

TRADE COMII PROGRAMME

  BUILDING ACP TRADE CAPACITIES
RENFORCER LES CAPACITES COMMERCIALES DES ACP

KNOWLEDGE SHARING

TRADE AND INVESTMENT GOOD PRACTICES

BRUSSELS, FEBRUARY 20-21, 2018

REPORT



TRADE POLICY AND REGULATION



THE EPA AND WTO PROCESSES



QUALITY INFRASTRUCTURE



CUSTOM MATTERS



TRADE AND INVESTMENT

Appui aux politiques commerciales DOUANES
Trade Policy Support EUROPEAN Certificat d'origine électronique
MARKET ACCESS INVESTMENT PLAN COMPETITIVITE
QUALITY AND STANDARDS Legislation & Regulation DU SECTEUR PRIME Value Chain
OPPORTUNITIES EPA implementation

Contents

5/ INTRODUCTION

9/ CLUSTER 1
TRADE POLICY AND REGULATION

13/ CLUSTER 2
EPA AND WTO PROCESSES

19/ CLUSTER 3
CUSTOM MATTERS

23/ CLUSTER 4
QUALITY INFRASTRUCTURE

29/ CLUSTER 5
TRADE AND INVESTMENT

29/ CLUSTER 5A
PRIVATE SECTOR COMPETITIVENESS

33/ CLUSTER 5B
TRADECOM II IN A NEW CONTEXT OF THE
EUROPEAN INVESTMENT PLAN
& THE ACP PRIVATE SECTOR STRATEGY

43/ CLOSING SESSION

Introduction

The Knowledge Sharing Event on Trade and Investment Good Practices was organised by the TradeCom II PMU from 20 to 21 february 2018, aimed at disseminating, as widely as possible, relevant “good practices” developed by TCII-supported programmes since the commencement of its implementation in December 2015.

The Knowledge Sharing Event was attended by a total of 110 participants mostly representing the beneficiary ACP Countries and Regional Economics Communities (RECs).

Five clusters of “good practice” cases were proposed for the first round of knowledge sharing from the 23 programmes implemented by the TradeCom II Programme under its first Programme Estimate. These good practice cases were built around the following targeted outputs.



TRADE POLICY AND REGULATION

Three key areas under the trade policy cluster on improved trade policy formulation capacity with a focus on addressing non-tariff measures:

- Trade policy coordination at national, regional and ACP levels;
- Improved and inclusive national and regional trade governance.



EPAs, REGIONAL AND WTO TRADE AGENDAS

Two key components under this cluster include:

- Implementation of the EPAs;
- Multilateral trade negotiations.



CUSTOMS MATTERS

Under this cluster, four support programmes were selected to provide the “good case” experiences, namely:

- Electronic Certificate of Origin;
- Single Administrative Document and Customs Valuations;
- Enhancing the Efficiency of the Region’s Trade Facilitation Services;
- Reforms of customs-related legislation and regulations.



MARKET ACCESS AND STANDARDS

Under this cluster three support programmes provided the “good case” experiences, namely:

- Developing export guides for exporters and disseminating market intelligence and trade information to the ACP private sector and business communities;
- Capacity building on key trade facilitation areas, rules of origin and market analysis;
- Support to new entrepreneurs / small traders under their respective umbrella institutions—women and youth entrepreneurs and with innovative trade facilitation arrangements such as the Simplified Trade Regimes.



TRADE AND INVESTMENT

Under this cluster, the following three elements were selected to provide good practice cases:

- Strengthening institutional framework to effectively address the supply-side constraints;
- Support private-sector led value and supply chain development and export compliant system to enhance and sustain competitiveness;
- Strengthening the market access / export corridors and related trading institutions.

MODERATOR



Viwanou GNASSOUNOU
Assistant Secretary-General
ACP Group



WELCOME STATEMENT



Patrick I GOMES
Secretary-General
ACP Group

I wish to welcome all delegations and I am happy to be among the many people active in the trade sector - the representatives of the private sector and RECs. Thanks to the ASG, and all those who have facilitated the Knowledge Sharing Event -Morgan, Christiane. Very thankful to the TCII Contractor and the leadership of the TCII PMU.

The Knowledge Sharing event will give the ACP the good foundation and experience for sharing the benefits, challenges and good practices of knowledge management and its dissemination that is built on the successes of ACP trade support programmes from TradeCom I to TradeCom II. At the core is the objective of enhancing the qualitative integration of the ACP economies into the global trading system. ACP states need to be capacitated to take advantage of their increasing share of global trade and employment with equality. Challenges of inequality in the trading system raise many political questions.

Uncertainties facing the multilateral trading system calls for intensifying our knowledge, that helps to capacitate us innovatively to capture a larger share of global trade, and to deal with the difficulties emerging from the demographic dividends, such as our youths who leave their countries in search

of better opportunities. This calls for reinforcing production and trading capacities in the ACP countries to also benefit the youth.

Enhancing and seeking dynamism of growth opportunities, niche productive capabilities, South-South trade, and national and regional competitive advantages especially in the service sector, all have potential convergences that should carry ACP countries to a higher trade trajectory. The ACP Secretariat will expand its support to the ACP States to meet the objectives of growth and greater integration into the global economy through, *inter alia*, an ACP-wide trade portal that will build on the good practices of this event and the outputs of the TCII.

This event will also help to assess if TCII objectives of enhancement of capacity building in ACP countries and regions is likely to be fully realized. In that regard, speakers are invited to be franc on the good practices that could be replicated widely, and the remaining challenges that should be well addressed going forward. The EU External Investment Plan is also part of the programme for this event. We are proud of it and will receive clarity on how it will improve the operations of the TCII.

“ We are in a constructive mode addressing the big challenge of enhancing and boosting the potential for intra-regional trade. These are the topics addressed to the private sector and the youth entrepreneurs. The objective here is to create sustainable jobs. Hence, the Knowledge Sharing event should extract good practices especially on EPAs and the need to unleash the maximum trade potential via intra-regional trade.

TCII at this mid-term point provides opportunities for identification of good practices that can be scaled up, including an analysis of their impact on trade. The EU Parliament is demanding that the EC presents them with clear examples or successes from TCII for showcasing. As a result of the outputs of this event, the EC should go to the EU Parliament, the UN, and other platforms to show case what is really working on trade and what can be scaled up, especially results that can lead to a more equitable trading system.

Transparency of the local, regional and global value chains and their equity dimensions is key. We will need to enhance knowledge on these value chains and the

respective geographical indications beyond niches but in the local and regional context. The new narrative of South-South and Triangular cooperation should be enhanced in light of what could be extracted from such arrangements for the benefit of all.

M&E and impact assessments demand the investment of energy on this exercise over the next two years to assess Aid-for-Trade performance and related outputs and tangible results, and how the different sectors of value chains are impacted. Thus, during this two-day event we should show case tangible results and impacts.

The EU EIP continues to generate a lot of interest along its three pillars especially in Africa. The focus is to push for more engagement in agro-value chains in rural and urban areas in line with the 2017 Africa-EU Summit commitments. TCII can be a pioneer to leverage trade and investment. The proceedings of this event and the resulting scaling up of activities should place the TCII on a higher profile in key events and media channels. **”**

WELCOME STATEMENT



Leonard MIZZI
Interim-Director
European Commission
DEVCO



CLUSTER 1

Trade Policy and Regulation



MODERATOR



Ahmed NDYESHOBOLA

Team Leader
TradeCom II Programme

PIFS MAINSTREAMING TRADE POLICY FRAMEWORKS



Shiu RAJ
Director of Policy &
Economic Governance

COMSEC NATIONAL AND REGIONAL TRADE POLICY SUPPORT



Teddy Y. SOOBRAMANIEN
Head of the
Hubs&Spokes Programme

COMESA TRADE AND INVESTMENT OPPORTUNITIES WITH EMERGING MARKET ECONOMIES



Zerezeghi K. KIDANE
Senior Customs Officer

ECOWAS REGIONAL FRAMEWORK FOR TRADE DISPUTE SETTLEMENT



Antoine AGBADOME
Trade Policy Advisor

OBJECTIVE OF THE SESSION

To consider good practices and lessons learned from national and regional trade policies in sustaining trade expansion and overcoming trade obstacles. Special attention will be given to the trade-related monitoring frameworks and results setting.



The Pacific ACP States - small countries with large oceans - greatly appreciate the support and contribution of the TCII in strengthening their implementation of the regional mainstreaming of trade policies, and implementation of National Trade Policy Frameworks in addition to the support in other key areas of trade. The targeted support creates tangible outputs that make positive impacts for the next generation, which in this case is the practical and highly replicable guide for mainstreaming trade policies and implementation of national trade policy frameworks.

The initial demands and expectations of the beneficiaries were very ambitious in terms of coverage and scope. Due to the finite volume of the resources under the TCII and huge number of beneficiaries, the latter's ambitions were scaled down to very specific and targeted interventions with clear value addition.

Fiji's good practice performance entailed a sizable allocation of resources under the budget to trade and investment coupled by effective international investment relations by placing trade experts in the country's missions abroad.

