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TRADECOM II NEWS

INFORMATION BULLETIN OF TRADECOM II PROGRAMME

ASG's WELCOME MESSAGE

Mr Viwanou GNASSOUNOU

ACP Assistant Secretary General

Department of Sustainable Economic Development
and Trade

I am gratified to note that the inception of the successor programme to the Trade.Com Facility and the Multilateral Trade System Programmes in December 2015, with the installation of the management unit, marked the commencement of the implementation of the TradeCom II Programme. The new Programme is strategically designed to complement other national, regional and continental programmes, and is therefore expected to realize economies of scale and scope of the two previous programmes, by targeting issues at the regional and multilateral levels, of key interest to the ACP Group.

I congratulate Agriconsulting Europe for winning the hotly contested tender and putting in place a formidable team. As the saying goes, "to whom much is given, much is expected". Therefore, the programme should expect a lot to be demanded of them due to the numerous needs that have already been identified and the great expectation that the ACP Group has from this programme. The fervour demonstrated by the programme managers gives a sense of satisfaction that the programme is on sound footing. This is critical and necessary because ACP beneficiaries from all regions have awaited the launch of the programme with much anticipation. Indeed, they are really looking forward to receiving targeted support from this demand driven initiative.

Strategic Focus

The on-going reflection on the future of the ACP Group point to the need for deepening intra-ACP relations by strengthening linkages and cooperation with each other, in areas such as trade, investment and technology as well as in innovation. Additional focus will also be directed towards the enhancement of south-south and north-south partnerships and at the same time build on and enhance the ACP-EU trade and economic cooperation constructed over many years of a truly epic and historical relationship.

It is in this context that I see the measured value addition of the TradeCom II Programme which by supporting the development and implementation of trade policies, ACP states and regions will gain if they succeed in enhancing their trade in goods and services sectors. Similarly, support to the ACP Group's effective participation in multilateral trade negotiations and implementation of those agreements will strengthen the Group's position and relevance.



Regionally and in the context of our bilateral trade and economic relations with the European Union, the opportunities and challenges arising from the Economic Partnership Agreements will be addressed with a view to maximising the benefits that may accrue. This should strategically strengthen ACP regional integration processes and increase intra-ACP trade.

The Near Term Prospects

I take this opportunity to acknowledge the excellent cooperation of the European Commission which has resulted not only in the financing this Programme and others that preceded it, but also for playing a most useful role as a joint co-manager with the ACP Secretariat. I would like to assure all stakeholders of the ACP Secretariat's dedication and commitment to ensure that the programme delivers on its set objectives.

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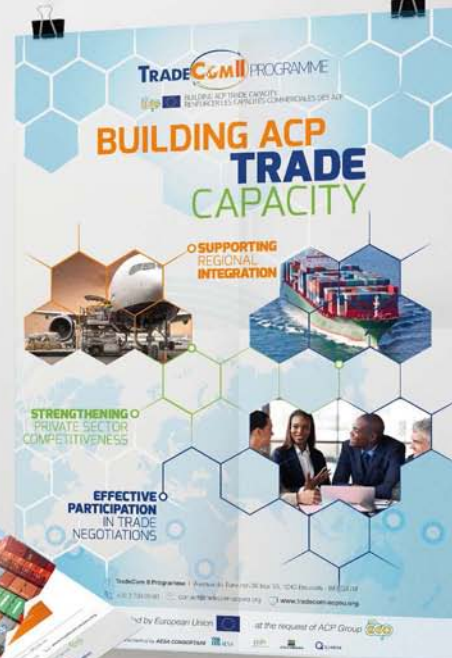
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TRADECOM II PROGRAMME VISION AND WAY FORWARD



Ahmed NDYESHOBOLA
TradeCom II - Team Leader

Origin

TradeCom II Programme in its design format combines the work previously carried out by two separate AII-ACP trade support programmes—Trade.Com Facility and ACP Multilateral Trade System (MTS) Programme. In that regard, and to provide the baseline continuity, the Programme was conceived with a three-fold purpose—to:

1. Enhance the capacity of ACP countries to formulate and implement suitable trade policies;
2. Assist ACP countries to participate effectively in international trade negotiations and to implement international trade agreements to their benefit; and
3. Strengthen ACP private sector competitiveness by supporting trade facilitation and trade promotion.

