



Success Stories Hub & Spokes II Programme

Enhancing Trade Capacity Development
in the Africa, Caribbean and Pacific Region



European Union
African, Caribbean and Pacific Group Secretariat
Commonwealth Secretariat
Organisation Internationale de la Francophonie



European Union



ACP Group Secretariat



The Commonwealth

Commonwealth Secretariat



Organisation Internationale de la Francophonie

Context

The Hub & Spokes programme is an innovative aid for trade initiative that helps to enhance trade capacity in the Africa, Caribbean and Pacific (ACP) group of states.

It is a joint programme of the European Union, the ACP Group Secretariat, the Commonwealth Secretariat and the Organisation internationale de la Francophonie.

Under the programme, trade advisers – the 'spokes' – strengthen and enhance the capacity of government ministries and regional organisations, while regional trade advisers – the 'hubs' – provide similar technical assistance to key regional and national organisations.

The initiative helps participating countries to develop and implement trade policies and agreements that both reflect national priorities and are effective in a global trading system.

The first phase of the Hub and Spokes programme operated from 2004–2012. Following the success of the first phase of this major joint initiative, the Hub & Spokes II programme was launched in July 2012. With support from the ACP Secretariat, €12 million was secured from the European Union's 10th European Development Fund for Hub & Spokes II. The Commonwealth and the Organisation internationale de la Francophonie are co-donors and executing agencies, contributing €2.5 million and €1.2 million, respectively. The ACP Secretariat is the global partner.

Its overall objective is to contribute to sustainable economic development and poverty reduction in ACP countries through closer regional integration and increased participation in international trade.

We present a collection of case studies and success stories from our advisers.

Adviser Deployment

Guyana: Caribbean

Edmund Paul Kalekyezi

Edmund has helped to negotiate Guyana's bilateral trade agreements. These initiatives are designed to help Guyana access key international markets to boost trade exports

Jamaica: Caribbean

Josephine Nyakatawa

Josephine is helping Jamaica to negotiate its position on The Post-Cotonou Partnership Agreement which is an agreement between the EU and 79 ACP countries

St Vincent and the Grenadines: Caribbean

Isaac A K Wilson

Isaac is assisting SVG Bureau of Standards to establish a bar coding system to ensure compliance with international standards and specifications.

St Lucia, OECS: Caribbean

Allan Paul

Allan is helping to assess the implications of BREXIT on the OECS region and his most recent paper has provided a background for the next OECS Heads of Governments' meeting

Belize: Caribbean

Terrence Simfukwe

Terrence is currently leading and coordinating the process for developing the National Trade Policy for Belize.

Guyana, CARICOM: Caribbean

Sunday Oghayei

Sunday was instrumental in the establishment of the Regional Trade Facilitation Committee in the region

OECS: Caribbean

Voronica Mufudza

Voronica is supporting the OECS Commission Trade Policy Unit towards a Customs Union for the OECS Economic Union

Zambia, COMESA: Africa

Yusuf Abdulla

Yusuf assists nineteen COMESA member states on issues related to non-tariff barriers, economic policy and trade facilitation

Ethiopia, AUC: Africa

Carolyn Tumuhimbise

Carolyn is helping to promote a better understanding of trade services in an effort to boost intra-African trade

Botswana, SADC: Africa

Estella Aryada

Estella joined SADC in May 2017 and will support the region in implementing its industrialisation strategy

Zambia, COMESA: Africa

Racheal Kemigisha

Racheal delivered training designed to advance the support for women entrepreneurs in the region through the COMESA Gender division and the COMESA Business Council

Federated States of Micronesia: Pacific

Jean Bertrand Azapmo

Jean Bertrand provided support to the FSM for the ratification of the Treaty establishing the MTEC

Kiribati: Pacific

Samson O Awino

Samson developed a coconut development and export strategy as a key export product for Kiribati

Fiji: Pacific

Hillary M J Kumwenda

Hilary developed the Fijian Trade Policy Framework (FTPF) and this has become a single reference point on issues of trade, investment, tourism and industrial development

Samoa: Pacific

Stephen Musubire

Stephen drafted the strategic paper to assist Samoa in accession to the IEPA

Fiji, PIFS: Pacific

Fredrick Kamusiime

Fredrick helped Palau to formulate a trade and investment policy framework

PIFS: Pacific

Stephen Fevrier

Stephen joined the PIFs Secretariat in April 2017 and will support PACPs with their trade agenda

Tonga: Pacific

Isaac Ndung'u

Isaac provided training to public and private sector in Tongatapu and Vavau on project design and evaluation



Case Studies

Boosting trade in services within Africa is a win-win for diverse economies

Carolyn Tumuhimbise is a Hub & Spokes trade adviser seconded to the African Union Commission.

When African leaders signed the Abuja Treaty in 1991 to establish the African Economic Community they envisioned a continent with a single currency, where people, goods, services and capital move freely. The target date for achieving this vision is 2028.

The same vision is embedded in Africa's Agenda 2063, a transformation plan for the continent that targets an increase in regional 'intra-African' trade to 50 percent by 2045, with Africa's share of global trade increasing from two percent to 12 percent.

As a Trade Adviser working for the African Union Commission through the Hub and Spokes programme, I am working towards delivering on this agenda to increase trade in Africa. This has involved helping the commission and member states to prioritise and mainstream trade in services in policy development and free trade negotiations.

Until recently, Africa's trade story was seen through the export of commodities with limited impact on poverty and employment rates. However, this is changing. Evidence has proven that foreign direct investment (FDI) in Africa is moving towards the services sector and not manufacturing and the labour force is shifting from agriculture to services (World Bank, 2014).