The consolidating phase of the Hubs & Spokes programme is striving to generate sustainable results in terms of deployment of advisors and generating sustainability parameters as reflected in the ownership by the beneficiaries in the 16 countries and the RECs

FOCUS OF THE DISCUSSION

- The challenges facing small states in the implementation of the regional and national trade agenda, and the effectiveness of the TCII targeted support for trade mainstreaming and implementation of national trade policy frameworks;
- Sharing good practices on trade policies to support sustainable trade expansion and overcome trade barriers; also premised on the forecast that the ACP Group has the potential to be the next emerging market economies;
- Regional legal frameworks supporting trade integration and implementation of trade agreements;
- Key challenges requiring continued search for good practices and their subsequent dissemination;
- Link between TCII and other donors.

7 RECS
in ACP Regions

22 Advisers
currently
deployed

For most of the ACP regions the common trade policy issues are deeply internalized in the regional trade integration agendas with some regions having ambitions to establish customs unions, while others already implementing such deeper dimensions of trade integration. In such a framework, there is a common external trade policy. The Regions are also implementing many bilateral trade agreements some of which are with emerging market economies (EMEs).





SIX RESULTS AREAS HAVE BEEN SET

- **R1:** Key ACP stakeholders trained on trade policy issues;
- **R2:** Effective trade policy drafted and trade agreements successfully negotiated and implemented;
- **R3:** National and regional consultative networks established and strengthened;
- **R4:** Collaboration and partnerships strengthened to maximize benefits of aid-for-trade opportunities;
- **R5:** Intra-ACP communications and sharing of knowledge and best practices on trade development attained;
- **R6:** Capacity of beneficiaries to take over and fund the programme on their own and/or develop a successor programme on contemporary trade challenges are enhanced.

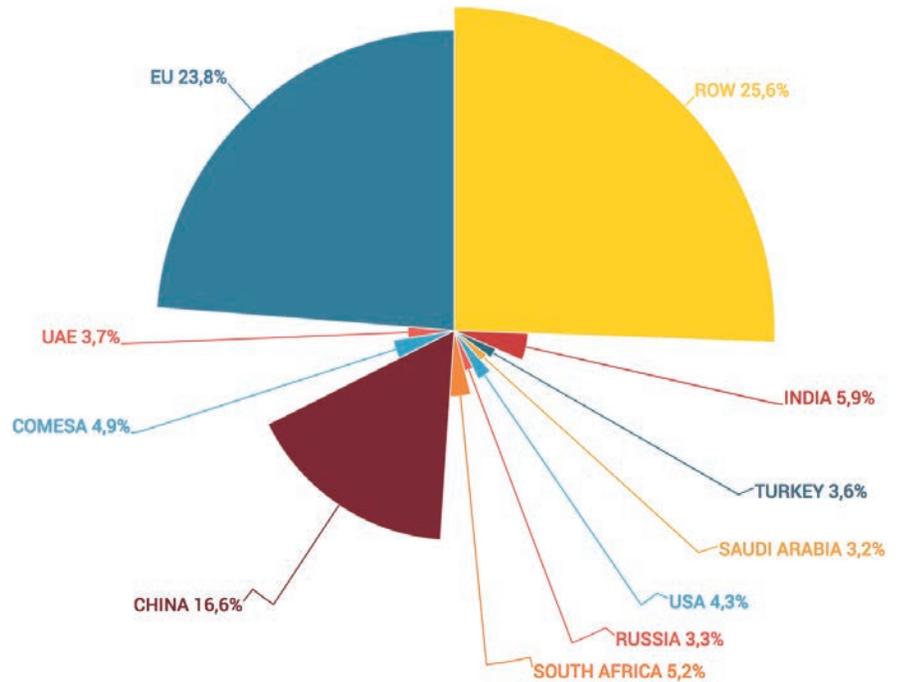
For those regions that are basing their trade agenda with emerging market economies on the harmonised regional policy framework like COMESA, this experience constitutes a good practice that should be replicated in all ACP regions.

Like all intra-ACP Programmes - the link between TCII and other donors is essential. Diagnostic studies are encouraged with the view to exploiting the inherent connections and synergies as these are key for the development policy agenda - to ensure policy coherence among EU interventions and policies, both on policy formulation and implementation. Work with EU Delegations and other regional representations is very much encouraged. For the beneficiaries, the development of regional aid-for-trade strategies is also encouraged. The focus here is on the regional dimension of that strategy and the need to connect with regions in Africa, Caribbean and the Pacific to share best practices and to learn from each other.

Engaging in effective dialogue on equitable trade would remain a key priority for modernising Aid-for-Trade and will be taken into account for the current and future EU support projects and programmes such as TCII.

The key challenges that were identified as requiring additional attention also in search of good practice cases for replication include the following:

COMESA KEY IMPORT MARKET SHARES, 2016



- A. Staff turnover – very practical; need for institutional arrangements to allow retention of knowledge and identify that as a possible good practice also with the view to explore possibilities of the networks created without permanently using external experts;
- B. Institutional memory - sharing of information exchange and use of training institutions as hosts of key transmitters of the information base;
- C. Serious lack of trade management capacities in small countries;
- D. Peer learning - application of lessons learnt and good practice cases;
- E. Regional dimension - connect to good practices in other ACP countries and regions.

One mechanism to address the high staff turnover especially in small states with pronounced capacity constraints is to create a network of experts to retain the experience and share it – similar to the trade portal mechanism. Alternatively, the countries could follow the Fiji good practice case: where the country supported trade and SMEs with targeted support, horizontal and vertical integration of trade in the development agenda, invested also at the international level with trade officials in Embassies. Lessons were also learnt from another small state -Solomon Islands- on the trade and investment policy framework in which they carried out wide consultations in an inclusive process.



GOOD PRACTICE CASES

PIFS

1. Trade Mainstreaming is an on-going process. Thus, adaptive “knowledge products-guidelines” are essential: a very practical manual. Niue a good practice case for implementation of National Trade Policy Framework.
2. Trade mainstreaming is a two-way process, to achieve “whole-of-government action.” Hence, the formulation of the Trade Mainstreaming Guide was inclusive:
 - Planning agencies (Ministries of Economy) were involved-and participated in the Regional Trade Mainstreaming Workshop, and the formulation of TPFs.
 - Experts on all trade-related issues provided inputs into the guide. Social issues, and local community knowledge were integrated into the trade mainstreaming blueprints.
3. The best policy frameworks require human capital during implementation, which is not abundant in most PACPs; so:
 - Continued capacity building programmes through different TCII, H&S, etc. are commendable;
 - South-South peer learning programmes (under TCII and H&S) open windows for rapid person-to-person knowledge transfer.
4. Private Sector participation (and leadership) in trade mainstreaming is the game changer on trade & investment framework in addition to strengthened political leadership, and ownership.

COMSEC

SUSTAINABILITY OF GOOD PRACTICES UNDER H&S PROGRAMME

1. COMESA's set of trade facilitation instruments that have proven effective in advancing regional trade and integration objectives—e.g. COMESA Simplified Trade Regime (STR) - for facilitating SMEs and other small cross border traders;
2. Building inclusive and effective trade networks that is crucial for trade policy formulation, negotiation and implementation:
 - CARICOM Regional TFA committee established, stock taking of ratifications;
 - Regional EPA groups to discuss/review monitoring and implementation.
3. Sustainability - beneficiary's strong commitment to the objectives of TA—buy in and contribution from beneficiaries from the start of programmes;
4. Future and changing dynamics:
 - E-Commerce and technological advances for cross border trade—legislation and implementation of trade agreements;
 - Climate change and impact on trade esp. for small island states/green markets and investments, SDGs and trade policy;
 - Changing trends - Trade in Services, GVCs, RVCs and deepening supply chains, regional integration efforts.

COMESA

Key good practice cases of TCII support with respect to trade and investment opportunities with emerging market economies:

1. Practical options for implementing its common external trade policy (CETP);
2. Identification of the main ‘offensive’ strategies in the promotion of exports;
3. Developing a regional strategy to overcome existing trade obstacles and to seize opportunities for COMESA MSs to meaningfully engage with the emerging market economies (EMEs) in the area of trade and investment;
4. The Strategy is supported by the findings of the diagnostic study on the trade and investment opportunities with EMEs;
5. Prepare COMESA/MSs to exploit and implement the identified trade and investment opportunities with EMEs to their benefit through, *inter alia*:
 - Addressing supply-side constraints;
 - Enhancing EMEs market access;
 - Enhancing utilization of the China LDC Scheme; and
 - Negotiating FTAs with selected EMEs.

ECOWAS

The good practice cases with respect to the regional framework for trade dispute settlement framework under the EPA that may also serve as good practice case for other regions included the following:

Two good practice points on the legal framework:

1. Development of legal framework and procedures including:
 - Prevention mechanism before the dispute;
 - The dispute settlement mechanism;
 - Mediation if the settlement is not successful.
2. Heavy involvement of member states and the regional organisations in the regional framework for dispute settlement.



