

July 2009

Phase II – Roadmap

This paper provides a framework for the planning and design of a Hub & Spokes Phase II programme.

Ce papier fournit un cadre pour la planification et la conception d'un Hub & Spokes Phase II programme.

Hub & Spokes

PHASE II – ROADMAP

ABSTRACT

The current phase of the Hub & Spokes project is due to conclude its activities in December 2010. The project is recognised as having made a significant contribution to enhancing negotiating and trade policy capacities in all ACP regions. A number of independent reviews have concluded that the Hub & Spokes project is widely viewed as having provided high quality and trusted advice on trade policy matters through the services of regional and national trade advisers and has been an effective delivery mechanism for longer-term capacity building initiatives. While the negotiating environment has now evolved since the inception of the Hub & Spokes project in 2004, ACP countries will continue to require assistance on trade policy matters for the foreseeable future.

Consequently, project partners are now shifting attention to capacity needs beyond 2010—particularly how best to deliver institutional development and capacity building activities in ACP countries given the wide-ranging differences in trade policy capabilities. The *Woolcock Report*—commissioned by the Commonwealth Secretariat and Organisation de la Francophonie in late 2008—provides an outline of the possible form and scope of capacity building activities in the ACP region beyond 2010.

There is broad support among project partners for a Hub & Spokes Phase II programme and this paper has been prepared as a roadmap to guide the planning and design of a future phase of the programme. While continued regional consultations and a planned workshop with key stakeholders are central elements in the design process, a comprehensive needs assessment of ACP trade capabilities is also proposed. This will help ensure future capacity building efforts in the ACP are demand driven and tailored to specific needs along the trade policy spectrum. Therefore, it is recommended that a consultant(s) be engaged to undertake a needs assessment for the ACP regions and to prepare a Phase II Programme Design Document by the end of the 3rd quarter of 2009 for consideration by project partners.

Hub & Spokes

PHASE II – ROADMAP

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EXECUTIVE SUMMARY

- The Hub & Spokes project has made a real contribution to negotiating capacities and trade policy settings in the African, Caribbean and Pacific (ACP) regions.
- While the current project is set to expire in 2010, the ACP's need for support on trade policy matters will continue over the medium-long term.
- The Hub & Spokes model for delivering capacity building activities is well respected and has broad support among project partners.
- The *Woolcock Report*—commissioned by the Commonwealth Secretariat and Organisation Internationale de la Francophonie (OIF) in late 2008—provides useful guidance on the form and scope of future capacity building activities in the ACP.
- There is wide range of trade policy capabilities across the ACP. Future capacity building activities should therefore be demand-driven and target the individual and specific needs of each ACP region.
- A Hub & Spokes Phase II programme would be well placed to provide the targeted support needed.
- Key stakeholders such as the Project Coordination Committee (PCC) and a number of regional organisations have indicated broad support for a Phase II programme.
- Preliminary consultations conducted by the Commonwealth Secretariat and OIF have also been useful in identifying possible areas of focus for beyond 2010.
- A comprehensive needs assessment of ACP trade policy capabilities—encompassing regional participation through further consultations and planned workshops—is necessary to more fully develop a Phase II programme.
- It is proposed an external consultant(s) be engaged to conduct the needs assessment, with the aim of completing a Hub & Spokes Phase II Programme Design Document by the end of the 3rd quarter of 2009 for consideration by project partners.
- A Phase II programme structured around 'core' and 'elective' modules could be one way of offering a flexible suite of capacity building activities aimed at delivering longer-term and more sustainable trade policy capabilities to the ACP.
- The Commonwealth Secretariat and OIF are well suited to administer a Phase II programme. Should ACP countries and regional integration organisations wish these trusted partners be a part of further phase of the project, transitional arrangements are now being considered by project management teams so that disruptions to capacity building activities and the Hub & Spokes network of advisers are minimised.

SECTION 1 | PLANNING FOR BEYOND 2010

Section 1 outlines the broad support among project partners for an extension of the Hub & Spokes project and why a Phase II Programme is warranted.