Vision

The Programme's implementation strategy will facilitate the integration of ACP countries in the global economy and value chains by improving, inter alia, their capacity to formulate and implement suitable trade policies and strengthening their competitiveness. It will also target building and strengthening ACP trade capacity at national and regional levels through a combination of technical assistance under the programme estimate component and capacity building actions under the grant component. The TA and grant components are the two main implementation modalities under the Programme.

Building on the Trade.Com facility and the MTS programme that broadens the scope of the TradeCom II Programme, and drawing from the feedback of the start-up needs assessment and the number of project requests received from the beneficiaries thus far, the key priorities of the TA component are to:

1. Support the formulation and implementation of suitable and inclusive trade policies with a special focus on addressing non-tariff barriers;
2. Support effective participation of ACP States in regional trade negotiations and the implementation of the agreements, in particular the EPAs;
3. Enhance trade facilitation and private sector competitiveness;
4. Support the RECs as well as other trade-related institutions to assist member states to implement

regional trade agreements as well as promoting intra-ACP trade; and

5. Enhance effective participation of ACP States in multilateral trade negotiations including accession to the WTO.

Building on the demand-driven framework, studies and actions to strengthen the knowledge base will be carried out as an integral part of the above priorities.

Priorities for the Grant Component in the context of supporting and enhancing the sustainability of trade capacity building actions in ACP countries-may include:

1. Support activities and actions of the ACP trade-related capacity-building organisations for the implementation of EPAs and WTO agreements;
2. Support training and research activities in ACP countries;
3. Support programmes of ACP business associations in the area of trade;
4. Support the networking activities of think-tanks and related organisations.

Way Forward

In light of the tremendous response from the ACP beneficiaries, the immediate tasks ahead for the Programme management team is to translate those requests into implementable projects. Most of these tasks will be accomplished in the next weeks to facilitate timely meeting of the beneficiaries' needs.

Likewise, the modalities for launching the grant component will also be finalized soon. This will trigger the participation of a cross-section of beneficiaries in the ACP countries and their partners from the EU member states.

In parallel, the programme management team will continue to implement the various visibility actions including the team's participation at this year's European Development Days (EDD16) and UNCTAD 14 in partnership with the ACP-EU Technical Barriers to Trade Programme (TBT) and the ACP-EU Technical Center for Agricultural and Rural Cooperation (CTA).

Regular updates on the Programme implementation and allied actions will feature in this periodic newsletter but also in the Programme's website.

THE URGENT NEED FOR TRADE DATA IN ACP COUNTRIES



Poonam D. MOHUN

TradeCom II - Regional Trade Expert

The demand-driven pillar of the TCII

One of the main pillar of TradeComII is its demand driven component. As such, the PMU responds to beneficiaries' demands, prepares the necessary documents and follow the procedures in order to implement the request of the beneficiaries.

Up to now, more than 100 project ideas have already been received and discussed with various ACP Member states (including Kenya, Tanzania, Mauritius, and Vanuatu for instance) and regions (such as OECS, CARICOM, and COMESA amongst others). These are being translated into projects for implementation in the different countries/regions.

Policy-related challenges

One of the issues among which ACP beneficiaries are requesting technical assistance from TradeComII, is to address the actual lack of trade data in many of the ACP countries and regions. As in many regions and countries in the world, ACP countries are negotiating and signing bilateral, regional and multilateral trade agreements. But one of the key challenges for successful negotiations is the availability of reliable data. The effect of the lack of updated and reliable trade data is that often policy makers rely on misinformed, or out dated information. As a result, it is difficult for them to clearly identify solutions or accurately evaluate the impact that the implementation of their decisions can have on trade.