The share of services in overall output rose highest among exporters of manufactured goods (UNCTAD, 2015). This evidence points to the fact that services are a key determinant of export



competitiveness and crucial for the industrial and manufacturing development of African countries, as well as for boosting agricultural productivity.

There's also evidence that the value of trade in services, when taken from a value added perspective, is estimated at half of all African exports (UNECA, 2015) and that reduction in supply chain barriers like customs administration, transport, communication infrastructure and services could increase world GDP over six times more than the removal of all tariffs (WEF-WB, 2013). This means that the transformation of any economy to-date cannot exist without investment in the services sector and African countries are no exception.

At the African Union we conducted a study, entitled Services Exports for Growth and Development: Case Studies from Africa, which showcased the successful export of trade in services. The aim was to help national policy-makers support companies seeking to access regional and global markets.

This study promotes better understanding of trade services so as to provide a basis for service sector development and enhanced regional integration in Africa. It offers information on how trade in

services is actually being carried out in specific sectors in Africa and what policies have contributed to the success of service exports.

The study has influenced a number of outcomes. The African Union Heads of State and Government Summit held in June 2015, adopted a decision to negotiate trade in goods and trade in services concurrently, and member states also expressed the need for capacity building in the area of trade in services negotiations.

My colleagues and I at the African Union are now working on delivering a four-year Services Sector Development programme to boost intra-African trade in services. It runs from 2016 to 2020 and is focused on measures to assist with the liberalisation of services by member states.

The programme is designed to help strengthen the capacity of government officials to negotiate trade in services, and to promote the engagement of the private sector as an active voice in negotiations on trade in services at both the regional and continental level.

By supporting governments in this way to increase market access for companies, we are helping to deliver on the vision of the Abuja Treaty. We are supporting an important engine for growth which, in turn, will help to reduce poverty and promote socio-economic development across the continent.

Strengthening the protection of consumer rights in Lesotho

Samuel Yeboah is a Hub & Spokes national trade adviser seconded to Lesotho's Ministry of Trade and Industry.

Lesotho is a least developed country (LDC) which borders South Africa. The country's exports continue to be dominated by textile and garments, diamonds, leather and footwear products and water, with main destinations being the United States, European Union and South Africa.

In spite of the limited export base of the economy, Lesotho has seen significant economic growth averaging about 4.4 percent per annum in the past decade, and the government has been thriving to translate this growth into improved living standards for the population.

Relatively low level of awareness on consumer rights and high levels of rural residency mean many consumers are easy targets of unlawful sales. The situation also limits their capacity to use the law courts to defend their rights. Indeed, going to court poses many challenges for consumers, such as involuntary court mediation, high costs and long periods of legal settlement of disputes.

To address this situation, the government of Lesotho through the Ministry of Trade and Industry developed a Consumer Protection Policy in 2013 which seeks to address commercial disputes in support of the country's economic and industrial development agenda. Following the approval of the Policy by Cabinet, work has been ongoing to pass a Bill together with appropriate regulations that will also provide for the establishment of institutional structures to enhance the protection of consumer rights in the country.



In order to contribute to the process of improving institutional capacity for consumer rights protection, I have as part of my work plan under the Hub and Spokes programme facilitated the delivery of a training programme for the Consumer Welfare Unit (CWU) of the Lesotho Ministry of Trade and Industry. The CWU conduct a lot of the consumer rights awareness in the country however the district officials in particular were not well versed in handling commercial disputes.

The goal of the programme was to enhance service delivery of officials of the unit as well as boosting their knowledge of standard technical requirements for dealing with issues of consumer protection. The training programme, consisting of a five-day workshop held in Thaba Bosiu (August 1-5, 2016) and a three-day workshop held in Morija, Lesotho (November 7-9 2016), covered the following issues:

- the concept of alternative dispute resolution: definition and types
- negotiation skills as a critical element in mediation and arbitration
- understanding the challenges involved in mediating on consumer rights
- the arbitration and mediation processes – requirements and ethical standards
- drafting mediation and arbitration agreements
- strategies for improving and strengthening the mechanisms for coordination among relevant institutions

A total of 21 participants were trained, out of which 10 were female and 11 were male. Participants included officials from the CWU and from the national and district offices of the Ministry. Two legal consultants worked with me to deliver the outputs of the training. The interactive approach used for the exercise proved to be successful and all of the participants were issued certificates of participation.

Mr. Lisema Keketsi, a Consumer Welfare Officer based in Maseru, who participated in the training had this to say at the end: "This is the very first time in my life that I have undergone a training as an officer in the Consumer Welfare Office of the Ministry. This training has opened my eyes on the knowledge and skills that I need to mediate between business owners and clients in situations of commercial dispute. I know the way I approach my work is going to be very different from today. I am very grateful to the Commonwealth Hub and Spokes Programme."



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As a result of the training programme, officials of the Consumer Welfare Unit and district officials responsible for consumer protection issues are now able to demonstrate an appreciable knowledge on the causes and economic consequences of conflict situations that arise among suppliers and consumers, and the various resolution mechanisms available to them.

Our hope is that officials like Lisema are empowered with the theoretical knowledge and practical skills they need to fulfil their duties under the country's new policy framework. Safeguarding the rights of consumers in this way through institutional capacity building, I believe, has been worth pursuing as a Hub and Spokes trade adviser.

Assisting Jamaica to reap the benefits of trade

Josephine Nyakatawa is a Hub & Spokes national trade adviser deployed to Jamaica's Ministry of Foreign Affairs and Foreign Trade.

With a population of about 2.7 million people, the island of Jamaica has the largest population in the English speaking region of the Caribbean. Despite being an upper middle income country, Jamaica's economic growth rate is low, making it one of the slowest growing developing countries not only in the Caribbean region but in the world.