CLUSTER 2

The EPA and WTO Processes



MODERATOR



El Hadji DIOUF
TradeCom II Programme

CARIFORUM

REGULATORY
FRAMEWORK FOR EPA
IMPLEMENTATION



Alexis DOWNES-AMSTERDAM
Director
CARIFORUM-EU EPA
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DG TRADE

THE EC'S GOOD
PRACTICES ON EPAs



Remco VAHL
Senior Trade Expert
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ACP COORDINATOR (Geneva)

ALL-ACP's EFFECTIVE
PARTICIPATION IN WTO
NEGOTIATIONS



Neville TOTARAM
Deputy Permanent
Representative of Guyana
in Geneva

OECS

FISHERIES SUBSIDIES
AND DEVELOPMENT



Virginia PAUL
Head of Trade Policy Unit
OECS Commission

SENEGAL

IMPLEMENTATION
OF THE WTO TRADE
FACILITATION
AGREEMENT



Assome DIATTA
Director for External Trade
Senegal

OBJECTIVE OF THE SESSION

To demonstrate EPA implementation technical assistance good practices and lessons learnt that can be disseminated at national and regional levels; and progress in attaining ACP-wide common negotiation positions at the WTO and the case for fisheries subsidies.



The implementation of the EPAs poses enormous demands on the parties and in particular the ACP States that are signatory to the agreements. In that regard, the demand for support tends to be quite ambitious, too diverse, and too broad to the extent that a single project support cannot deal with all issues. The beneficiaries fully appreciated that the donor has a responsibility to decline certain aspects if the request from beneficiary is too ambitious.

Capacity constraints at national level to effectively deal with all aspects of the EPA implementation are very much felt in many countries. National trade experts feel overwhelmed by the EPA demands and they lack the essential capacities to cope with such demands and expectations. This is most evident in small countries.

TCII support to the EPA implementation was very much appreciated as it generated for the CARIFORUM a six-fold good practice cases ranging from the five model bills and the respective legal guides for domestication and subsequent implementation of those bills at the member states level to the Transposition of EPA tariff to 2017 HS.

FOCUS OF THE DISCUSSION

- The good practice cases both from the TCII support to EPA implementation and the overall good practices emerging from the EPAs;
- Effective participation in the WTO negotiations and the underlying good practice cases of the TCII support;
- Regional experiences in the WTO negotiations in the trade issues that are critical for member states development and the good practice case from the TCII support;
- Good practice cases from the TCII support to countries' implementation of the WTO TFA.



From the EC's experience with the implementation of the seven (07) EPAs (5 in Africa, 1 in Car 1 in Pacific - applicable in 29 ACP countries) the following issues were pertinent:

1. Customs - capacity of customs to implement the EPAs is an area that deserves further support in light of the major work these institutions deal with (tariff adjustments, appropriate nomenclature that remains a moving target, rules of origin, etc.) which are highly technical;
2. Statistics - reliability of statistics and timely data collection to facilitate the build-up of trade development and implementation strategies;
3. Value chains - EPA aims to help partner countries to integrate in the RVCs and GVCs; here support should be provided in response to the huge volume of analytical work entailed.

On the TCII support for the effective participation of the ACP Group in the WTO negotiations it was noted with great appreciation that the high level of team work between the ACP Missions, ACP Secretariat, focal points and the TCII team of advisors in the

TCII SUPPORT FOR THE CARIFORUM-EPA | GOOD PRACTICE CASES

RESULTS		OUTPUTS
1	Foster Enabling Legal Environment Enhanced legal and regulatory environment in CARIFORUM States	<ul style="list-style-type: none"> ➤ Five (5) revised Model Bills for the services sector ➤ Guides to Enactment to aid transposition into national law ➤ A Draft CARIFORUM MRA for Architecture services ➤ Model CARIFORUM MRA Bill ➤ Capacity to transpose Model Bills into national law enhanced
2	Foster Enabling Legal Environment- Trade Data for Submission to WTO Transparency Mechanism	<ul style="list-style-type: none"> ➤ Trade data validated and submitted to the WTO for the factual presentation of the CF-EU EPA ➤ Concrete positions elaborated on the WTO Draft CF-EU Factual Presentation Report
3	Foster Enabling Legal Environment: ➤ EPA is updated to HS 2017	<ul style="list-style-type: none"> ➤ Draft Transposition of EPA Tariff Schedule and Rules of Origin
4	Strengthen Capacity of EPA Implementation Unit: ➤ Improved monitoring of the implementation of the CARIFORUM-EU EPA	<ul style="list-style-type: none"> ➤ Draft Framework of a CF-EU Monitoring System ➤ EPA Implementation Roadmap Design – Best Practices Guide
5	Strengthen Capacity of EPA Implementation Unit: ➤ Enhanced knowledge-sharing on the opportunities and of the CF-EU EPA	<ul style="list-style-type: none"> ➤ Public education material prepared

key areas of fisheries, agriculture, SDT and services accentuated expected effectiveness. This enabled the Coordinator of the ACP Group to organize a number of consultations with key Members of the WTO in preparation for the MC11.

Strategic outputs of the very successfully implemented TCII support included technical studies, briefing notes and negotiation positions. On the latter, the MCII outcomes on the fisheries negotiations fully reflected the ACP position. The Ministerial decision, though non-binding, also reflected the ACP position on the effects and responses to the natural disasters. Though not a Ministerial year, 2018 is seen by the ACP Group as the time for preparing itself in the new issues

such as e-commerce, MSMEs, etc. Further support from TCII could be structured around the Group's preparations on the new issues.

As for the small, vulnerable and trade dependent Member States of the OECS Commission, the TCII support was configured around, *inter alia*, the fisheries subsidies negotiations under the WTO. The support is premised on the Commission's and its Member States' need to respond to the needs of the small-scale artisanal fishers (SSAFs) that represent 90 per cent of persons engaged in wild fish captures, but only one third of global output. This also takes into account the WTO provisions for Special and Differential Treatment (SDT) for the SIDS.



In that regard, two sets of capacity built were realized for the OECS:



On the implementation of multilateral trade agreement and specifically the WTO Trade Facilitation Agreement in Senegal, the key areas of success resulting from the TCII support include:

- Capacity building for the trade management officials and key stakeholders; and
- Experience generated in the implementation of the multilateral trade agreements will be a good practice case for the implementation of successive trade agreements such as the CFTA (for Africa).



AREAS FOR FUTURE FOCUS FOR TCII'S TA

Support to the implementation of EPAs targeting key result areas such as the legal frameworks, implementation plans, and focused capacity building for:

- Customs administrations;
- Trade statistics;
- Analytical work on integration into RVCs and GVCs;
- Promote knowledge sharing on experiences and good practices;



Support to enhancing effective participation of the ACP Group in the WTO negotiations also targeting key result areas under the new issues in preparation for the MC12.

Support to the implementation of multilateral and regional trade agreements



Support the continuous engagement between trade officials/experts and quality infrastructure (QI) specialists



GOOD PRACTICE CASES

CARIFORUM

The TCII support generated a five-fold quantifiable results that are essentially good practice cases for the EPA implementation:

1. Legal & regulatory framework - 5 model bills and guides for transposing into national laws;
2. MRA - capacity built in States over legislation - knowledge sharing a better outcome;
3. Regional integration - law allowing harmonized legislation across States;
4. WTO data submissions - positions shared with the EC;
5. Transposition of EPA tariff to 2017 HS.

Additionally, the TCII support helped to design a framework for joint (CF-EU) monitoring of the EPA implementation that should be approved by the Council of Ministers. The support also facilitated the build-up of the consultative practices with Member States.

The targeted TCII support to the CARIFORUM EPA Unit created capacity for administration and technical backstopping of the EPA implementation process. The Unit was also able to leverage resources of the TCII with in-house funds to fully attain the scope of five result areas and the good practice cases. Hence, leveraging of resources by the beneficiary is the sixth good practice case.

DG TRADE

The broader good practice cases from the ongoing EPA implementation are three-fold:

1. EPA – implementation of the 7 EPAs:
 - 5 in Africa;
 - 1 Pacific;
 - 1 Caribbean;**Total 29 partner countries;**
2. The build-up of national implementation plans and allocation of available resources;
3. Capacity building effort for customs, statistics and analytical work in support of the value chain development.

ACP GENEVA

Key outputs of the TCII support that can be clustered as good practice cases were with regard to the effective preparation prior to the MC11:

1. Studies on agriculture domestic support, fisheries subsidies, agriculture and services domestic regulations;
2. Negotiating papers on fisheries subsidies and agriculture domestic support;
3. Overall State of play reports on Agriculture, Rules, Services, S&DT negotiations, and review of General Council regular work areas in the lead up to MC11;
4. Support of ACP Brainstorming Sessions and Retreats.

OECS

The capacity building outputs in the context of the fisheries subsidies negotiations at the WTO, the three-fold good practice cases from the TCII support are:

1. Empirical data on the fishing sector;
2. Inputs of the national and regional fisheries experts;
3. Collaboration of the trade and fisheries experts.

SENEGAL

Key result areas that are part of the good practice cases include:

1. Consultative mechanisms between trade officials and key stakeholders on the successful implementation of the TFA;
2. Such mechanisms to be replicated for the implementation of other regional trade agreements such as the CFTA.