Challenges for private sector

This challenge is also strongly felt by the private sector who needs data to assess potential markets, carry out market research and market surveys. Limited access to market information and potential trade opportunities remains a major hindrance to buyers and sellers, especially those wanting to diversify and start trading with non-traditional partners.

In order to enhance opportunities for ACP trade, trade information networks and trade intelligence have to be built and made easily and freely accessible to the public. This will help build advanced competitive intelligence capacity at all levels, including for the RECs and for national trade support institutions. Moreover, trade data provide users with wider analytical flexibility, with respect to trade performance, opportunities and threats.

Trade in services challenges

The problem is even more acute as far as trade in services is concerned. Services do not go through customs and therefore do not have measurement systems such as goods. In general, there is an acute lack of information, data and understanding about trade in services. At the policy level, most ACP countries and regions have not yet adopted trade in services commitments at the WTO or in regional trade agreements. Even in those countries or regions where commitments have been agreed, implementation remains generally poor.



Services trade performance is still low in many ACP countries though this is an emerging area that is rapidly gaining recognition in many ACP countries. Most countries are aware about strong potentials for growth, not only in traditional sectors such as tourism but also in new upcoming services sectors such as medical sector. They recognise that new opportunities for diversification exist. Therefore, it is no surprise that TradeComII support is also being sought in the area of trade in services. Studies and assessments are required to build capacity in this regard. Experience sharing among ACP regions is also being encouraged.

Without statistics, it is very challenging for countries to identify their interest in various service sectors and for policy makers to analyse and make informed policies on services. There is therefore a need to improve service trade data collection.

Gender-related trade data

Another request that is coming up concerns gender related trade data. It is generally agreed that to support trade and development, gender-related issues must be taken into account. This serves to improve gender equality, growth of the country, region and the economy, hence the strong socio-economic implications of gender. There is no doubt that women's economic contributions enhance productivity and growth in their countries, thereby boosting the economy. However, availability of trade data on gender, especially in ACP countries is seriously lacking. In most ACP countries, there is no database nor updated information on women and trade, nor does one know the specific role of women in the economy of their countries nor regions.

If one wants to develop an efficient national or regional trade policy, it is vital to better understand and analyse the role of women in trade.

In general, trade information infrastructure needs to be upgraded in ACP. This will be to the benefit of every one, whether policy makers, SMEs, trade support institutions, or the general public. ACP countries, will then be able to position themselves in a more powerful way on the world map of global trade.

TradeCom II programme entered its four-month inception phase on 14 December 2015. During this period, the PMU office was established and the team of experts mobilised. The inception report which provides the scope of the programme's mission and the framework of activities was developed.

The outreach phase

TradeCom II experts conducted several needs assessments missions in all ACP regions to enhance the programme's visibility and identify the specific needs of the beneficiaries. To reach out to ACP beneficiaries and key stakeholders, field missions were combined with workshops and events organised in different regions of the ACP countries and attended by key stakeholders.



Mission to Geneva

In February 2016, a mission led by the team leader, Ahmed Ndyeshobola and Ms. Poonam Mohun, Regional Trade Expert went to Geneva to introduce the TradeCom II programme to key stakeholders. The mission team was joined by the Head of the ACP Office in Geneva, Ambassador Marwa Joel Kisiri. Meetings were held with the ACP Group Geneva, the Permanent Mission of the European Union to the WTO as well as with the Deputy Director General of WTO and UNCTAD. Areas of collaboration were discussed with the WTO in the field of capacity building through the Institute for Training and Technical Cooperation (ITTC) and with UNCTAD in sharing technical expertise.

Mission to the Caribbean

Ms. Poonam Mohun, Regional Trade Expert participated to the Caribbean Regional Planning Workshop in Jamaica at the end of February 2016 where she took the opportunity to share with the different representatives of the CARICOM member states the focus of the Programme, and gauge the needs of the beneficiaries.