As a small, open developing island state, Jamaica is highly dependent on international trade, posting a ratio of imports and exports of goods and services to Gross Domestic Product (GDP) of 84.8 per cent in 2014. Given the importance of international trade to Jamaica's economy, trade can act as an important engine of economic growth.

Jamaica is currently in the process of revising its 2001 Foreign Trade Policy. The revision process, which was launched in 2011, is being spearheaded by the Foreign Trade Division in the Ministry of Foreign Affairs and Foreign Trade – the Ministry not only responsible for foreign trade matters but also for coordinating the implementation of trade agreements in Jamaica.

The development of a revised Foreign Trade Policy was necessitated by the need for an inclusive and comprehensive approach to trade policy formulation and implementation, and to ensure the country fully reaps the benefits of international trade. The implementation of the Foreign Trade Policy is expected to improve Jamaica's trade and export performance, as well as

strengthen the role of foreign trade as an engine for economic growth and development in Jamaica.

Since joining the Ministry in 2014, my work has focused on assisting in the drafting of the revised Foreign Trade Policy. In particular, contributions have been made to developing the Foreign Trade Policy and Action Plan through the provision of technical advice, drafting inputs and mobilising funds from the Hub and Spokes II Programme.

In addition, another key area of work has been contributing to the implementation of existing trade agreements Jamaica is party to. In particular, the Revised Treaty of Chaguaramas (RTC), which establishes the CARICOM Single Market and Economy (CSME), and the Caribbean Forum of African, Caribbean and Pacific States (CARIFORUM)-EU Economic Partnership Agreement (EPA).

Through the creation of a single large market, the CSME is intended to benefit the Caribbean Community (CARICOM) region by providing more and better opportunities to produce and sell goods and services, and to attract investment. Given Jamaica's small domestic market, the CSME gives Jamaican producers access to a regional open market of approximately 15 million people. If fully utilised, this could greatly increase the benefits of trade to Jamaican producers.

Within my role at the Ministry I have organised, participated in and facilitated a number of projects and activities relating to the CSME, including for the Jamaican private sector. These were aimed at firstly, increasing public awareness of the regional integration process, and secondly, contributing to the effective implementation of the CSME.

Raising awareness and sensitising stakeholders in the public and private sectors, and civil society on developments in trade has been another key area of focus.



In October 2015, I facilitated the launch of the stakeholder sensitisation and consultation process on the African, Caribbean and Pacific (ACP)-EU partnership in the context of the expiry of the Cotonou Partnership Agreement in 2020. The Cotonou Partnership Agreement is an agreement between the EU and 79 ACP countries. It aims to reduce and eventually eradicate poverty, while contributing to sustainable development and to the gradual integration of ACP countries into the world economy.

The sensitisation process hence aims to ensure that Jamaica actively participates in the discussions on the ACP-EU partnership post-2020, from a well informed position at both the regional and international levels.

With this in mind, I developed a background paper on the changing relationship between the ACP and the EU in the context of the expiry of the Cotonou Partnership Agreement in 2020, circulated to relevant stakeholders.

In particular, this looked at the fundamental internal developments that have taken place within the EU and the ACP since the signing of the Lome I Convention in 1975 - a predecessor agreement to the Cotonou - and how they have impacted the relations between the two parties, and what Jamaica needs to do in preparation for the expiry of the Cotonou Agreement.

To date, over 50 stakeholders from the public and private sectors and civil society have benefited. However, the process is ongoing, towards the development of a country strategy to inform Jamaica's position on negotiations for a new ACP-EU partnership post-2020.

Helping mainstream trade into Kiribati policy

Samson Odhiambo is a Hub & Spokes national trade adviser deployed to Kiribati's Ministry of Commerce, Industry and Cooperatives.

I was recruited through the Hub and Spokes II programme and placed as National Trade Adviser within the Ministry of Industry, Commerce and Cooperatives in Tarawa, Kiribati in March 2014. During this time the position has allowed me to play a key role in contributing to trade and development agenda at broader and sectoral levels.

Kiribati is a small island developing state in the Pacific region with a small population of approximately 110,000 people. The economy is largely dependent on service contributions to GDP, followed by agriculture, with industry only at a low level. From a trade perspective, exports are limited to coconut and fish products.

Kiribati's low export levels are attributed to limited product varieties, that in turn are limited through low value addition and supply capacity. While exports account for US \$7 million annually, imports are around \$100 million and are predominantly foodstuffs, creating a large trade deficit.

Remittances from seafarers and seasonal workers schemes in New Zealand have been a large source of income in the past, whilst income from fishing licenses account for the majority of government income.

From a policy perspective, economic policy reforms are being undertaken to open up the Kiribati economy to trade, including

abolishing the customs duty tax and introducing value added tax (VAT) and Excise Tax on specific goods. Advancing the trade development agenda at the national level has however been constrained by inadequate trade mainstreaming into national and sectoral policy, with the trade priorities not well articulated.

Trade policy mainstreaming for development

To address the trade policy gap, I have assisted the Ministry of Industry, Commerce and Cooperatives in implementing initiatives to support trade mainstreaming into sectoral strategies and the Kiribati Development Plan. Training and sensitisation was provided to stakeholders on various issues relevant within the trade policy spectrum. This included 200 parliamentarians trained and sensitised since 2014 as high level policy makers and legislators - this has contributed to substantive interest in trade policy issues.

For the Kiribati Development Plan 2016-2019, I assisted in the mainstreaming of trade priorities to ensure wider political trade support and national ownership. Key priorities included the formulation and implementation of a Trade Policy Framework and Investment Policy Framework, as well as coconut development strategy as a key export product for Kiribati. Another key commitment was a priority to undertake business law reform as the key ingredient to private sector development.

