

TRADECOM II | BUILDING ACP TRADE CAPACITY

KNOWLEDGE SHARING ON TRADE AND INVESTMENT
"GOOD PRACTICES"
20-21 February 2018 - Brussels, Belgium

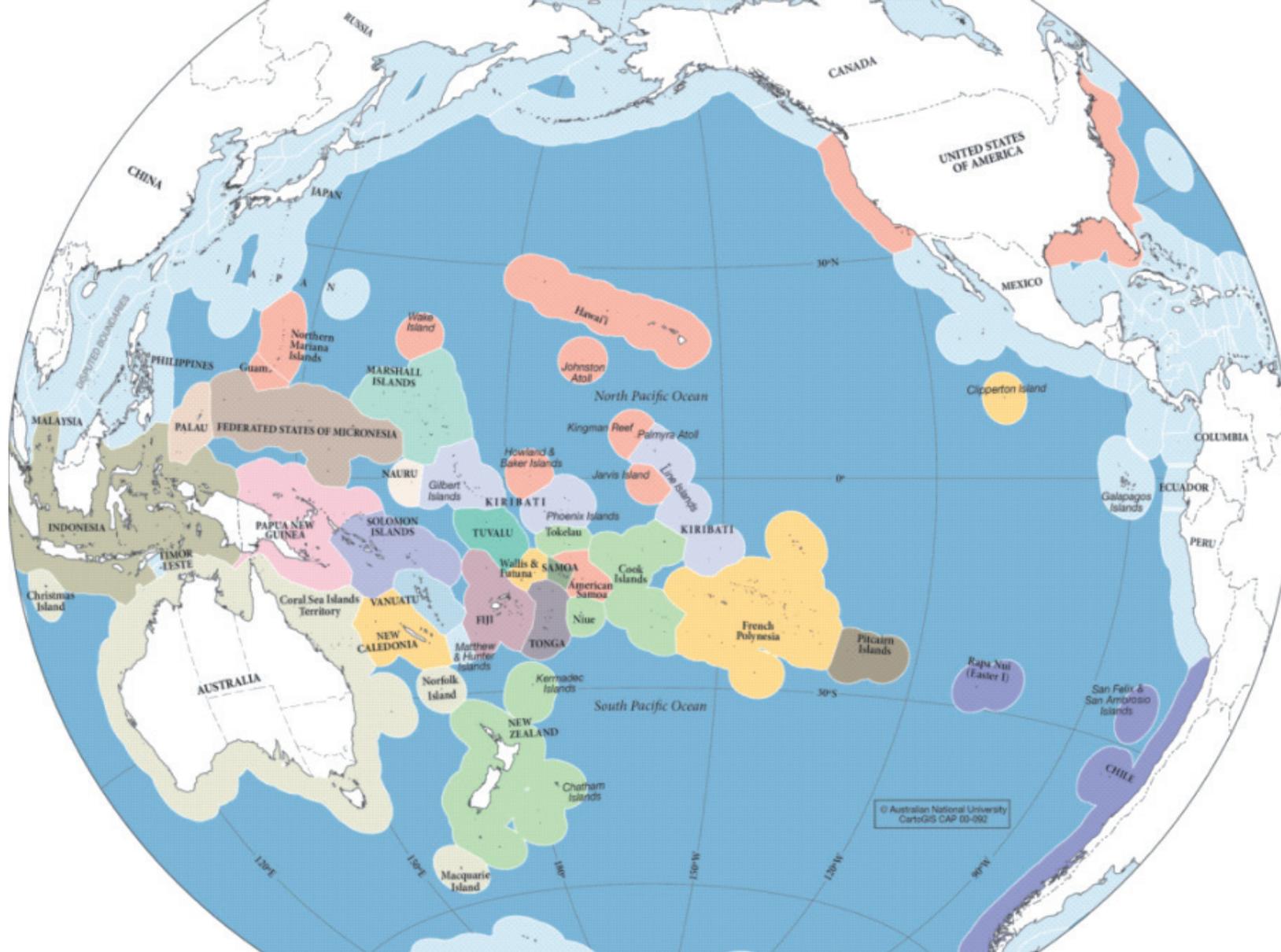
Mainstreaming Trade (and Investment) Policy Frameworks A Regional Perspective



**Shiu Raj (shiu@forumsec.org)
Director Programmes & Initiatives
Pacific Islands Forum Secretariat**

Scope

- **WHY MAINSTREAM TRADE?**
- **WHY INTERVENE THROUGH TPFS?**
- **OVERCOMING THE GAPS: HOW TO MAINSTREAM?**
- **GOOD PRACTICES: WHAT WE LEARNT?**



Pacific & Global Trade

Two decades ago, FICs embarked on their gradual integration into the regional & global trading economy. As a result:

- 5 PIF Members are founding members of WTO; We currently have 8 PIF WTO Members, of which 4 have ratified the TFA – but 10 PIF Members are not part of the WTO.
- Regionalism has been strengthened through Sub-Regional and Regional Trade Agreements: MSGTA, PICTA, PACER-PLUS, & others incl. IEPA.
- Implementation of these agreements have been slow, and not as comprehensive

Lesson learnt:

The above progress and the associated limitations on national trade agenda revealed that concerted efforts were needed to augment FICs' capacity to formulate comprehensive trade & investment policy frameworks-as guiding instruments for an inclusive planning and prioritisation of trade in national development agenda.