CLUSTER 3

Customs Matters



MODERATOR



Morgan GITHINJI
ACP Secretariat

CARIFORUM CUSTOMS DEVELOPMENT



Sean TAYLOR
Trade-in-Goods Specialist,
CARIFORUM-EU EPA
Implementation Unit

COMESA ELECTRONIC CERTIFICATE OF ORIGIN



Zerezhgi K. KIDANE
Senior Customs Officer

MSG EFFICIENCY OF MSG'S TRADE FACILITATION SERVICES



Henry SANDAY
Trade and Investment
Advisor

NIUE NIUE'S KEY REFORMS OF CUSTOMS-RELATED LEGISLATION AND REGULATIONS



Frank SIONEHOLO
Head of Economics, Planning
& Development, Department
of Finance & Planning

DG TRADE REFLECTIONS ON GOOD PRACTICES



Athanassios RAMMOS
Senior Trade Office

OBJECTIVE OF THE SESSION

To identify demonstrable results in increasing efficiency and reducing transaction costs associated with the movement of goods across borders, the good practice cases for TradeCom II replication, and new needs going forward.



FOCUS OF THE DISCUSSION

- The good practice cases on customs development under the EPAs;
- Innovative developments on trade facilitation instruments especially the electronic certificate of origin;
- Measures to enhance the efficiency of the trade facilitation services;
- Appropriate reforms of customs-related legislation and regulations;
- General reflections on good practices on customs matters.



Article 31 (2) (c) of the EPA (for instance the CF-EU EPA) speaks to the need to apply a Single Administrative Document (SAD) or its electronic equivalent in the EU Party and the partner states (under the EPA Region). A Regional SAD has the following benefits:

- Simplification of administrative requirements;
- Rationalization and reduction of administrative documentation;
- Standardization of the required data; and
- Harmonization of data shared from one Member State to another.

And Article 33 requires that the Agreement on Implementation of Article VII of GATT 1994 govern customs valuations on trade between the Parties. These articles underlie the TCII support in this area and the targeted outputs.

On the effectiveness of the customs connecting with the borders within and/or outside a given regional FTA the use of certificates of origin are essential. As the FTAs take advantage of e-commerce and

advance towards digital FTA, the use of electronic certificate of origin (eCO) becomes the appropriate tool to enhance the efficiency of the customs operations. COMESA has advanced in that direction and is in the final stages of launching an eCO the key features of which include, *inter alia*:

- Regional approach, recognized by MSs;
- Web-based fully electronic system (advanced);
- Can be integrated or interfaced with ASYCUDA system or other compatible automated systems;
- Secure (incl. e-signature (digital) and barcode on eCO);
- Simple and easy to track the issued eCO.

Enhancing the efficiency of trade facilitation in small island countries such as the Melanesian Spearhead Group (MSG) which depends on the two systems - air and shipping transport infrastructure and services for trade integration and expansion is crucial. TCII support targeted at, *inter alia*, developing proposals for enhancing the efficiency of the air and shipping services.



AREAS FOR FUTURE FOCUS FOR TCII'S TA

To assess EPA costs and benefits.



To facilitate and enable ACP states to consult each other, to share information and experiences.

To support effective implementation and enforcement of customs legislation built on good ideas.



To support the build-up of good relations with the business community - the economic operators - to ensure their participation and support of the reforms on customs.

To support the prohibition of pre-shipment inspections as they hinder trade development and expansion.



To support the application of risk assessment for compliance to enhance efficiency, transparency and reduction of customs/trade facilitation costs.



Enhancing trade facilitation services has also provided the needed motivation for Customs Reforms. The latter, in a small country like Niue, is aimed at, *inter alia*:

- Improving revenue collection;
- Contributing to a stronger economic growth
- Improve border controls.

When customs procedures run smoothly, trade is facilitated.





GOOD PRACTICE CASES

CARIFORUM-SAD

Prepare the CARIFORUM/MSs to implement the SAD and strengthen customs valuations under the CF-EU EPA through, *inter alia*:

1. Commitment of the key stakeholders to champion the implementation of the SAD;
2. Commitment of key stakeholders to champion the strengthening of customs valuation;
3. Regular reporting of the Monitoring and Evaluation Committee.

COMESA

The good practice cases with respect to the electronic certificate of origin that may also serve as good practice case for other regions included the following:

1. A simplified eCO system (architecture);
2. The legal framework for its implementation and user manual in three languages;
3. User friendliness with standards customs systems such as ASYCUDA system;
4. Action plan for piloting implementation;
5. Tied to the COMESA digital FTA and virtual trade facilitation;
6. Sustainability ensured under the region's broader trade integration agenda and the related resources.

MSG

The good practice cases with respect to enhancing the efficiency of trade facilitation services in the MSG region included the following:

1. MSG Secretariat and the TCII team worked with the key private sector stakeholders on the trade facilitation reforms to facilitate ownership (removal of disconnects), implementation and sustainability;
2. Strengthening MSG Secretariat's Trade Division to effectively monitor intra-regional and international trade flows;
3. On-line business directory developed and shared widely in the MSG region.

NIUE

Good practice cases from the TCII support include, *inter alia*:

1. Rationalization of customs procedures;
2. HS2017 classification;
3. Reduction of time to release goods at border posts; and
4. Triggered the "wave of change" in response to the mood to improve trade facilitation services.

DG TRADE

Good practice cases from the developments on customs matters in the ACP countries include, *inter alia*:

1. Development and management of single window systems;
2. Development and implementation of eCO;
3. Customs legislation based on good ideas to be followed by effective implementation and enforcement;
3. Good relations with the business community - the economic operators- to ensure their participation and support of the reforms on customs matters.



CLUSTER 4

Quality Infrastructure



MODERATOR



Morgan GITHINJI
ACP Secretariat

EAC
KNOWLEDGE SHARING
WITH BUSINESS
COMMUNITY ON TRADE
REQUIREMENTS IN THE
CONTEXT OF THE EAC
EXPORT STRATEGY



Lawrence OTHIENO
Regional Trade Advisor

OAPI
QUALITY AND
STANDARDS IN
SUPPORT OF SME
COMPETITIVENESS



Jean-Baptiste WAGO
Deputy Director-General

CROS-Q
KNOWLEDGE
SHARING ON THE
BENEFITS OF QUALITY
INFRASTRUCTURE
UNDER THE EPA



Deryck OMAR
Chief Executive Officer

ARSO
MANAGING PRODUCT
QUALITY ENVIRONMENT
FOR AGRO-EXPORTS



Hermogene NSENGIMANA
Secretary-General

DG TRADE
QUALITY
INFRASTRUCTURE
& VALUE CHAIN
COMPETITIVENESS



Moustapha MAGUMU
Trade Affairs Officer
EPAs

OBJECTIVE OF THE SESSION

To explore demonstrable regional and national quality infrastructure good practice cases in support of export competitiveness thus far, and the new needs going forward.



The quality infrastructure –SPS and TBT issues spanning from standardisation to metrology to awareness to inspection to testing and certification—are best approached from a positive outlook with the view to facilitating improvement in the business community’s competitiveness including those of the small cross-border traders (women and youth). In that regard, the key elements of the QI constitute the baseline good practices for the development of standards and related conformity assessments.

To the ACP countries and the business community the QI is essential for accessing new markets and effective participation in the regional and global the value chains. To that end, QI ensures:

- competitive productivity improvements for the business community’s key products;
- conformity with market requirements;
- connectivity to the targeted new export markets and customers.

Additionally, the QI and specifically the use of standards by the broader business community including the SMEs supports:

- the production and marketing of competitive products and services;
- the compliance with regulations;
- the safety of the marketed products.

FOCUS OF THE DISCUSSION

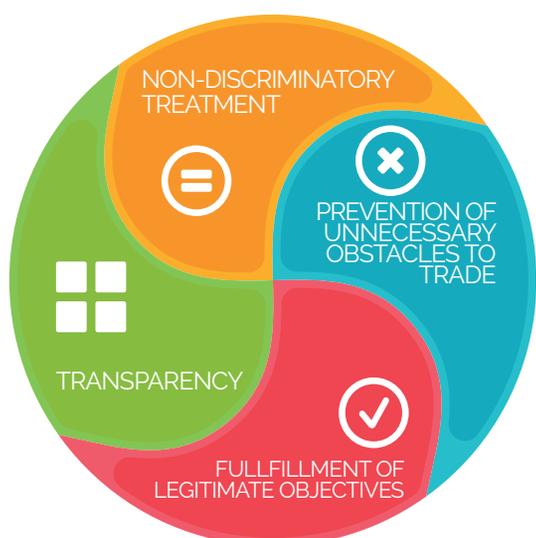
- Demonstrable regional and national quality infrastructure good practices in support of export competitiveness in ACP regional organisations;
- Knowledge sharing with the business community, including women and youth traders, on the essence of the quality infrastructure;
- The current and future needs of the QI sector in ACP countries;
- The importance of quality infrastructure in the implementation of EPAs or iEPAs that have been signed;
- The robustness of the quality of products sold on the domestic, regional or international market that will have a positive economic impact but also on consumers; and
- The overall target of raising the level of competitiveness.

The EU attaches considerable importance to the QI in relation to the following three factors:

- Significance of trade in the global context—for growth and job creation; as a result, trading partners from developing countries continue to face increasing levels of standards and the legislative process for proofs that the standards have been met / complied with;
- QI is critical for the successful implementation of the EPAs, with:
 - ▶ Benefits for improving external trade flows;
 - ▶ Benefits for improving intra-ACP trade flows—and health and safety benefits for ACP consumers;
 - ▶ Good governance—through mutual recognition and implementation of international agreements—WTO and TBT chapter in the EPAs;
 - ▶ Promotion of local processing—value chains;
 - ▶ Promotion of increase in production and productivity capacities;
- EU views the eventual lack of QI capacities—inspection bodies in the exporting developing countries as a wastage of resources on its part through the creation of inspection bodies and the costly rejection of imports.