The new development plan was successfully launched in June 2016. In the context of ensuring an inclusive mechanism for trade policy making, I also provided technical support towards the development of trade consultations and a coordination mechanism, which acts as multi-stakeholder trade mainstreaming platform.



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The National Trade Advisory Committee (NTAC) was constituted through a Cabinet Memorandum in 2015 and is composed of key government ministries, civil society and representatives from the private sector and Kiribati Chamber of Commerce and Industry. The NTAC provides an important platform for the discussion of trade and development priorities, contributing to policy coherence and national policy ownership.

Some of my other work has also focused on trade considerations within sectoral policies. For example, under the Labour Mobility Strategy, my contributions emphasised Kiribati's commitments to regional trade agreements, and also, how benefits from labour mobility can be maximised through trade agreements.

Under the Development Cooperation Policy, the role of Aid for Trade was developed as a priority area under the strategy, whilst for the Food Security and Nutrition Policy, contributions focused on food security linkages as an integral part of the nutrition strategy.

Beyond the mainstreaming trade policy, my work at the Ministry of Industry, Commerce and Cooperatives also focuses on the effective implementation of trade-related policy in Kiribati as well as sensitisation of the private sector.

An effective and coherent Kiribati trade framework is the foundational platform for Kiribati to engage in regional and global value chains, boost exports, and create a conducive trade environment for the domestic private sector to access other larger markets.

Helping Fiji to become a Pacific trading and investment hub

Hillary Kumwenda is a Hub & Spokes national trade adviser deployed to Fiji's Ministry of Industry, Trade and Tourism.

Fiji is an open economy classified by the World Bank as a middle income country. The country is reform oriented in order to boost trade development, and is strategically positioned within the South Pacific region.

Since 2014, my focus has been on supporting the Fiji Ministry of Industry, Trade and Tourism in realising its long term trade, investment and industrial policy objectives in order to become a vibrant, dynamic and internationally competitive economy.

The overarching vision for Fiji is to act as a trade, industrial, investment and services hub for the Pacific region, which is effectively integration into regional and global value chains. The support is aimed at a "Better Fiji for All". My role also extends to other government ministries and the private sector.

Domestic trade policy development contributes to enhancing market access, industrial development, productivity and competitiveness of products domestically and internationally. It also plays a pivotal role in influencing both domestic and foreign direct investment flows into Fiji, especially in the sectors with a demonstrated advantage in export potential - in order to take advantage of the markets secured through international trade negotiations.

Domestic and multilateral policy

My Hub and Spokes II work programme has particularly focused on the areas of policy and strategy development, trade negotiations, human technical capacity building and private sector development. This includes the development of an investment promotion strategy and initiatives to enhance market access for Fijian producers (of both goods and services).

Technical support in the drafting of the first ever comprehensive Fiji Trade Policy Framework (FTPF) seeks to facilitate a coordinated and consistent approach to Fiji's trade policy to better maximise development gains, by enhancing growth in the Fijian industrial base, investment, exports of goods and services as well as facilitate effective participation in trade and investment negotiations.

In addition, the FTPF recognises the private sector as the engine for economic growth and the micro, small and medium enterprises as the backbone of the Fijian economy.

The FTPF has become a single reference point on issues of trade, investment, tourism, industrial development as well as implementation of initiatives designed to streamline investment approval processes and trade facilitation related aspects.

Capacity building programmes are vital in delivering trade policy objectives – widening Fiji's officials understanding of trade policy issues, international trade law, competition, consumer protection, economic development issues and the functioning of the multilateral trading.

This has improved the effectiveness of their work, and also contributes to their participation in the work of Fiji's trade policy formulation and implementation. This has, in particular, provided valuable input into the negotiation processes that Fiji is engaged in at the regional and multilateral levels.



I have been supporting in-trade negotiations to enhance access to regional and global value chains. This is particularly important for Fiji as a small and vulnerable economy, in accessing larger markets.

Fiji is a member of the WTO, African, Caribbean and Pacific Group of States, UNCTAD, Melanesian Spearhead Group, Pacific Islands Forum Secretariat and others. I have been supporting the Pacific regional trade negotiations under PACER Plus which includes 14 Pacific Island Countries, Australia and New Zealand, as well as the Melanesian Free Trade Area which were recently concluded.

The Melanesian Free Trade Area will be established in 2017 to facilitate free trading between Melanesian sub-regional members, including in goods, services, labour mobility and cross border investment.

Technical support to Fiji in multilateral negotiations and WTO engagement has also been vital, particularly under the Doha Development Agenda negotiations, acceptance of the Protocol Amending the WTO TRIPS Agreement and the WTO Trade Facilitation Agreement needs assessments.

The WTO Trade Facilitation Agreement oversees the global reform of customs procedures. Collaboration and better defined roles amongst the relevant Fiji border agencies contributes to efficiency at the border and reduces the cost and time to clear goods.

In improving the business environment for trade, from implementation of the WTO Trade Facilitation Agreement to the Fiji Trade Policy Framework, Fiji can more effectively harness opportunities in regional and global value chains for domestic development.

Hub and Spokes expert helps enhance trade capacity in the Caribbean

Sunday Oghayei, a Hub & Spokes regional trade adviser, has been supporting the Caribbean Community (CARICOM) in Guyana.

As part of my work with CARICOM, I support Caribbean countries in enhancing their trade capacity. Recently, some of my work has focused on trade capacity development in Haiti.

Haiti is a low-income country in the Caribbean region; its average per capita income is less than \$1,025 a year. Poverty levels are estimated at over 50 per cent of the population, measured against the \$1.90 per day and national poverty lines (World Development Indicators, 2012).

Engaging the Haiti private sector

Under the Hub & Spokes II Programme's banner of 'enhancing trade capacity development', engaging the private sector is essential to enhance their understanding of opportunities available to them through multilateral trade policy.

