, protection and sustainable utilisation of natural resources; and facilitate and encourage sustainable utilisation of shared natural resources taking into account the linkage between trade and environment Activities could be: (i) TA to implement Bonn Guidelines and facilitate participation in international environment agreements, conventions and treaties and support for stakeholder awareness programmes and support for building partnerships. Promotion of joint ventures, partnerships and linkages between ESA and EU institutions and enterprises. (ii) Support to strengthen environment policy, strategies, legislation, administration and resource management and sustainable development; and institutional capacity to enforce environment legislations and standards and programmes to involve communities in the management of natural resources. (iii) Support towards the development of infrastructure and technology transfer, and support for water pollution control, purification and conservation, solid and water waste management, treatment and sanitation; and disposal of industrial and toxic wastes. TA for R&D, management and capacity building on environmental standards. (iv) Support to mitigate against natural disasters, prevention of environmental disasters and loss of biodiversity. (v) Promotion and protection of indigenous/traditional knowledge associated with biological resources and eco-systems.
(d) Regional peace, stability and security	Promote and enhance regional initiatives on peace and security Activities could be: (i) Capacity building for conflict prevention actors (public sector, security forces, civil society and politicians). (ii) Promote appropriate mechanisms for early warning and promote appropriate mechanisms for conflict management and resolution. (iii) Support to institutions that are the backbone to peace and security (media, civil society and public). (iv) Enhance capacities for peace keeping.
(e) Cultural development	Promote and protect culture, heritage and indigenous traditional knowledge and practices for development Activities could be: (i) Develop and promote cultural industries and enhance market access of indigenous products.
4. Trade policy and Regulations	Strengthen business and support enterprise development
(a) Support to regional trade arrangements and negotiations	Analyse and implement Multilateral Trade Agreements and financing. Strengthen partnerships in the region and between the region and the EC. Activities could be: (i) Support to strengthen analytical capacities for policy making and negotiations and support successful towards implementation of regional and international agreements. (ii) Stakeholder sensitisation programmes regional/multilateral trade agreements including financing mechanisms in place. (iii) Strengthen regional partnerships and improve the national and regional negotiation.

Key Areas	Objective and illustrative activities
(b) Trade Facilitation	Improve efficiency, governance and smooth transit arrangements. Support trade/ investment facilitating organisations/institutions and the putting in place of guarantee funds and risk capital. Activities could be: (i) Built regional policies and institutional capacities to facilitate regional trade in TRI, consumer protection. (ii) Implementation of one-stop transit arrangements and where applicable customs collections at first port of entry including improvement of ports capacities with the private sector to provide quality services. (iii) Compliance and enforcement of internationally accredited harmonised standards, technical regulations and simplification of ROO and safeguard mechanisms for ease of application. (iv) Employment of technology (scanners, computerisation) for effective service provision and enhanced capacities of trade/investment facilitating organisation and institutions and business support services. (v) Establishment of guarantee funds and risk capital to the business communities.
(c) Disputes settlement mechanisms	Establish new and strengthen existing national and regional dispute settlement institutions. National and International recognition of arbitration decisions. Activities could be: (i) Establishment/ strengthening of arbitration institutions and safeguard mechanisms. (ii) Training and capacity building for trade lawyers to interpret and enforce trade laws, settle disputes arising thereof. (iii) Domestication of international agreements/conventions/treaties to facilitate international obligations and recognition of arbitration decisions. (iv) Support to create awareness to stakeholders on dispute settlement mechanisms.
(d) Legal and Regulatory Frameworks	Support strengthening of judicial security and legality of private investment. Harmonisation of commercial laws. Development and adoption of employment laws. Facilitate and protect foreign investments. Protection of Consumer Rights and Intellectual Property Rights including folklore and traditional knowledge. Activities could be: (i) Domestication of international agreements/conventions/treaties to strengthen judicial security and private investment. (ii) Support for capacity building for the development of legal frameworks responsive to Agreements on trade and investments and support for modernisation and development of commercial laws and for creating awareness of legal and regulatory frameworks.
5. Trade Development	Improve and encourage an enabling business climate, and access to business related services
(a) Business climate	Support policy development (of business friendly laws and regulations). Facilitate removal of barriers to trade. Activities could be: (i) Review business laws/commercial laws. (ii) Enhance capacities of enforcement agencies and personnel to reduce barriers to trade.

Key Areas	Objective and illustrative activities
(b) Business Support Services and Institutions	Establish mechanisms to encourage Public Private Partnerships and Community Private Partnerships. Develop and strengthen intermediary institutions/organisations. Develop and strengthen management information systems. Strengthen research and development capacities. Activities could be: (i) Capacity and institutional development to entrench public/private sector and local community partnerships and sharing of benefits from trade and sustainable exploitation of natural resources. (ii) Development of appropriate financial and intermediary institutions/organisations for business support services and strengthen networked information management systems to facilitate trade. (iii) Strengthen research capacities and institutions to inform business decisions.
(c) Access to trade finance	Establish, promote and strengthen finance institutions. Facilitate and improve access to finance. Development of innovative financing. Activities could be: (i) Establish, promote and strengthen financial institutions and deepen financial reforms to assist in mobilising resources for trade and investment. (ii) Design of instruments for businesses to access trade/investment resources and innovating financing mechanisms.
(d) Trade promotion and market development in the productive and services sectors	Develop and enhance institutional and enterprise development Activities could be: (i) Establish/ enhance, restructure and commercialise trade/investment agencies. (ii) Development of entrepreneurship. (iii) Strengthen capacities of business service providers.
(e) Private Sector Development	To support in particular industrial development, MSMEs, mining, minerals and tourism. Identify and support privatisation/ commercialisation as appropriate. Activities could be: (i) Capacity strengthening of business institutions in public and private sector and civil society. (ii) Strengthen and facilitate trade information access, networks and information sharing and training for professionals on trade facilitation, export promotion and market research, etc. (iii) Development of facilities and institutions for private sector participation. (iv) Facilitation for adoption of new technology particularly for the micro and SMEs.
6. Adjustment Cost	To mitigate against fiscal revenue losses and economic costs of adjustment
(a) Restructuring of industries, trade and policies and support to social services	Ensure competitiveness and ensure alignment of policies. Provide support for social sector development, social services and human resource development and education. Activities could be: (i) Restructuring of industrial sector and adoption of economic policies for competitiveness and diversification into new economic sectors. (ii) Retraining of redundant labour to acquire new skills for restructured industries and new economic section.

Key Areas	Objective and illustrative activities
(b) Loss of fiscal revenue	Macroeconomic support to mitigate against revenue loss, protect basic service sectors e.g. health & education and provide interventions for net food importing countries Activities could be: (i) Provision of resources for loss of revenue from tariff dismantling, deepening of regional integration and negative implication of BOP. (ii) Provision of safety net for social sector development, social services, human resource development and net food importing countries.
(c) Debt Relief	Debt swap particularly for non-LDCs who have not benefited from HIPC.
7. Institutions	Support capacity building for trade and investment promotion to ensure the effective implementation of EPAs and the regional reforms through the national regional and international private sector Activities could be: (i) Refocusing the activities of EPA preparatory institutional arrangements towards monitoring EPA related commitments. (ii) Strengthen partnerships at national and regional level.