Technical support needed in the region targets the pursuit of strengthened regional integration and the implementation of EPAs. Another crucial element was raised: The lack of trade statistics in the region.

Mission to Western Africa

Dr. El Hadji Diouf, Multilateral Trade Expert conducted a mission in Nigeria also in February 2016. Several meetings were held with high officials from different institutions among others such Trade Ministry of Nigeria, the ECOWAS Commission, the EU delegation to Nigeria as well as the AfDB representation.

It is with great enthusiasm that the key stakeholders welcomed the TradeCom II programme. Technical support to the trade-related challenges faced by the West Africa region is timely specifically in the following areas: Implementation of WTO agreements, ratification and implementation of EPAs and the ECOWAS and WAEMU regional integration process.

Mission to the Eastern and Southern Africa

Two needs assessment missions were organised by the programme in Eastern and Southern Africa where the target audience were the three RECs-COMESA, EAC and SADC.

Meetings were held with officials from Trade Ministries, Representatives of the private sector, EU Delegations in Kenya and Zambia, and the contractors for EU supported programmes in Kenya with the view to maximize synergies and avoid duplication. During the needs assessment missions, a list of priorities in trade related assistance per country and region were identified to ensure the implementation of activities that are needed most urgently.



Mission to Central Africa

TradeCom II expert participated at the regional meeting on EPAs organised in Douala during the last week of March 2016. It was an opportunity for the Programme to meet Central African representatives involved in the EPAs negotiations and the two regional organisations (CEMAC & ECCAS).

Meetings were also held in Yaoundé with the Trade Ministry, the parliament and the private sector representatives that enabled the identification of priorities for national and regional technical assistance in trade and particularly in the field of capacity building.



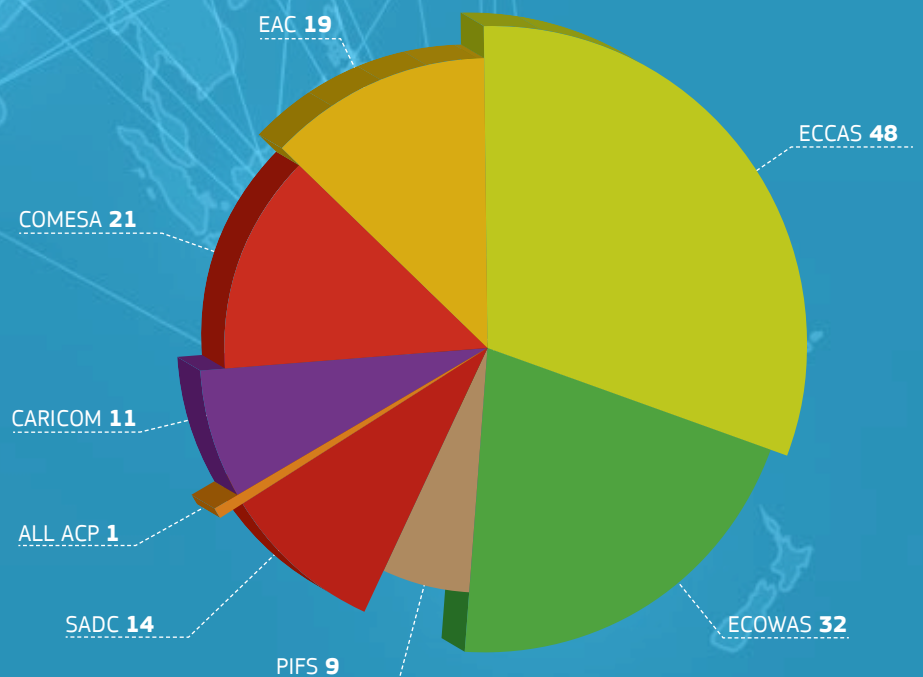
Mission to the Pacific

In March 2016, TradeCom II organised a short mission to Fiji to attend the Pacific Regional Planning Workshop and to meet trade advisers from different member States to discuss the specific needs in trade related technical assistance.