We recently held a training session for Haiti private sector representatives on 26 July 2016 that focused on CARICOM rules with regards to tariffs, standards and quality, rules of origin, certification and other topics. Other experts included representatives from the Caribbean Agricultural Health and Food Safety Agency and the CARICOM Regional Organisation for Standards and Quality. Of the 21 participants, seven were women from the private sector as well as some trade officials.

With the CARICOM Secretariat, we reviewed the state of play in Haiti in relation to trade policy development and what is required of Haiti to become an active participant in the regional trade in goods regime, as well as how the CARICOM trade regime can support the private sector. Given Haiti's share of regional trade is currently low, we placed emphasis on opportunities for Haiti agricultural trade and provided guidelines to the private sector on the application of regional standards and quality.

Improvements in standards will help increase intra-regional trade, which is a prerequisite to becoming competitive in third country export markets. The training was presented on how the CARICOM trade regime would be a benefit, making it more attractive to encourage private sector compliance and also increasing the attractiveness of their exports. In particular, discussions on rules of origin were important in creating opportunities in the production of goods that qualify for preferential treatment in the CARICOM region.

Increased intra-regional trade in Haiti can help to boost production capability and domestic economic growth, as well as employment and customs revenue.

Enhancing Haiti's regional integration

As part of the CARICOM region, Haiti has an obligation to apply the region's Common External Tariff (CET). The Government of Haiti has approved the implementation of the tariff, though harmonisation is still required with regards to import duty rates not yet in effect. It was noted that given a lack of domestic technical capacity, CARICOM would provide technical assistance to assist Haiti in harmonising its national tariff with the CARICOM CET.



Between 25 and 27 July 2016, consultations and finalisation of Haiti's National Tariff were conducted at the office of the Haitian Customs Authority. Consultations were held with the Haitian Customs Authority and Officials of the Ministry of Finance, Trade, and Central Bank.

Involvement of the Customs Authority and Ministry of Finance was particularly important, given their respective responsibilities for ensuring the correct tariff rates are sanctioned by local legislation, and that these rates are applied on imports.

Of the 16 stakeholders taking part in the technical review, two government representatives were women.

As part of the CARICOM team, we provided the technical know-how on restructuring of the national customs tariff. The Ministry of Finance and Trade also developed a deeper understanding of

the policy intention of the CARICOM CET rate structure and its impact on revenue collection.

As a result of the exercise, Haiti's national tariff rates compliance increased from 50 per cent in 2013 to 95 per cent meeting CARICOM's requirements. The remaining 5 per cent comprising about 250 tariff lines can be treated as exemptions under the CET.

'Be Marshallese, Buy Marshallese'

Radika Kumar, a Hub & Spokes national trade adviser, has been working with the Ministry of Resources and Development in the Republic of Marshall Islands.

Since 2014, I have been supporting the Republic of Marshall Islands Ministry of Resources and Development on trade development under the Hub and Spokes II programme.

For those of you who are not familiar with this unique part of the world, the Republic of Marshall Islands is located in the North Pacific, comprising an idyllic coral archipelago. The main island has a landmass totalling 180 square kilometres. With limited agricultural production caused by low nutrient levels in the soil, the islands' people rely heavily on marine resources for their survival, hence the development of a marine Exclusive Economic Zone that stretches across an incredible 2.1 million square kilometres. The national Trade Policy Framework, developed in 2012, prioritises marine, tourism and agricultural sectors.

One of the key successes has been the 'Be Marshallese, Buy Marshallese' (BMBM) programme, an initiative launched July 2015 that was supported by the Hub and Spokes II programme and has had an important impact on trade. For example, at the first trade fair organised by the Ministry of Resources and Development, eight vendors made USD\$40,000 in two days from the sale of Marshall Islands handicrafts, fish and fish products and coconut oil. This is a significant injection of income for a small economy, and was particularly welcome given that the main people who benefited were women from the local community. An important area of work under the initiative has



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been about empowering women in business and contributing to gender mainstreaming in trade.

To improve the domestic competitiveness in trade the BMBM programme has aimed to help with branding products that are exclusive to the Republic of Marshall Islands. This has been the case for Pandanus Juice, which is produced by Robert Reimers Associates and is now successfully marketed in New Zealand. The product has also received positive feedback from consumers and alcohol producers in France and Australia. The company can produce up to 3,000 bottles every month. The juice is marketed as an important source of vitamins, which helps, for example, to prevent immune system deficiencies.

One of my main roles has involved promoting the BMBM programme and getting buy-in from the private sector. In addition, I have helped with increasing branding awareness to distinguish local goods and boost their competitiveness in local market and with tourists. For example, the Pacific Pure Water bottled company has employed a new logo created through our support.

As part of the marketing campaign to boost awareness and visibility of the programme nationally, we have created a 'Be Marshallese, Buy Marshallese' Facebook page. Moving forward, we will continue to focus on promoting Marshallese goods and services both domestically and for export to international markets. The overall aim is to increase sales, improve product quality and reduce import dependency. This will help buffer the domestic economy against external shocks by creating jobs and encouraging economic growth.

Please visit the 'Be Marshallese, Buy Marshallese' Facebook page for the latest updates on the BMBM programme.

Providing trade assistance to Federated States of Micronesia

Jean Bertrand Azapmo, a Hub & Spokes national trade adviser, was deployed to the Department of Resources and Development in the Federated States of Micronesia.

The Federated States of Micronesia (FSM) consists of four states, Chuuk, Kosrae, Pohnpei and Yap, spread over the Pacific Ocean and with a population totalling over 100,000. FSM's economy has grown at a slow pace. The trade deficit remains high with imports outstripping exports by about USD\$129 million (in 2014).