Highlights of the Hub & Spokes Project

Hub & Spokes is widely recognised as a successful project that has made a significant contribution to enhancing negotiating and trade policy capacities in all ACP regions. Several independent reviews and evaluations of the Hub & Spokes project have been conducted in recent years, including:

- the *Spreckley Report* (September 2007)
- the *Mid-Term Review of the TradeCom Facility* (November 2008) and
- the *Woolcock Report* (1st Quarter 2009).

These reports have highlighted factors contributing to the success of the Hub & Spokes project, as summarised below.

- The Hub & Spokes project is providing the right type of assistance at the right time and targeting the right capacity needs in the right government ministries.
- Advisers have quickly become highly trusted and integral parts of negotiating strategies and efforts.
- Strong consultative networks and formal links with private sectors have been established to feed into trade policy development and priority setting.
 - Less formal networks and relationships have also been established—allowing RTPAs, TPAs policy-makers and senior officials to draw on technical expertise and seek input from industry sources in their day-to-day work.
- As the RTPAs and TPAs have generally been drawn from ACP countries, the project has promoted the exchange of skilled personnel across the region and sown the seeds for an enduring trade policy community.
 - The Hub & Spokes network has also created a valuable cultural exchange experience for ACP nationals and contributed to the ACP's broader regional integration objectives.
- The 'light touch' approach, ability of the RTPAs and TPAs to work to the host organisation's schedules and the lack of externally imposed conditions, has resulted in lower project administration costs and fostered joint decision making between the Commonwealth Secretariat, OIF, regional organisations and host ministries—forming a strong partnership for future cooperation.
- The MOU governing the deployment of TPAs recognises the value of having flexible work arrangements—allowing ministries to integrate the TPAs into their work plans and priorities.
- As part of the review of the TradeCom Facility, the work of the RTPAs, TPAs and Hub & Spokes programme was noted for being “especially successful in preparing for and activating trade negotiations.”
 - The review also noted the “hands-on work of the RTPAs and TPAs at their various locations is successful because, in most cases, competent advisers of ACP origin have been selected.”

Unfinished Business

It is important to put the overall title of the Hub & Spokes project in context:

'Building the capacity of ACP countries in trade policy formulation, negotiations and implementation.'

All countries—whether developed or developing—strive for improved trade policy outcomes and export performance. However, the long term objective for ACP countries is for its trade policy machinery to become more self-sufficient and less reliant on external donors and support.

The Hub & Spokes project formally commenced in December 2004 and was designed to support ACP countries achieve this objective. While the Hub & Spokes project has made a significant contribution to the trade negotiating capacities of ACP countries, not all objectives will be full realised within the implementation timeframe for the current project. Unfinished business will remain at the end of the current phase of the project.

Trade policy capabilities across the ACP vary markedly and are generally considered to be under resourced and—in some cases—guided by inadequately defined policy objectives and negotiating strategies. Other factors identified in the *Woolcock Report* as impeding progress in trade negotiations, include:

- an increasingly congested trade negotiating agenda;
- the raft of legally complex negotiating parameters;
- weak institutional arrangements to support negotiators; and
- trade diplomacy strategies that have not yet been fully utilised.

Further, improving trade policy capabilities extends beyond the negotiating table. Having concluded an Economic Partnership Agreement (EPA) with the European Commission (EC), a number of ACP countries in the Caribbean region can testify that the task of implementing trade agreements and the need to exploit the new export opportunities offered can be an equally burdensome and resource intensive process.

There is a clear need for trade policy support to ACP countries to continue beyond 2010. The conclusions drawn from external reviews of the project—and supported by anecdotal evidence—suggest Hub & Spokes is an effective model for delivering capacity building activities that target trade policy capabilities. At the same time, the looming expiry of the current project provides a timely opportunity to evaluate and fine-tune programme delivery.