Support in strengthening the Pacific regional integration framework and the reinforcement of national consultative process specifically with the private sector were highlighted as key priorities.



Following the field missions and visibility actions undertaken by the PMU, 155 requests for technical assistance have been submitted by ACP Members States and RECS and are being processed.



TRADE NEGOTIATIONS: THE ACP REGIONS IN THE SERVICE OF MULTILATERAL TRADE?



Dr. El Hadji DIOUF
 TradeCom II - Multilateral Trade Expert



Trade negotiation fronts are multiplying for ACP countries. All are interwoven (WTO, Economic Partnership Agreements, Regional Integration, Mega-regional Agreements, etc.). This is more than a mere economic trend. It's a structural reality which draws attention to real harmonisation strategies at the different regional levels. In addition to the national trade policies developed from traditional seats of state sovereignty, all of the other trade negotiation positions have a common impetus. This is the region. Both for practical and empirical reasons! And out of necessity! The regional approach is the obvious choice for ACP countries to ensure that they retain credible leadership in multilateral trade negotiations and make tangible gains for their economies. The famous "bowl of spaghetti" has never been as hot as in the ACP zone. Today's picture does, of course, reflect an assumed desire for integration which is, however, destabilised by competing interests in different geographical areas.

Deliberate trade regionalism ... and a failing rationale

First, West Africa... The intent is to create a common regional trade policy in West Africa, as expressed by WAEMU's "Common External Tariff (CET)" and transposed into the more globalised ECOWAS space, with a fifth tariff rate as a bonus. However, ECOWAS is disrupted by the presence of three different trade schemes in contradiction to the stated commercial ideal. LDCs are under the "Everything but arms initiative" scheme vis-à-vis the European Union (EU); Côte d'Ivoire and Ghana have signed individual Economic Partnership Agreements (EPA) and are supposed to export to the EU under this new scheme; whereas Nigeria, which is neither a Least Developed Country (LDC), nor a signatory of an individual EPA, is subject to the Generalised Scheme of Preferences (GSP) under European common law.

Next, Central Africa, which has a regional organisation (ECCAS), a CET and a real desire to draw closer to ECCAS to create a harmonious regional trade policy. It is in the same configuration as West Africa. Cameroon has signed an interim EPA and is supposed to export to the EU according to this regime. The LDCs in the region (Chad, Central African

Republic, Equatorial Guinea and Sao Tomé and Príncipe) continue to be covered by the "Everything but arms initiative" whereas Gabon and the Congo, developing countries, are subject to the European common law GSP, as is Nigeria. In both situations, in both West and Central Africa, it is assumed that trade policies should be harmonised. However, in the end, it is another case of One Region with THREE trade schemes and ZERO integration. Do we have a problem here!

COMESA, SADC and EAC are leading an important process for the creation of an ambitious Free Trade Zone and are also involved in the more general process of creating the African Economic Community. It will extend from Cairo to Cape Town and include 26 African countries to create a market of 578 million people. This is a real trade area with real possibilities for exchange and constitutes a relevant response to the issue of inadequate intra-African trade.

The Pacific and Caribbean regions appear to be more homogeneous. The Caribbean countries signed their EPA in 2010 and are dealing with implementation issues which should serve as a laboratory for other countries in the ACP zone. The Pacific countries appear to be advancing at the same pace as African countries with respect to the EPAs and are also suffering from regional disagreements arising from the interim EPAs. In the final analysis, the different trade schemes of the various regions do not promote the development of intra-ACP trade which should provide a good alternative to the slow pace of the Doha cycle.