The capacity to export continues to be hampered by a number of the country's inherent disadvantages - small size, geographical isolation and distance from major markets, limited natural resources, the high cost of transport for trade, and vulnerability to natural disasters. For example in 2015, the country was severely hit by typhoons and storms affecting the local economy. As a result, FSM continues to depend on Official Development Assistance (ODA).

The USA is the largest donor through the Amended Compact of Free Association. However, the financial assistance under this arrangement is scheduled to end in 2023, which will put pressure on the government to find alternative sources of revenue. There is a burgeoning private sector comprising mainly small-sized enterprises, operating in wholesale and retail, construction, and the small hotel industry. The productive sector is limited to subsistence agriculture and small agroprocessing. Nevertheless FSM has a great potential in fisheries, tourism,



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and many niche exportable agricultural products, including black pepper, virgin coconut oil, and coffee.

Under the Hub & Spokes II Programme, I have been providing trade and legal advisory services to the Department of Resources and Development. A key priority for the country has been building the capacity of the productive sector and accessing regional and global value chains. On that front I have been supporting FSM in the negotiations for the Pacific Agreement on Closer Economic Relationships (PACER Plus) with Australia and New Zealand, the Economic Partnership Agreement with the European Union, and Integrated Market in Asia and the Pacific meetings to develop the country position based on the unique challenges faced by Small Island Developing States, and also the need to reduce their high trade costs.

I have undertaken consultations and market analysis for the development of the FSM 2015 Investment Guide. Hon. Marion Henry, Secretary of the FSM Department of Resources and Development, acknowledged the important advisory services

provided by the Hub and Spokes II Programme at the launch of the guide.

In addition, I have trained hundreds of public and private sector trade policy practitioners on the treaty establishing the Micronesian Trade and Economic Community (MTEC) which I helped develop in collaboration with the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP). The MTEC institutional framework aims to help create an enabling national and sub-regional environment, foster entrepreneurship and innovation and strengthen capacity to achieve sustainable development objectives of its three founding members (FSM, the Republic of Palau and Republic of the Marshall Islands) and facilitate their integration into the global economy.

To support the MTEC process I secured technical assistance from the International Trade Centre and United Nations Conference on Trade and Development to support FSM, Palau, and Marshall Islands in conducting their first trade and investment facilitation needs assessments. This resulted in training 37 stakeholders in trade and investment facilitation and the adoption of a MTEC Trade and Investment Facilitation Initiative roadmap by MTEC Ministers.

Another accomplishment worth mentioning is the establishment of the FSM Coffee Farmers Association. Although coffee farming was first introduced in the FSM during the Japanese administration in the 1920s, it ceased to exist by 1945 after they left. In 2009, however, a group of enthusiastic farmers based in Pohnpei reintroduced coffee farming, which is now seen as an emerging niche product. But with few resources, farmers struggled to put the necessary legislation in place. After several consultative meetings with the farmers, the Department

of Justice, and the Registrar of Corporations, I helped re-draft the legal documents to enable the farmers to establish their association.

The FSM Coffee Farmers Association was officially launched in March 2015. Through this formal network, coffee farmers were able to mobilise support quickly under the FSM Division of Agriculture, the College of Micronesia-Cooperative Research and Extension service, the University of Hawaii at Manoa and the Secretariat of the Pacific Community to deal with pests and diseases affecting coffee trees in Pohnpei. The Association still faces several challenges such as establishing a nursery and improving the quality and standards of their products, which are already available in local stores. I will continue to provide trade assistance to ensure that the coffee market can get off the ground.

Raising Malawi's voice in trade negotiations

Isaac B. Gokah, a Hub & Spokes national trade adviser, has been supporting Malawi's Ministry of Industry and Trade.

Officially known as the Republic of Malawi, Malawi is a low-income landlocked country in east Africa, also nicknamed the 'Warm Heart of Africa'. With a total population of 16.7 million, the economy's gross domestic product (GDP) is primarily based on services, with the remainder from industry and agriculture.

The level of agricultural employment remains high, with the World Bank estimating that agriculture accounts for 64.1 per cent of total employment (2013). A lot of my work has been devoted to developing/implementing the country's export strategy, and updating the domestic trade policy, which was a little outdated, to develop a competitive export economy.

At the time of writing this blog, the Malawi trade policy, last updated in 1998, was approved by the country's Cabinet and sets out a new framework for the use of trade policy as a development tool. It aims to make Malawi a globally competitive export-oriented economy, generating higher incomes and sustainable livelihoods and recognising the role of micro-, small- and medium-sized firms, as well as vulnerable groups. My work focused on designing the initial policy framework and leading on the implementation plan and monitoring and evaluation framework. When implemented, it will help drive structural transformation process in the productive sector and support integration of domestic markets into regional and global markets through global value chains.



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In developing the National Export Strategy 2013 – 2018 with other experts, the main aim has been to reduce the widening gap between imports and exports in building domestic capacity. The priority areas we identified are oil seed products, sugar cane products and manufactured products, all of which generate high economic value for the domestic market and have potential to 'spill-over' into other sectors and wider gains such as job creation.

For example, data from the Observatory of Economic Complexity shows that raw sugar accounts for USD\$46.8 million and groundnuts USD\$35.3 million in exports. In developing markets to produce sugar and groundnut products the value to the economy would be increased compared to exporting the raw product. This will lead to greater employment and increase the value of exports. The National Export Strategy remains Malawi's main trade strategic framework to guide trade policy and resource allocation.

During my time at the Ministry I led the consolidation and prioritisation of trade facilitation measures domestically, given that policy was fragmented across different policy documents and strategies. The resulting 'Consolidated National Trade Facilitation Action Plan' included setting up a National Trade Facilitation Committee, which now has oversight on implementation of the action plan. Trade facilitation helps remove obstacles to the movement of imports and exports.

