



# AID FOR TRADE Global Review 2019

## Session 51: EU-ACP SIDE EVENT

### EU-ACP TRADE AND DEVELOPMENT COOPERATION

#### REVOLUTIONIZING ECONOMIC DIVERSIFICATION AND EMPOWERMENT THROUGH INCLUSIVE AND SUSTAINABLE AID FOR TRADE

4 JULY 2019 | 11:00-13:00 | WTO Geneva, Room S1

Over the past 40 years the ACP and the EU have promoted a unique trade and development cooperation model that inspires global North-South cooperation.

Recent global developments have contributed to structural adaptation and improvement in their cooperation that further bridge the economic divide between developed and developing partners, and lay solid foundations for achieving the SDGs.

Trade cooperation through regional Economic Partnership Agreements (EPAs) with sustainable development and economic integration objectives remain central to the EU-ACP cooperation model. It should provide greater impetus to the ACPs' sustained export competitiveness and expansion, effective penetration into and climbing regional and global value chains, and effective negotiation and implementation of multilateral and regional trade agreements. Specific trade cooperation components focus on:

- Supporting and strengthening regional and national regimes to support the expansion of inclusive trade and micro/macro-economic growth targeting inclusiveness, youth unemployment, and poverty reduction;
- Enhancing the productive capacity for trade and value chain expansion, diversification and competitiveness, including through transformative processes such as value-addition;
- Mainstreaming vulnerable sectors such as women and youth into instruments and policies that promote more equitable participation in trade and distribution of wealth;

- Dissemination of trade and investment knowledge and cooperation instruments between the public and private sector and other actors of the civil society;
- Harnessing the trade-related aspects of the green and digital economy; and
- Overall promotion of sustainable development.

Evidently from the post-2020 EU-ACP trade cooperation, the objective of maintaining inclusiveness while seeking to achieve greater integration into the global economy and promoting sustainable development remains central going forward. ACP countries can, with a continued structured partnership with the European Union and the underlying political commitment, endeavour to accelerate the pace of inclusive integration into the regional and global economies.

Enhancement of EU-ACP trade cooperation must therefore maintain inherently inclusive aspects while seeking to achieve greater integration into the global economy and promoting development that is sustainable. This implies harnessing the strengths of the EU Aid For Trade Strategy to ensure that it brings real gains in the areas of trade and investment and poverty eradication through job creation. This also means real and full implementation of the EU External Investment Plan whose objective includes encouraging investment in partner countries in Africa, promoting a new model of participation of the private sector and contributing to the achievement of the Sustainable Development Goals (SDGs). Finally, this implies maintaining the solidarity of the ACP Group going forward and commitment to sharing of best practices for enhanced cooperation and connectivity.

# TRADECOM II AN AID-TO-TRADE TOOL FOR ACP COUNTRIES

The EU-funded, ACP managed TradeComII Programme uses trade support as an encouragement to ACP countries to trade. This Aid to Trade model takes into account the multiplier effect that trade assistance can have when external assistance is used to reinforce the beneficiary country's self-identified needs, based on its own development trajectory, and can be appropriated to clearly identified and verifiable results/outputs, based on pre- and self-determined strategies, with a clear intention to follow up implementation and ensure sustainability of the actions following intervention. This is the approach that the TradeComII Programme has pursued so that its technical assistance and grants can have a lasting and sustainable impact within ACP countries.

The strength of the TradeComII Programme and approach is the respect of ACP national and regional economic contexts and needs as expressed by the beneficiary, and the promotion of intra-ACP complementarities through:

- Promotion of the exchange of best practices among ACP countries and regional economic communities, including through the knowledge sharing tool;
- The use of regional and international expertise, both ACP and expatriate with a strong ACP background, to work alongside these beneficiaries and stakeholders, to respond to their needs in self-determined areas.
- Proximity and accompaniment are key to the internalization and appropriation of trade-related assistance provided to ACP countries.

The focus of the trade-related technical assistance and capacity building that TradeComII has provided to ACP countries under its Technical Assistance component, can be divided into five focal areas:



**Building trade capacity of national and regional institutions**



**Building capacity for trade negotiations and agreement implementation**



**Strengthening customs/trade facilitation systems**



**Strengthening private sector competitiveness**



**Enhancing ACP ability to take advantage of market access opportunities**

The challenges are still robust when one considers that ACP countries represented only 2% of world trade in 2018 and about 5% of EU imports and exports. However, this must be read in the light of the fact that ACP involvement in global trade has increased over the last five years, from 1.9% in 2015. However, one can consider that once the foundations that are required for building strengthened bases for trade development are in place, then ACP countries will be prepared to pursue trade opportunities and face challenges without being forced to take giant economic leaps backwards. TradeComII Programme has therefore been a useful tool to buttress the foundations of ACP economies and to assist them to trade, allowing for their increased dynamic engagement in the global economy.

## CTA

The Technical Centre for Agricultural and Rural Cooperation (CTA) is a joint international institution of the African, Caribbean and Pacific (ACP) Group of States and the European Union (EU). Its mission is to advance food security, resilience and inclusive economic growth in Africa, the Caribbean and the Pacific through innovations in sustainable agriculture, including digitalisation, which strengthen the capacity of ACP value chain actors to trade at local, regional and international level. CTA operates under the framework of the Cotonou Agreement and is funded by the EU.

A sustainable increase in the production of healthy foods will be impossible without the transformation of smallholder farms into profitable businesses. Digitalisation of agriculture has the potential to revolutionise smallholder farming in Africa, the Caribbean and the Pacific (ACP), significantly improving productivity and profitability.

## COLEACP

COLEACP is an association of companies and experts committed to sustainable agriculture. Its mission is to develop inclusive sustainable trade in fruit and vegetables and foods products, focusing on the ACP countries' trade with one another and with the European Union. Its main financial partners are the European Union and the ACP group of states. "Growing people" is both its corporate signature and its vision which is that ongoing changes in the global agri-food model will require continuous capacity building and training for current and future generation of producers, entrepreneurs, consultants, technicians, and all economic actors in the agricultural and food system. This is the case in ACP countries and particularly in sub-Saharan Africa, which is well positioned to become the driving force behind a new sustainable model of agriculture.