PRINCIPLES OF WTO-TBT AGREEMENT



QUALITY INFRASTRUCTURE



Areas of success of technical assistance in this domain include:

- Tangible work accomplished on the common external tariff of the EAC region;
- Support in the promotion and facilitation of trade, through elimination of NTBs and standard harmonisation enhancement;
- Strengthening of national and regional quality infrastructure and harmonisation of standards and technical regulations (OAPI and CROSQ);
- High impact of standards setting in specific sectors such as agro-processing, while supporting an SME maturity model through capacity building (ARSO);
- Branding (and re-branding) to support and promote sustainability standards as a means to create awareness.

Future work on the development of quality infrastructure in ACP regions include:

- Conformity assessment activities;
- Quality infrastructure an integral part of value chains development and integration;
- The need to promote a culture of quality with respect to exports and trade;
- Promoting exchange of information on regional harmonization, equivalency and accreditation;
- Greater realization of the negative impact of the lack of quality infrastructure or internationally recognized facilities;
- Improvement of quality management and QI compliance;
- Target sectors where competitive potential already exists such as niche products and promotion of value chain integration;
- Envisaging the participation of customer oriented civil society organisations in the promotion of quality culture.

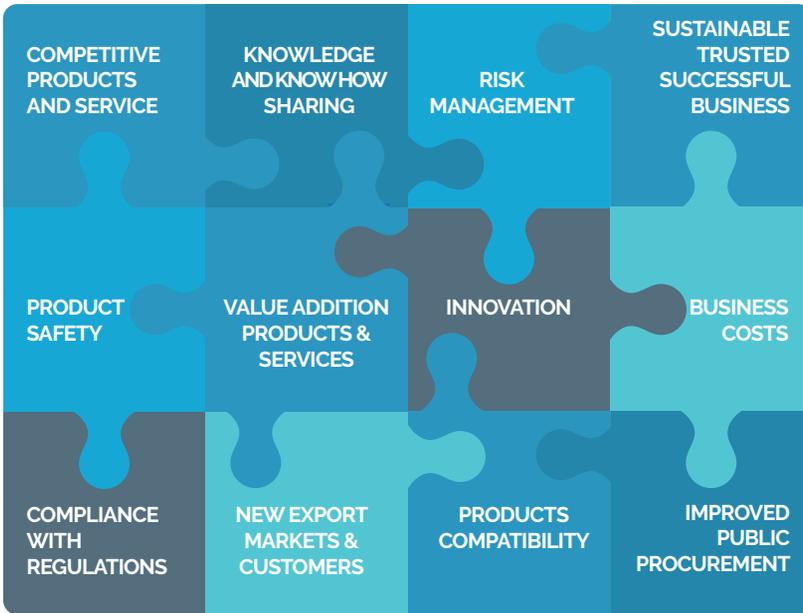
REPLICABLE GOOD PRACTICE CASES OF QI



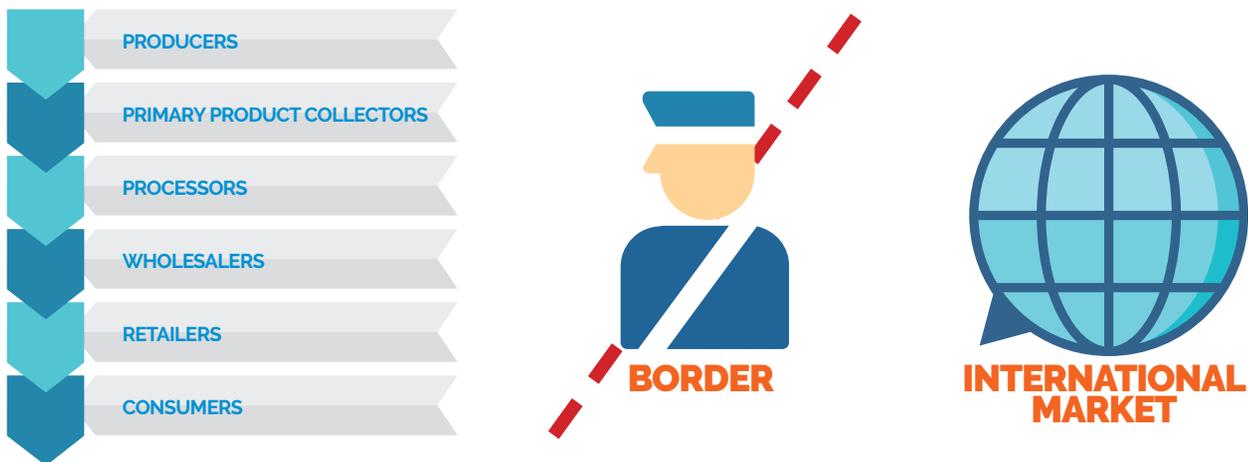
SUPPORTING SMEs - MATURITY MODEL



AREAS OF SMES GROWTH - USING STANDARDS



STANDARDS IMPROVE AGRO-EXPORT | **IMPROVED VALUE CHAIN - NEW MARKET**





GOOD PRACTICE CASES

EAC

Good practice cases at the regional level on QI issues are:

1. 15 one-stop-border posts and ICT systems to facilitate swift clearance of goods cross-border trade;
2. Simplified trade regime for small traders (especially women and youth) and a simplified certificate of origin;
3. NTB help desk and on-line reporting system including a mobile telephone-based NTB reporting system for small traders;
4. National and regional platforms on the QI services;
5. Training manuals and trainings on NTBs for cross-border small business community and on the simplified trade regime.

OAPI

The good practice cases include:

1. Harmonized QI and standards to facilitate regional trade;
2. Supporting member states standards and quality infrastructure institutions.

CROS-Q

The good practice cases include:

1. Sharing resources for small countries by building three reference laboratories for measurements;
2. Trainings on legal metrology;
3. A single regional accreditation body;
4. Management that encourages QI ownership by member states;
5. Build partnerships with global competent authorities such as UNIDO.

DG TRADE

The good practice cases include:

1. EPAs to support increase in productivity, trade growth and the setting up of the QI built on;
 - ▶ Competitive advantage for diversification;
 - ▶ Packaging;
 - ▶ Value chain analysis;
2. Promote the quality culture as the way of doing business;
3. Participation of consumer associations to support the building of the quality culture.

ARSO

The good practice cases include:

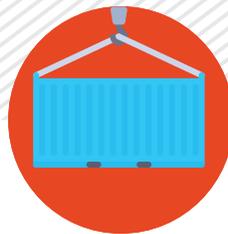
1. Participation in standards setting and the entailed capacity building;
2. Production of outreach materials that facilitates the effective use of standards—further translated into understandable materials built on the value chain processes—the actions the farmers can do to enhance product safety and compliance with regulations;
3. Maturity model built on the value chain process and supporting SMEs—market identification and respective checklist for compliance;
4. Mutual recognition of certificates built on the harmonisation of standards and conformity assessments;
5. Rebranding of products—use of the opportunity of the sustainable development goals to rebrand the products in the context of sustainability;
6. Mobilisation and awareness for the private sector—outreach materials on standards and their values / financial benefits;
7. Mobilisation of decision makers over the needs of implementing the QI and the inherent standards, and the benefits in monetary terms.



CLUSTER 5

Trade and Investment

5A | Private Sector Competitiveness



MODERATOR



Koen ROSSEL-CAMBIER
European Commission

CAMEROON
EXPORT STRATEGY
AND MARKET ACCESS
MAPPING



Achille BASSILEKIN III
Secretary-General
Ministry of Trade

KENYA
BENEFICIARY-
OWNED EXPORT
COMPLIANCE SYSTEM
AND INVESTMENT
CLIMATE IN SUPPORT
OF HORTICULTURE
EXPORTS



Ahmed NDYESHOBOLA
Team Leader
TradeCom II Programme

TANZANIA
COMPETITIVENESS AND
DIVERSIFICATION ALONG
KEY EXPORT CORRIDORS
AND INVESTMENT
CLIMATE FOR VALUE
CHAIN DEVELOPMENT



Donald MMARI
Executive Director
REPOA

SAMOA
ENHANCING
THE BUSINESS
ENVIRONMENT FOR
EXPORTING SMES



Colin STRINGER
Technical Advisor for SAME

MAURITIUS
ENHANCING
COMPETITIVENESS
OF EXPORTING SMES
UNDER THE EPA



**Mandusha
RAMBACUSSING**
Senior Trade Policy
Analyst

OBJECTIVE OF THE SESSION

Consider innovative approaches towards supporting the private sector competitiveness, identifying the good practices and the measurement of their success thus far, and new needs going forward.



The main objective of this technical assistance support is to enhance ACP Private Sector capacity to enter and to participate actively in global and regional value chains.