Another initiative I have been working on with other experts is the Malawi negotiation management strategy, which was completed last year after receiving about £300,000 in funding from the Trade Advocacy Fund. As a result, thirty people, both from trade-related institutions and the private sector, have been trained on trade negotiation. This is a vital step for the country to raise Malawi's voice in bilateral, regional and multilateral trade negotiations, so that resulting agreements reflect Malawi's domestic priorities.

'Pleased to be helping improve Lesotho's export capabilities'

Samuel Yeboah, a Hub & Spokes national trade adviser, has been working with the Ministry of Trade and Industry in Lesotho.

Lesotho is a lower-middle income country with a population of around two million, whose borders are flanked by South Africa. The landscape is predominantly hilly and largely unsuitable for agriculture. The country has experienced average growth in recent years, dropping to 2 per cent in 2014. Services account for 60 per cent of value added activity, split between industry and agriculture. The economy remains largely undiversified in terms of products and markets, increasing the country's susceptibility to economic shocks.

Working with the Ministry of Trade and Industry, I have been assisting with building the country's trade capacity domestically through various negotiation and policy processes, as well as training initiatives. Boosting understanding of the public and private sectors in trade requirements has been an essential step for trade development.

To access larger markets, it is imperative that Lesotho pursues economic integration with other member states of the Southern African Development Community (SADC) and the wider international community. With a limited resource base, it is vital for the country to emphasise value-adding economic activities, such as manufacturing, to maximise the potential of available natural resources. One significant way of doing this, is for Lesotho to develop 'quality standards' infrastructure to improve production processes.

Laboratories are a less well known aspect of trade capacity and are responsible for carrying out sampling tests and calibrations to ensure adherence to international product standards. Products or production processes can then receive certification. Accreditation is the process of providing recognition to a conformity assessment body. It is extremely important for laboratories to develop effective administrative and technical operations to carry out these functions.

Besides calibration and testing, laboratories need to have sound business processes to enable them to deliver technically accurate calibrations and tests to their clients. For laboratories concerned with demonstrating competence, the appropriate international standard is ISO/IEC 17025. Throughout the world many countries now rely on accreditation as a means of independently evaluating laboratory competence. Unfortunately, test results from local Lesotho laboratories are not currently recognised because the laboratories are not accredited.

The training we offer provides help to get products recognised in regional and international markets. This enhances export capacity and the country's international competitiveness. As part of a five-day training workshop held in Maseru, funded by the Hub and Spokes II Programme, we have organised a training workshop for public and private sector laboratories on ISO/IEC 17025. This training covered issues of enhancing competence and attitudes towards understanding standard requirements, the development of suitable quality manuals, maintenance of quality management systems in laboratories, the methods of validation and measurements training, and auditing skills in the SADC accreditation process.

In total 25 participants have been trained from public and private sector laboratories, of which more than half were



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women. Participants came from a diverse range of sectors, including the medical field, agricultural research, water research, forensic security, minerals research, pharmaceuticals, energy, construction and academia. All of the participants, except one, passed the training and can begin to introduce ISO/IEC 17025 standards to their respective laboratories, and to apply for the necessary accreditation. In addition, given the success of the training, there have been calls to offer the Programme to executive management staff who have the authority to make changes to laboratory practices.

I am pleased to be helping improve Lesotho's export capabilities and reduce technical barriers to trade through the strengthening of standards and compliance processes.

Creating synergies to improve trade in the Caribbean

Sunday Oghayei is a Hub & Spokes regional trade adviser supporting the Caribbean Community (CARICOM) in Guyana.

During the past year, my focus has been on promoting Caribbean Community (CARICOM) regional integration by creating synergies between the Hub & Spokes II Programme and other trade capacity building initiatives. This has involved helping these countries access additional financing and providing them with technical briefs on multilateral trade agreements to realign national trade implementation with multilateral commitments.

Since CARICOM countries face challenges with regards to their small size, regional integration is the only way to create larger markets that are attractive to investment and trade. This is critical for bringing about sustained growth, creating jobs and transitioning to a more inclusive development model. Regional integration will also help link landlocked and small island countries facing high transportation costs to international markets and support trade between CARICOM members, which will inevitably boost their competitiveness.

The World Trade Organization (WTO) Trade Facilitation Agreement (TFA) aims to expedite the movement of goods. WTO members belonging to a regional economic community can adopt regional approaches in the implementation process. The CARICOM Council for Trade and Economic Development (COTED) has agreed to adopt this approach and has earmarked technical and financial assistance towards implementation. I have been leading on the COTED mandate, which has the potential

to reduce the high costs of implementing trade agreements by taking a unified approach.

The priority has been to assist countries to complete their WTO TFA national implementation schedules. I have coordinated technical support for Suriname and Haiti in this regard. Alongside CARICOM colleagues, I have reviewed country submissions towards the development of a regional strategy. The resulting roadmap we produced emphasises the need to attract technical and financial support from donors for implementation. I have developed proposals that attracted World Bank, WTO Trade Facilitation unit, UNCTAD and ITC technical assistance to support countries to adopt a regional approach. To date, six CARICOM countries - Belize, Grenada, Guyana, Jamaica, Saint Lucia and Trinidad and Tobago - have ratified the TFA.

During this period, I also assisted in setting up a regional trade facilitation committee under the COTED mandate and approached donors (World Bank and UNCTAD) for funding for national and regional trade facilitation activities. This included securing World Bank expertise to help develop the CARICOM regional plan and implementation of the TFA. The projects developed under the regional plan will be presented at a donor meeting at the end of 2016 to secure additional financing.