Given the wide range of trade policy capabilities across the ACP, the best means a Hub & Spokes Phase II programme can contribute is to address the specific and individual needs of each region and offer targeted capacity building initiatives across the four phases of the trade policy spectrum outlined below:



The trade policy spectrum provides a useful structure to guide the design of a Phase II programme. For instance, the trade policy capabilities of each ACP region/country could be evaluated against each of the four trade policy phases. Capacity building activities could then be developed under each phase to target specific needs. This would ensure a Phase II programme supports the wide range of capacity needs across the ACP. More details on the trade policy spectrum, including examples of activities and processes involved in each of the four trade policy phases, is available at [Annex 1](#).

Support for Phase II

Overall, there is strong evidence that a Phase II programme is warranted and broad support exists among project partners for a Hub & Spokes project to continue beyond 2010. For instance, at the meeting of the Project Coordination Committee (PCC) in October 2008 members strongly advocated the need for the Hub & Spokes project to continue beyond 2010. These views were reiterated at the PCC meeting in June 2009.

Following preliminary consultations by the Commonwealth Secretariat and the OIF, a number of regional organisations and ACP countries have also expressed strong support for a Hub & Spokes Phase II programme. These views have been formally communicated via a number of statements (available at [Annex 3](#)) issued by regional organisations, including:

- (i) a Joint Communiqué issued by the Economic and Monetary Community of Central Africa (CEMAC), the Economic Community of Central African States (ECCAS), the Economic Community of West African States (EOWAS) and the West African Economic and Monetary Union (UEMOA) on 7 April 2009 and
- (ii) correspondence from the Secretary-General of the Common Market for Eastern and Southern Africa (COMESA) on behalf of the East African Community (EAC), ECOWAS and the Pacific Islands Forum (PIF) to the EC Commissioner for Development on 15 May 2009.

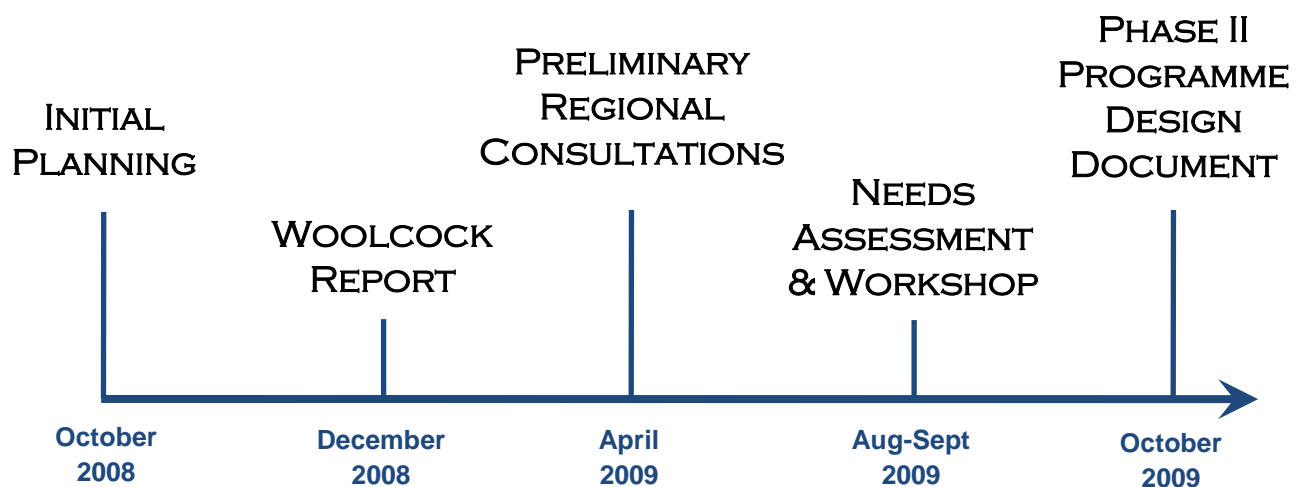
Similarly, representatives from the Caribbean regional organisations, including the Caribbean Community (CARICOM) Secretariat and the Organisation of Eastern Caribbean States (OECS), have expressed support for a Phase II programme to project partners—with particular emphasis on the need to enhance capacities to implement and exploit concluded trade agreements.

The EC has also indicated to the Commonwealth Secretariat and OIF an interest in extending the Hub & Spokes project—both in formal correspondence from the EC Commissioner for Development as well as in consultations with EC officials.