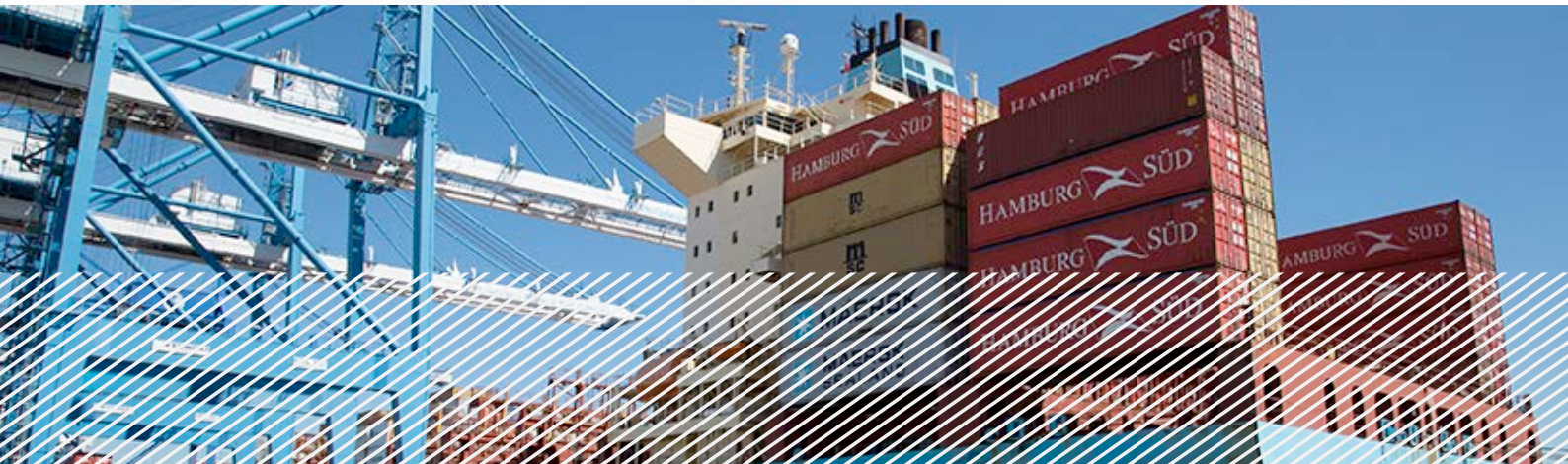
Strong regionalism, as a recourse and complementary to the WTO

It's true that to meet goals, the existing tangles have to be straightened out. However, the goals apparently have contaminating virtues. The efforts to achieve regional trade integration in West and Central Africa are worthy of praise. The overlapping of regional organisations has generated asynchronous integration processes which the EPAs have further exposed. After the internal micro-rationalisations of the organisations in question, we will have to move to the next

step and gradually eliminate artificial barriers between West and Central Africa. Is trade in Cameroon so very different from that of its powerful neighbour Nigeria? What are the human, economic and commercial criteria that differentiate the two regions?

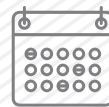
Evidently, the three-way COMESA, SADC, EAC process is a reminder of certain realities: we should trade among ourselves first before trading with others; we should create large zones to benefit from a large market credible from both from the standpoint of offer capacity and market potential. These are the current trade priorities for ACP countries.

An ECOWAS/WAEMU/ECCAS/CEEAC free trade zone would include 24 countries. The 25th would be the DRC which could act both as a buffer and a launch pad for two major African free trade zones which would extend from Cairo to Cape Town and from Dakar to Djibouti. This may be the fast lane for the long-anticipated continental African free trade zone and the true impetus for real intra-ACP trade which would bring development and involve both regional and multi-lateral trade dimensions. Only then could ACP countries truly expect to bring their weight to bear on international trade negotiations based on the negotiating strength of their regions.