Areas of success of TradeCom II Technical Assistance:

- It assisted in identifying bottlenecks that limit competitiveness and export diversification in primary sectors of production;
- It strengthened research and advisory capacities of research institutes in the areas of trade policy, competitiveness, elimination of Non-Tariff Barriers;
- Enhanced trade capacity with the EU including building an understanding of EU legislation and import requirements;
- Improved private sector competitiveness;
- Conducted gap analysis of regulatory and policy frameworks against best practice models, with specific aim of raising conformity issues and providing recommendations;
- Identified trading opportunities into the future;
- It developed increased access to business intelligence services by SMEs;
- Contributed to developing export readiness and

FOCUS OF THE DISCUSSION

- Projects and programmes that provided support to formulate ACP countries' export strategy;
- Identify priorities and potentialities of their exports with respect to the European Union market;
- Consolidate trade flows and other relevant data and increase and diversify exports.



improving entrepreneur culture among SMEs which are the driving force for small economies;

- Focused on the analysis and support of electronic-commerce and ITC and its role in modernising and enhancing the competitiveness of the private sector;
- Focused on empowering women and youth entrepreneurs to overcome hurdles and improve their export readiness;
- Supported market readiness in the context of the implementation of EPAs.

How to improve SME/Private Sector related Technical Assistance going forward:

- ACP countries face specific constraints to their competitiveness such as overregulation, stringent quality standards in export markets, lack of proper regulation with respect to land issues and institutional deficiencies. These require mid to long-term focus for real results. Technical assistance must attempt to foresee and address these issues in order to obtain real sustainability in terms of capacity building and regional integration;



- Access of funds for implementation has always been a shortcoming of Technical Assistance, simply because of the nature of TA;
- Put in place and strengthen all monitoring mechanisms with respect to project implementation while displaying flexibility on the ground.



AREAS FOR FUTURE FOCUS FOR TCII TA

Invest in support to actors along the value chain, market development and quality infrastructure. Focus on improving value chains through closer cooperation among economic sectors.



Support in the revision of trade and export policy.



Encourage public-private dialogue as far as possible.



Support the development of niche products and geographic indicators. Strengthen testing capabilities of laboratories.



Special focus to quality infrastructure development in ACP countries and to including relevant institutions in discussions at national, regional and intra-ACP levels as it covers a wide range of issues related to quality investment and private sector development.



Further empower MSMEs and private sector in SIDS especially through the use of electronic commerce to facilitate intra-regional trade.



Support to accreditation mechanisms to facilitate exports.





GOOD PRACTICE CASES

CAMEROON

Technical Assistance was provided to support the operationalization of the national export strategy, and enhance uptake of opportunities offered through the EPA, while also focusing on settlement of disputes. Best practices include:

1. development of export facilitation mechanism;
2. development of quality infrastructure;
3. strengthening of conditioning and labelling practices;
4. Increased connectivity to enhance market access under EPA;
5. production and dissemination of production norms.

MAURITIUS

32 SMEs were selected to participate in the Technical Assistance project taking into account the new pillars of the national economic plan, including women and youth entrepreneurs, and SMEs with export potential. Major sectors were also selected. Positive results were registered:

1. Gaps and constraints mapped;
2. Development of a business model for a European Business Information Centre;
3. Quality Management Guide developed;
4. Sustainable uptake of the project by local business organisations;
5. individual coaching sessions providing tailored market strategy to access EU and regional markets.

TANZANIA

The technical assistance provided targeted support to REPOA and Zanzibar Ministry of Trade, Industry and Marketing to increase competitiveness of primary producers and diversify the export base in light of trading Opportunities with the EU:

1. Developed the Zanzibar Exotic Originals Label, a sectoral brand strategy for spices;
2. Africado (avocado) company ltd.

Takeaways: Targeted support for branding; investment in meeting quality standards helps to secure markets and stimulate export; sector specific policy reforms and PPP are important; encourage technology driven agriculture transformation.

PACIFIC ACPS

(RMI, SAMOA, FSM AND KIRIBATI)

Technical assistance focused on enhancing the business environment for exporting SMEs through strengthening trade facilitation and private sector competitiveness.

Outcomes include:

1. Adequacy of customs data collection instruments assessed;
2. Electronic single window viability appraised;
3. Increased competitiveness private sector through review of policy, legislative, and institutional regulatory frameworks.

KENYA

The targeted support to five private sector producers' and exporters' associations in horticulture, manufacturing and aquaculture to sustain competitiveness and access into the EU and other markets developed:

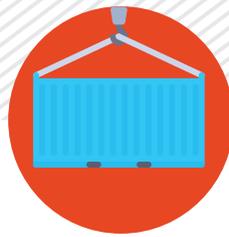
1. A stakeholder-led and "good practice" value chain compliance system for exports;
2. A simplified mobile app of the value chain compliance system;
3. A sectorial framework for updating the value chain compliance system for exports;
4. A peer review mechanism with key sector authorities;
5. A practical framework for updating the value chain compliance system for exports in line with the evolution of export requirements in the EU and other export markets.



CLUSTER 5

Trade and Investment

5B | TCII in a New Context of the EIP & the ACP Private Sector Strategy



MODERATOR



Axel POUGIN DE LA MAISONNEUVE
European Commission

EC
THE EIP AND THE
RELEVANCE OF
TECHNICAL ASSISTANCE
FOR INVESTMENT



Paulus GERAEDTS
Team Leader, Investment
Climate & Outreach of the
EIP Secretariat

ACP SECRETARIAT
THE ACP PRIVATE
SECTOR APPROACH



Maximin EMAGNA
Expert in Charge of Private
Sector & Investment

OIF
INTERREGIONAL
COTTON-TEXTILE-
CLOTHING VALUE CHAINS
CONNECTIVITY INITIATIVE



Chékou OUSSOMAN
Senior Customs Officer

TRADECOM II
RECOMMENDATIONS
FOR THE TRADECOM II
PROGRAMME



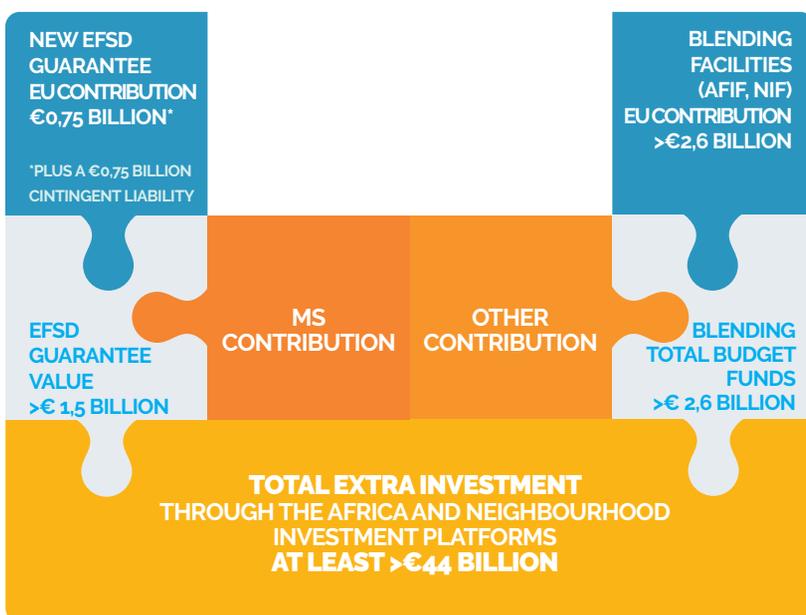
Ahmed NDYESHOBOLA
Team Leader
TradeCom II Programme

EU EXTERNAL INVESTMENT PLAN (EIP)

As part of the EU plan to implement the Sustainable Development Goals, the EU developed the EIP as a tool to contribute to sustainable development, improve the investment climate, tackle roots of migration, to encourage private investment and to focus on jobs and growth.

The aim is to go beyond classical development assistance and rather use the financial means to influence other streams available to achieve the SDGs.

The Plan is based on a three-pillar approach:



EIP PILLAR 1

RESOURCES FROM EU AND LEVERAGING CAPACITY

The Plan provides EFSD blending and risk guarantee components focusing on risk mitigation to stimulate investments in Africa and the EU neighbourhood. The guarantee capacity for credit enhancement will, it is expected, benefit the final investments and allow risk sharing with other investors such as private actors, while leveraging additional financing, in particular from the private sector.

EIP PILLAR 2
TECHNICAL ASSISTANCE

Technical assistance: this is the investment pre-identification phase (investment preparation and market intelligence, investment climate analysis and dialogue).

PROJECT PREPARATION AND IMPLEMENTATION
IN SUPPORT OF PILLAR 1 (EFSD)

In the last years more than 500 million EUR have been made available via the EU blending facilities for this purpose. It is expected that at least a similar amount will be used in the next years via the two regional platforms.

IMPROVE THE INVESTMENT CLIMATE
IN SUPPORT OF ACTIVITIES UNDER PILLAR 3

To enhance the policy & regulatory environment.
To be financed from national, regional and global envelopes.
To be coordinated through EU Delegations.



EIP PILLAR 3

IMPLEMENTATION FRAMEWORK - A CONCRETE MULTI-LEVEL APPROACH

Conducive investment climate (at national level with input from EU delegations)

POLICY AND POLITICAL DIALOGUE WITH PARTNER COUNTRIES

- Enable business to operate formally, increase the level of investment and innovation, encourage the creation of jobs;
- Reducing business costs;
- Reducing risks and uncertainty;
- Addressing anti-competitive behaviour and opening up markets.

STRUCTURED DIALOGUE WITH BUSINESS

- United voice for the European and local private sector – advocacy, networking and exchange of information;
- Informed policy dialogue on the business environment;
- European Business fora - important partners in supporting partner country development and the internationalisation of European businesses.