SECTION 2 | DESIGNING HUB & SPOKES PHASE II

Section 2 outlines the key steps in developing a Phase II programme—with a strong focus on regional consultations and evaluating capacity needs. The proposal for undertaking a comprehensive needs assessment of trade policy capabilities in the ACP is also introduced.

The suggested milestones for project partners to plan and design a Hub & Spokes Phase II programme are outlined below. A detailed project timeframe is provided in the Gantt Chart at [Annex 2](#).



Initial Planning & Preliminary Consultations

The Commonwealth Secretariat and OIF commenced initial planning on a possible Hub & Spokes Phase II programme in the 4th quarter of 2008. The engagement of Dr Woolcock to prepare a ‘concept paper’ on a Phase II programme was a key milestone and has provided useful guidance on the possible form and scope of capacity building activities in the ACP beyond 2010.

The *Woolcock Report* also noted the Commonwealth Secretariat and OIF were best placed to execute a Phase II programme with a longer-term objective of passing administrative responsibilities to regional organisations as capacities improve.

The Commonwealth Secretariat and OIF Project Management Teams have conducted preliminary consultations with a number of regional organisations to gauge support for a Phase II programme. In addition to documenting the regional support for Phase II, these consultations have been particularly valuable in outlining areas of possible focus for capacity building activities beyond 2010.

Based on the *Woolcock Report* and preliminary consultations with several ACP regions, a number of guiding principles have been identified to assist in the design of a Phase II programme.

Principles	Rationale
<i>A demand-driven programme</i>	A ‘one size fits all’ approach is not appropriate as trade policy capabilities vary markedly across the ACP. A Phase II programme needs to be sufficiently flexible to adapt and respond to the unique needs of each region and/or country.
<i>Supports capacity building activities across the trade policy spectrum</i>	ACP regions are at different phases of the trade policy spectrum. A Phase II programme should reflect this diversity and be able to respond as regions progress along the spectrum.
<i>Promotes closer regional integration</i>	Capacity building initiatives in a Phase II programme should complement the ACP’s broader regional integration objectives.
<i>Well-targeted & measurable capacity needs identified</i>	Quantitative and qualitative evidence should be used to determine priority areas for assistance and measure the efficacy of capacity building activities.
<i>Fosters greater self-sufficiency for the trade policy machinery of the ACP</i>	Capacity building activities should be consistent with the longer-term objective of contributing to enduring and sustainable trade policy capabilities across the ACP.

A Needs Assessment is Warranted

A comprehensive needs assessment of trade policy capabilities in ACP regions is necessary—it is the only means by which to gain a full picture of constraints to trade policy across the ACP and ensure that future capacity building activities are well-targeted, demand-driven and present best possible utilisation of available funding. This approach is supported by the *Woolcock Report* and the European Commission is understood to place a high value on a robust needs assessment.

While some needs assessments have been conducted in the past, these have generally been limited in scope. It is somewhat alarming that no organisation or research institute has undertaken a full and robust needs assessment of the ACP’s trade policy capabilities—this is despite the substantial academic interest in this field and the large number of governments, international organisations and capacity building projects that have over the years sought to assist the ACP with its trade policies and negotiating efforts.

Further, proceeding to a Phase II programme without having undertaken a comprehensive needs assessment increases the risk of future capacity building efforts being piecemeal and could undermine long-term efforts to generate more sustainable trade policy capabilities in the ACP region. Therefore, this is an ideal opportunity to conduct a needs assessment and facilitate a valuable body of research and data for the ACP and the broader international ‘aid-for-trade’ community.

An added benefit of a needs assessment is that it would also provide the baseline on which to measure progress in trade policy capabilities, allowing a mid-term review to accurately assess progress and programme performance as well as identify those areas requiring attention. Such information is vital in identifying ‘best practice’ capacity building and delivering lasting improvements to trade policy capabilities in the ACP—a key focus of a Phase II programme.

To avoid ‘assessment-fatigue’ in the regions, past needs assessments undertaken by other organisations that are relevant to the Hub & Spokes project will be reviewed and considered as part of the planning for this comprehensive needs assessment.