Glossary

ACP	Africa Caribbean and Pacific
AfDB	African Development Bank
CARICOM	Caribbean Community
CEMAC	Communauté Economique et Monétaire de l'Afrique Centrale
COMESA	Common Market for Eastern and Southern Africa
CTA	Technical Centre for Agricultural and Rural Cooperation
DRC	Democratic Republic of Congo
EAC	East African Community
ECCAS	Economic Community of Central African States
ECIPE	European Centre for International Political Economy
ECOWAS	Economic Community of West African States
EDD	European Development Days
EPA	Economic Partnership Agreement
EU	European Union
GSP	Generalized Scheme of Preferences
ITC	International Trade Centre
NTM	Non-tariff measures
OECS	Organisation of Eastern Caribbean States
PIFs	Pacific Islands Forum Secretariat
PMU	Programme Management Unit
RCEP	Regional Comprehensive Economic Partnership
OECS	Regional Economic Community
RTA	Regional Trade Agreement
SADC	Southern African Development Community
SME	Small and medium-sized enterprises
TBT	Technical Barriers to Trade
TPP	Trans-Pacific Partnership
TTIP	Trans-Atlantic Trade and Investment Partnership
UNCTAD	United Nations Conference on Trade and Development
WTO	World Trade Organisation



Upcoming events

JUNE	Regional Round Table on NTMs: Facilitating Trade Integration in ECOWAS Abidjan, 14-15 June
	European Development Days Brussels, 15- 16 June
	WTO Geneva Week Geneva, 20 June
JULY	UNCTAD Global Commodities Forum 2016 Nairobi, 15-16 July
	UN Conference on Trade and Development Nairobi, 17-22 July

European Development Days 2016: Joint action in favour of ACP countries

The **2016 European Development Days (EDD)** are fast approaching, with a focus this year on implementation of the 2030 Agenda on sustainable development, and multi-stakeholder contributions that can make this EDD an especially engaging and participatory forum.

In the spirit of cooperation, the **EU-ACP Technical Centre for Agricultural and Rural Cooperation (CTA)**, the **EU-ACP Technical Barriers to Trade Programme (TBT)** and the **EU-ACP TradeCom II Programme** will jointly organise two unmissable debates at the EDD2016 on pressing development issues in African, Caribbean and Pacific countries (ACP).

The first debate on: *“Recent Global Developments in Agricultural Trade and the sustainable development goals in African, Caribbean and Pacific Countries”* will take place in Brussels on the **15th of June 2016 – 9.30 to 10.45 AM**. This debate will bring insight from experts and engage participants on how current and future trends in agricultural trade and investment, and enhanced public private partnerships, can support development in the poorest countries. Panellists including Arancha González (Executive Director of the International Trade Centre - ITC), Daniel Gad (Managing Director, Omega Farms Ethiopia) will debate on this subject and share their views with the participants.
More information available at: <http://bit.ly/22x92n8>

The second debate entitled: *“The Treatment of Food Standards in Mega-RTAs Policy Implications for ACP Countries”* will be held in Brussels on the **16th of June 2016 – 9.15 to 10.30 AM**. The rules governing global trade are increasingly being defined by mega-RTAs such TTIP, TTP and RCEP, with important development implications for the ACP in terms of full integration into global value chains, capacity to negotiate regulatory frameworks, and ACP producers’ ability to meet compliance costs, including tighter food standards. This panel will see the contributions of experts such as Roderick Abbott (ECIPE), who will discuss and bring insight on what recent global trade developments mean for ACP development interests.
More information available at: <http://bit.ly/1qu3sUp>

To find out more about EDD 2016, please visit www.eudevdays.eu
and follow **#EDD16** on Twitter

TRADE, GROWTH AND SUSTAINABLE DEVELOPMENT

DEVELOPMENTS IN AGRICULTURAL TRADE AND THE SUSTAINABLE DEVELOPMENT GOALS IN AFRICAN, CARIBBEAN AND PACIFIC COUNTRIES

Debate **D6** June 15, 2016 09:30 to 10:45

TRADE, GROWTH AND SUSTAINABLE DEVELOPMENT

THE TREATMENT OF FOOD STANDARDS IN MEGA-REGIONAL TRADE AGREEMENTS

Debate **D1** June 16, 2016 09:15 to 10:30