COUNTRY LEVEL, SECTOR, VALUE CHAINS ANALYSIS

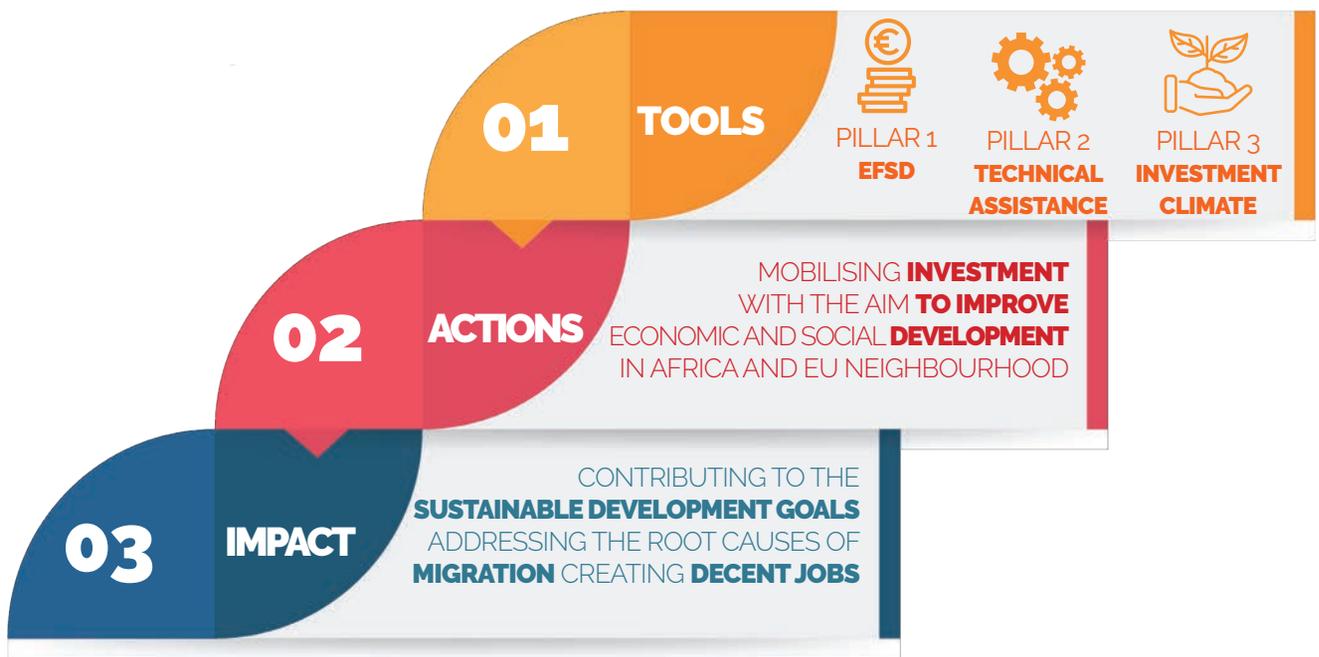
- Intelligence: regulatory environment, judicial security, contract enforcement, investment protection, skills, market intelligence, land tenure, access to finance, etc;
- Broader investment climate (financial markets, rule of law, political stability, logistics, infrastructure, etc);
- Value Chain specific constraints.

COORDINATION AND COHERENCE

- Different Aid modalities (project, budget support, sector approaches);
- Policy coherence for development;
- Key role for EU Delegations, MS, partner countries;
- Private sector.

With the integration of these three pillars, the EIP marks a paradigm shift towards leverage-based ODA delivery. The new EU guarantee mechanism will enable investments that would otherwise not be forthcoming. Through technical assistance interventions, bankable investment projects with a strong sustainability dimension, both

environmentally and socially, would be designed. Through typical aid for trade projects and policy dialogue, the business enabling environment would be improved, and the conditions for increased investment would be created. The plan is expected to leverage more than EUR 44 billion in investments until 2020.



ACP PRIVATE SECTOR STRATEGY

The ACP Group has developed a new programme, its Private Sector Development Strategy, to help tackle the obstacles and challenges faced by the private sector dominated by MSMEs in ACP countries. It seeks to develop a resilient private sector to play a major role in a sustainable national economic growth trajectory while seeking to reduce poverty in ACP countries. It also aims to create real synergies between political principals, development practitioners, resource suppliers and beneficiaries to promote creation of decent jobs in ACP countries. It espouses a holistic approach to respond to all types of constraints faced by the private sector, at all levels, including complex registration and fiscal issues, infrastructure deficit, insufficiencies in terms of provision of energy, limited access to finance, employment deficits, inadaptation to the work market, under development of services market and lack of support for entrepreneurial development.

Its objectives are to support the improvement of the business environment of the private sector at the all-ACP level while adapting to regional and national specificities and provide access to financial services. It also provide support in the mobilization of finance for the private sector in ACP countries, and will ensure complementarity and better coordination with national and regional initiatives.

Intervention priorities:

- Partnership creation;
- Coordination and synergy creation;
- Additionality, complementarity and co-financing between national, regional and intra-ACP programming;
- Support to the ACP regional economic and trade integration processes;
- Support to vulnerable regions and countries;
- Creation of sustainable employment;
- Development of competences related to new fields and jobs.

Coordination will be ensured by Consortium agencies to respond to programme clusters, with a PMU based in Brussels. Supervision will be guaranteed by a Steering Committee, Technical ACP Committees and strategic consultative structure.

INTERVENTION PRIORITIES



PLANNING OF INTRA-ACP PSDS RESOURCES

130 MILLION EUROS

- Programme for improvement of business environment and development of regional value chains

50 MILLION EUROS

- Programme for expansion of financial inclusivity

400 MILLION EUROS

- Programme for reinforcement of MSME access to financing

20 MILLION EUROS

- Programme for the management of knowledge sharing on ACP private sector development

ORIENTATIONS FOR THE WAY FORWARD

- Define the priorities for support to the development of regional value chains for the creation of jobs for youth and women;
- Strengthen the dialogue framework for permanent exchanges between regional entities and private sector actors on the programming and implementation of EDF evaluation;
- Identify the relevant institutions with regional integration mandate for the implementation of activities;
- Work closely to support the informal sector in order to allow progressive inclusion in the formal economy;
- Match and mobilize financing and technical support made available to all partners (including the EU) to agree on how better to support the private sector;
- Enlarge areas of intervention of the EIP to include the Caribbean and the Pacific;
- Need for efficient collaboration between the PSDS and regional focal points with the ACP Secretariat for information exchange and effective participation of the ACP in the implementation and evaluation of PSD and technical assistance activities;
- Importance of mobilizing financial institutions and ACP regional development banks (such as the AFDB and CDB) to develop a right mix of PSD projects, including for the development of youth employment.

OIF (ORGANISATION INTERNATIONALE DE LA FRANCOPHONIE) INTERREGIONAL COTTON-TEXTILE-CLOTHING VALUE CHAINS CONNECTIVITY INITIATIVE

DENSIFICATION AND DIVERSIFICATION OF THE COTTON-TEXTILE-CLOTHING INDUSTRIES IN FRANCOPHONE SPACE (DEDICOT)

The textile sector and the cotton value chain is key for creating employment in the developing countries and regions.

The European Commission has placed a lot of resources to develop cotton in the ACP Countries, but unfortunately, they didn't get the expected results. At the OIF level instead, the member states have a long experience in producing and processing cotton into textiles. This is evident from, *inter alia*:

- The Identification of the problems affecting the cotton-textile-clothing value chain in Francophonie Countries;
- The Opportunities for interconnecting to interregional value chains;
- Answers to DEDICOT's plan by the OIF.

There have been a lot of programmes in support of the Cotton sector in ACP countries/Africa under the support of the EU.

The results of a research conducted by CIRAD, a French organisation specialized in the study of the value chains, with particular focus in the cotton sector, are summarised as follows. Taking for example a T-Shirt, the value addition of the cotton is only 2% of the total value which will be given to the cotton producing countries.



The OIF has 84-member countries:

- 18 EU (e.g. French and Belgium);
- 12 from Comsec (excluding St Lucia); and
- 32 ACP;
- 22 others.

There is strong interconnection among the Countries in the entire Cotton value chain. It is now possible to talk about value chain in partnership with EU-ACP and OIF.

The major role is played by the EU which is the main actor in terms of volume of Import-Export of the Textile and Clothing.

Looking at the OIF specific case we can consider the OIF Region as the champion of the entire Cotton Value Chain.