Implementation of the WTO TFA in the CARICOM region has the potential to address various trade challenges in four areas: ports, customs, the regulatory environment and infrastructural deficiency. Other benefits include diversification of exports, increased access to global value chains, expanded participation of small and medium-sized enterprises, increased foreign direct investment and greater revenue collection.

Overall, the expectation is to improve the region's trade competitiveness and enhance levels of revenue to help advance development goals.

We are on the road to formalise what has traditionally been an informal sector.

Background

The Caribbean Community Secretariat (CARICOM) is based in Guyana, in northernmost South America. CARICOM comprises fifteen countries and six associate members. While its member countries share common characteristics, they also differ in many respects - their physical and economic sizes, level of economic development and per capita incomes vary considerably. With the exception of Haiti, all members are categorised as high-income to lower middle-income countries, though Haiti accounts for 59 per cent of CARICOM's population.

All CARICOM countries except Trinidad & Tobago currently exhibit a negative trade balance, where imports exceed export levels, with a regional deficit of US \$-4960 million in 2013.

The majority of countries import fossil fuels for trade and development purposes. Trinidad & Tobago is the only net exporter of oil and natural gas in the region, whilst Suriname is the only energy independent country. In the other CARICOM countries, about 87 per cent of the energy consumed is from imported petroleum for electricity, transportation and gas, making these countries very vulnerable to fluctuating prices.

One of CARICOM's major objectives is bringing about greater economic integration by expanding trade and economic relations with third party states, increasing the level of international competitiveness and raising productivity. CARICOM has made efforts to consolidate regional integration under the Caribbean Single Market and Economy (CSME). But strategies for achieving

full economic integration depend on successful implementation of CSME, which requires members to commit to integration. To achieve this, members must complete the intra-regional integration scheme, strengthen the common external tariff and intra-regional trade policy, integrate labour and capital markets and deepen cooperation. They also need to develop and implement strategies for integrating their economies into the competitive global economy, taking into account expiring preferential trade arrangements with the United States and the European Union - two of the largest trade partners.

Advancing Guyana's regional and multilateral trade agenda

Edmund Kalekyezi, a Hub & Spokes national trade adviser, has been supporting Guyana's Ministry of Foreign Affairs.

Guyana, a Caribbean member state on the South American continent, has a population of approximately 800,000 people. With a gross domestic product (GDP) growth rate of 3% (2015), the country is classified as lower-middle income, largely dependent on sugar and rice for exports. Other non-traditional exports, such as fisheries and agricultural products, are growing in importance. Gold and bauxite mining also contribute significantly to the national economy, although both products have been affected by a slump in global prices. Current imports exceed exports, resulting in a trade deficit in the country.

The services sector accounts for over 46 per cent of GDP. The tourism sector contributes significantly to the economy but remains weak in comparison with other countries in the region. The services sector is expanding, especially transport services, financial and insurance services, telecommunications, storage and warehousing. However, construction services and wholesale and retail services have slowed down over the last year.

Whilst working at the Ministry of Foreign Affairs in the Foreign Trade Department, I have been involved in advancing Guyana's regional and multilateral trade agenda. The Ministry is the lead agency with regards to trade negotiations; implementation of trade agreements is largely undertaken by other ministries and agencies.

In advising on bilateral trade arrangements between Guyana and its trade partners, my focus has been on the Caribbean regional



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integration process, as well as Guyana's participation in World Trade Organization (WTO) agreements.

Besides the regional integration process, I have also been participating in Guyana's bilateral initiatives, which include helping to negotiate new trade agreements. These initiatives are designed to help Caribbean countries access key international markets in order to boost trade exports. The focus has been on implementation of existing bilateral agreements like the EU/CARIFORUM Economic Partnership Agreement (EPA).

The EPAs, in general, aim to generate a free trade area between the EU and the African, Caribbean and Pacific group of states. The EU/CARIFORUM EPA is a bilateral agreement between the CARIFORUM countries and the EU – its aim is to contribute to regional integration efforts through economic co-operation, as well as boosting integration in the world economy, improving trade capacity in Caribbean countries and supporting the private sector. The latter is particularly relevant, given the high and rising cost of doing business in Guyana.

Although the five-year CARIFORUM/EU EPA review report (2008 – 2013) suggested there was limited progress on EPA implementation within the CARIFORUM countries, Guyana was among the few countries on course with their scheduled commitments, in most areas. Guyana hopes to attract foreign direct investment using the EPA, especially through trade in the services sector and tourism. The country seeks to enhance services exports to the EU, especially cultural and entertainment services - Guyana has unique products to offer in these industries. The country is also exploring options for diversifying trade by developing new products; traditionally, sugar has been the country's chief export to the EU market.

I have participated in crafting the regional model EPA implementation legislation. Its aim is to guide CARIFORUM countries on the best way to implement EPA commitments within their respective jurisdictions. The key legislation we considered related to immigration of EU service providers who wished to offer their services in the CARIFORUM countries. We also looked at legislation dealing with telecommunications and national regulatory authorities and international maritime transport services. Another area of legislation we reviewed dealt with interconnectivity and access to facilities to afford small operators the opportunity to share high cost infrastructure that that would otherwise be unaffordable.

Other activities relating to EPA implementation included identifying Guyanese products that can be registered and protected in the EU market. We worked closely with producers to help them meet necessary requirements before accessing the EU market. It is hoped certain products will fetch top prices once they are protected in the EU market. This will boost Guyana's export revenue, which, at present, only comes from a few products.

"The Hub and Spokes project has provided a unique opportunity for knowledge sharing and intellectual guidance on trade policy issues through South South Cooperation"

– Sherwyn A.R. Naughton, First Secretary, Embassy of Guyana.



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