- For a decade and a half, TPF formulation support for FICs became a substantive work programme for PIFS – from PACREIP to PITAP, and through H&S and EIF.
- Partnership and collaboration with other organisations include: WTO, UNCTAD, ITC, EIF, UNDP, Commonwealth Secretariat, ACP Sec, EU (thru H&S and TradeCom) was pursued and strengthened.

ALL THE PACIFIC ACP STATES NOW HAVE A NATIONAL TPF OR ITS EQUIVALENT POLICY INSTRUMENT IN SOME FORM, BUT...

Why Mainstream TPFs into Overall National Strategies

Technical assistance in the formulation of TPFs was a success:

- 13/15 FICs (PACPS) have a framework to guide national trade policy directions and decisions.
- Inclusive institutions (National Trade Development/Facilitation Committees) have been established.

However, in some cases:

- *these frameworks remained sectoral documents known to only Ministries of Trade and trade officials. Some countries have faced significant challenges in coordinating TPF implementation.*
- *also, in many cases, TPFs are not clearly aligned to overall National Development Strategies. Thus, limiting “whole-of-Government” collaboration in TPF implementation.*
- In 2015, Forum Trade Ministers recommended that implementation of TPFs be mainstreamed through National Development Strategies.
- In 2016, PIFS sought partnership and assistance from TradeComII for a very specific set of initiatives

Mainstreaming Trade

TCII Support

Trade Mainstreaming requires practical and adaptive “blue prints”, clearly detailing:

- ✦ Trade mainstreaming processes (a process map); stakeholder management tools; and mechanisms to secure funding to support trade mainstreaming outcomes.
- ✦ The first of its kind, Trade Mainstreaming Guidelines for PICs, formulated in partnership with TCII.
- ✦ Regional Workshop to validate the Manual.

Institutions responsible for the TPF implementation should be strengthened.

- ✦ Under this project, Niue Trade facilitation Committee was established. Members of the committee were trained on effective conduct of the committee meetings; and
- ✦ TPF implementation matrix was established, to guide the implementation-as well as act as an M&E tool.

Trade Mainstreaming Guidelines for Pacific Island Countries



Trade Policy Frameworks

TRADE POLICY FRAMEWORKS

1. Trade Policy Frameworks

Trade is an essential developmental tool for Pacific Island countries and has the potential to stimulate



Home

Economic Governance

Forum Economic Ministers' Meeting (FEMM)

Forum Trade Ministers' Meeting (FTMM)

Lessons Learnt

Good Practices

- 1** Trade Mainstreaming is an **on-going** process. Thus, adaptive "*knowledge products-guidelines*" are essential: a **very practical** manual
- 2** Trade mainstreaming is (and should be) a **two-ways process**, to achieve "whole-of-government action." In this regard, during the formulation of the Regional Trade Mainstreaming Guide:
 - Planning agencies (Ministry of economy) were involved-and participated in the Regional Trade Mainstreaming Workshop, and the formulation of TPFs.
 - Experts on distant trade issues (social & environment policy experts within PIFS) provided input into the guide. Trade mainstreaming should see beyond core trade issues only. Social issues, and local community knowledge should be integrated in trade mainstreaming blue prints.

Lessons Learnt

Good Practices

- 3 Even the best policy frameworks require human capital during implementation, which is not abundant in most FICs-esp SIS. So:

 - ↘ Continued capacity building programmes through different AfT projects, including Intra-ACP projects such as H&S, TRADECOM II are commendable;
 - ↘ South-South peer learning programmes open windows for rapid person-to-person knowledge transfer, and build interpersonal relationships between policy makers-those who participate in the programme. These programmes should be facilitated.
- 4 Private Sector participation (and leadership) in trade mainstreaming is the game changer. For example, RMI National Trade Committee is chaired by the head of the RMI Chamber of commerce. However,

 - ↘ This does not guarantee successful reforms and implementation of TPFs. Political leadership and ownership, and national capabilities are prerequisites for successful game changing trade & investment frameworks.

Challenges

4 Key aspects

- 1** **Staff turnover is common in Ministries of trade**
challenge overcome by having the Trade Mainstreaming Manual
- 2** **Can't afford to start over again everytime**
have encouraged the universities in the region to have the Manual in their libraries, and if possible make it part of the curriculum
- 3** **Do more than just reading the manual**
have facilitated peer-learning and experience sharing processes
- 4** **How do we know that we are on track**
all PACPS encouraged to have a robust Monitoring & Evaluation Framework, and urged to review their TPFs regularly

Way Forward by PIFS

- 1** PIFS will continue to **facilitate knowledge transfer and sharing** of best practices among FICs-through peer learning attachments.
- 2** PIFS will continue to **encourage collaboration and partnership** with its partners to build FICs' capacities in the area of trade policies and trade integration.
 - We appreciate support and partnership received from ACP Sec and its intra-ACP programmes incl. TCII and H&S II
- 3** PIFS, in consultation with its partners and Member Countries, is formulating the next cycle of **regional Pacific Aid for Trade Strategy**.
 - The strategy will identify priority issues, and ways to better maximise AfT funding to, inter alia, implement trade mainstreaming outcomes.
 - Has broader implications in terms of learning from the ACP experience, and linkages with the Intra-ACP programmes.
 - Engagement through the ACP Private Sector Development Strategy will be critical for A-C-P B2B relations.