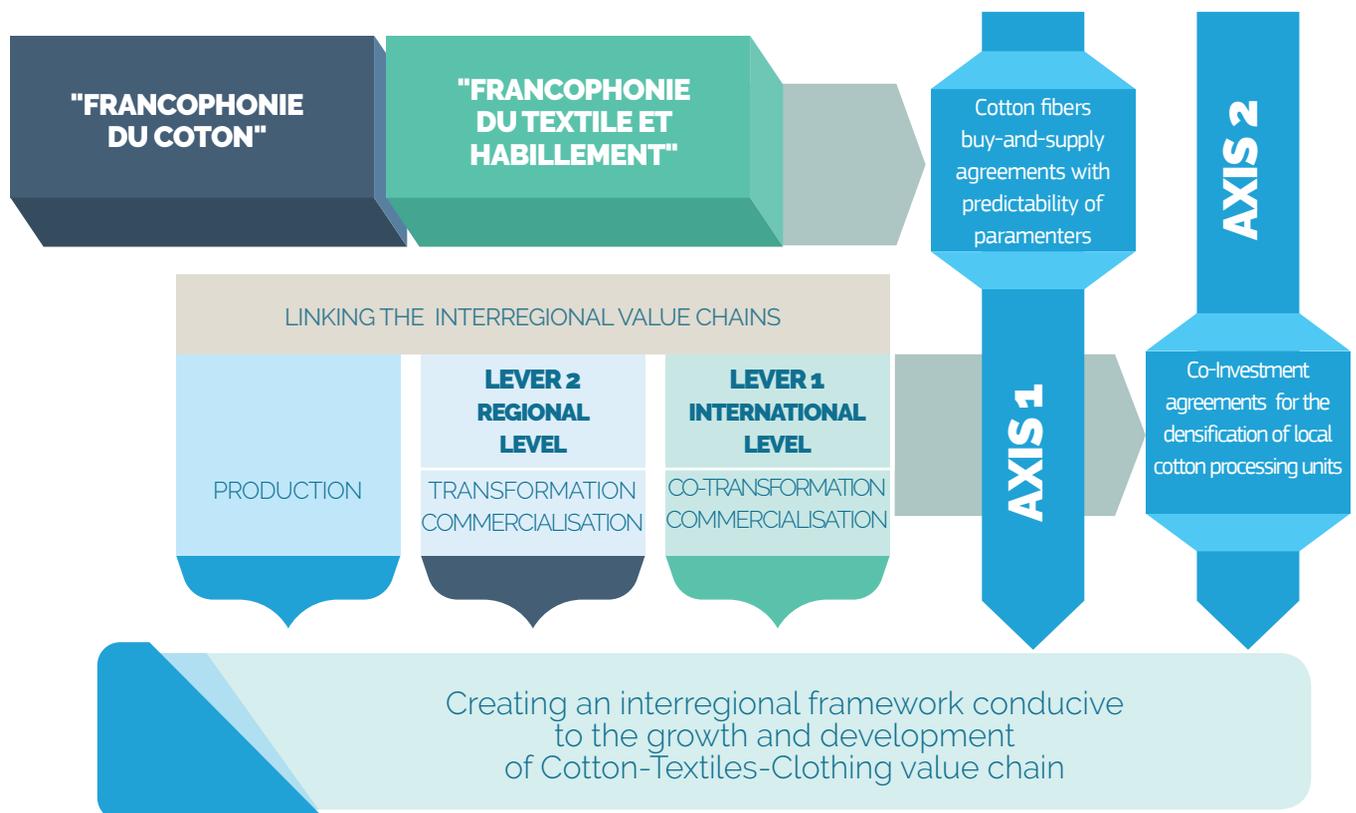
It is on this basis that the OIF is thinking about the possibilities of involving the Africa (one of the main cotton producers) in joining the international cotton-value chain.

The OIF would, together with the Programme called DEDICOT, like to propose linkages between the cotton production sector and the clothing sector with a plan and /or programme divided in two parts:

1. An Agreement for the purchase and supply of the cotton fiber with predictability of parameters of quantity and costs;
The agreement will be covering 2018 -2022, a four-year programme;
Thus the farmers will be aware that they would be supplying and selling pre-determined quantities of cotton by the end of the cycle;
2. Industrial cooperation agreement following the same programming period (2018-2022);
In this way it will be possible to gradually see the joint enterprises forming to further process cotton in Africa.

The Programme is the outcome of the close consultations and collaboration of key associations involved in the cotton value chain in particular:

- For the industry sector:
OPICT (West Africa) Cotton Assoc. industries
Vietnam Cotton Assoc. Moroccan Textile Association des textiles et habillement Cambodia
- Regional Integration Organisation :
ECCAS ;
CEMAC ;
WAEMU ; and
ECOWAS.
- Pilot 10 Countries (for the pilot 10 countries it is intended that these countries have a crucial role in the entire cotton value chain: producing, processing and diversifying industries for the cotton sector):
 - 1 Argentina;
 - 2 Cameroon;
 - 3 Burkina Faso;
 - 4 Ivory Coast ;
 - 5 Guinea;
 - 6 Benin;
 - 7 Mali;
 - 8 Vietnam;
 - 9 Morocco;
 - 10 Chad;





RECOMMENDATIONS FOR THE TRADECOM II PROGRAMME



MEASURING TANGIBLE RESULTS FOR THE TRADECOM II PROGRAMME

- Most of the programmes are reflective of the beneficiary ambition;
- Subsequently scaled down in terms of resources and timelines;
- Direct thematic interventions;
- Stakeholders engagement;
- Capacity building interventions;
- Communication and visibility;
- E-certificate of origin.

ADDED VALUE OF THE TRADECOM II PROGRAMME



- Inclusiveness approach;
- Strong Ownership built on a two-ways process between policy makers and project managers;
- Human dimension: evolution of the implementation process;
- Consultative process with the MS and stakeholders;
- Especially for small countries: TA support can trigger “wave of change”;
- Regional dimension and connect good practices in other ACP countries and regions.



CHALLENGES AND LIMITS OF THE PROGRAMME

- Knowledge retention to limit the impact of staff turnover; inclusive approach and information shared;
- Not re-start but build from what's available;
- Practical learning;
- M&E framework is key.

COMPLEMENTARITY WITH OTHER STAKEHOLDERS AND INTERVENTIONS



- Link with EUD and RECs;
- Other donors to leverage opportunities;
- Civil society organisations;
- TA sustainability and coordination.



WAYS FOR PRIORITY SETTING

- Link with EUD and RECs;
- E-commerce;
- Climate change and trade;
- Stay engaged with the changing trends
- Inclusive and equitable trade;
- Pursue better investment cooperation arrangement;
- Strengthen or replicate good practices of framework for EPAs and other trade arrangements;
- Common external trade policy can be used by single regions (RECs), and can be replicated by other regions;
- EPA implementation plans and leveraging resources ;
- Special focus on customs capacities to implement the EPAs;
- Strengthen the analysis on the regional and global value chains;
- Replicability of good customs practices (e.g. e-certificate of origin);
- Harmonisation of customs procedures at regional level (not focus on the region peculiarities but look for commonalities to harmonize and facilitate procedures);
- Promote the culture of quality;
- GIs.

Closing Session

MODERATOR



Axel POUJIN DE LA MAISONNEUVE
European Commission

EUROPEAN COMMISSION



Antti KARHUNEN
Head of Unit
*Private Sector
Development, Trade,
Regional Integration*

ACP SECRETARIAT



Viwanou GNASSOUNOU
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*Sustainable Economic
Development and Trade
Department*



ACP SECRETARIAT



Viwanou GNASSOUNOU
Assistant Secretary-General,
*Sustainable Economic
Development and Trade
Department*

Word of thanks to the Ambassadors, and the Chair of the Trade Sub-Committee the Ambassador of Vanuatu, who all actively participated in the two-day discussions. Thank you to all participants for raising the issues that are critical to the ACP Group in the area of trade development and competitiveness, and those that will be the key focus of the ACP Group during the post-Cotonou discussions. EPAs though central at the regional level, will assume a central role on trade issues at the ACP level. ACP business community and policy makers should, in that regard, enhance the sharing of experiences in addition to working with international partners.

To that end, the role being given to Regional Economic Communities (RECs), the pursuit of market conformity at the intra-ACP level and the increasing use of funds on projects that are of a trans-regional nature should be enhanced. This should help maintain the level of coherence and strengthen the unity we have.

We encourage the EU, also in the context of the External Investment Plan (EIP), to provide more than just funds but the means to use the funds. We should collectively explore the effective use of key institutions in the ACP countries and regions to better address the challenges we face and marshal additional resources from, *inter alia*, the EIP. The ACP regional development banks should be part of the implementing partners under the EIP. To that end, we need flexible rules to govern such investment resources and guarantee funds. These regional developments should be encouraged to also meet the key-pillars of financial governance.

Word of thanks also to the Ambassadors and the delegates for the very fruitful discussions, and the TCII team leader for the succinct recap of the issues and the way forward. In response, we agreed that EIP guarantees are promising but not yet conclusive. Hence, there is the need to push more boundaries to ensure that resources are made available.

TCII is a very strategic programme for the EU and it has become more strategic as we start to address the investments as incapsulated in the EU's aid-for-trade review and the EU Development Agenda 2030. TCII will play a very important role in that agenda. The first phase of the TCII programme is overwhelmingly positive. We have made good advances in formulating national and regional trade policies, dispute settlements, information portals, coaching of SMEs, etc. These programme outputs must therefore be capitalised upon so that they remain sustainable and contribute to real economic and trade gains.

The second phase is expected to provide more inputs in the areas of the advancement of the SDGs—linking the EU consensus for development (+EIP), support to FTAs and the WTO agenda, while building intra-ACP markets and supporting the CFTA. TCII will continue to build capacities at local levels, and support strategic dialogue with businesses also beyond Africa, understanding their constraints and providing technical support going forward as they address the investment climate under the EIP and the structural reform agenda. This is at the core of the EIP thinking, and ready to work with ACP partners in developing also new ideas.

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