Conducting the Needs Assessment

It is proposed that an external consultant(s) be engaged as soon as possible to initiate a comprehensive needs assessment in the 3rd quarter of 2009—involving a sweeping audit of trade policy capabilities across the ACP.

The ACP regions would be key participants in the needs assessment. While desk-based research and analysis (including use of questionnaires) would form the initial component of a needs assessment, regional and (where possible) national consultations, workshops and field analysis will provide the central tenant of the study. In addition, the needs assessment would:

- (i) review and draw from existing data and evidence regarding capacity needs
- (ii) establish a fixed set of criteria to measure capacity needs and constraints to trade policy
- (iii) draw on the input from regional consultations and scheduled workshops (July/August 2009)
- (iv) identify and measure capacity needs against the four phases of the trade policy spectrum
- (v) provide quantitative and qualitative analysis of capacity needs
- (vi) draw comparisons between ACP regions and countries on capacity needs
- (vii) identify capacity needs common to all ACP regions and member countries
- (viii) earmark possible initiatives and new activities that could address capacity needs
- (ix) consider what level of trade policy capability would be a sufficient for each region and country
- (x) utilise case studies from national governments and ministries as supporting evidence
- (xi) recognise ‘good practice’ in capacity building initiatives
- (xii) stock take the availability and utilisation of post-graduate trade policy programmes.

As suggested in the *Woolcock Report*, a needs assessment would also tabulate findings in a matrix (example over page) to allow easy comparison of capacity needs between ACP regional organisations measured against the four trade policy phases.

	Trade Policy Formulation	Trade Negotiations	Implementing Agreements	Exploiting Opportunities
COMESA				
EAC				
SADC				
UEMOA				
ECOWAS				
CEMAC				
PIFS				
CARICOM				
OECS				

Ratings Summary (Sample): 1—dependent on external support for majority of functions; 2—lacking capacity in many fields; 3—some capacity, greater scope for coordination; 4—reasonable capacity and; 5—sustainable long-term capacity (self-sufficient). NOTE: While the African Union (AU) Commission does not have an active trade negotiating role, it does support the intra-Africa community on trade policy matters and a Phase II programme could continue to support the AU with these efforts.

Hub & Spokes Phase II Programme Design Document

In partnership with the regional organisations and other project partners, the consultant(s) would use the needs assessment as the foundation for drafting a Hub & Spokes Phase II Programme Design Document. This document would:

- detail overall Phase II programme operation and structure
- identify suitable Phase II project outputs
- outline proposed Phase II capacity building activities
- provide cost estimates for proposed Phase II activities and
- recommend suitable Phase II administrative arrangements for project partners

It is proposed that the consultant would finalise this document and submit for review to project partners at the end of the 3rd quarter of 2009—allowing sufficient time for funding and administrative arrangements be agreed and implemented by the end of 2010.

SECTION 3 | POSSIBLE PHASE II COMPONENTS

Section 3 outlines possible Phase II components and introduces how a Hub & Spokes Phase II programme could operate and target some of the trade policy challenges facing the ACP region.

A coordinated and flexible suite of capacity building measures are needed to deliver long term and sustainable trade policy capabilities to the ACP. Any programme must be demand driven and flexible to accommodate the varying needs of the ACP states and regions.

As discussed in [Section 2](#), the precise design of the Phase II programme will be determined by the proposed needs assessment and the planned consultations and workshops with regional organisations. However, we anticipate there will be a number of capacity constraints that will be common to all ACP regions and members states. There will also be capacity needs that are not shared by everyone and these will require specialised and targeted assistance to suit the specific needs of the region or country.

For programme administration purposes, it is proposed that Hub & Spokes Phase II be divided into two principal modules: (i) a **'core'** module which delivers capacity building activities across all ACP regions, and (ii) an **'elective'** module where each ACP regional organisation can 'opt-in' to activities suited to its needs. These components are outlined below, with examples provided of some of the capacity building initiatives envisaged in each module.

Core module

Capacity building activities in a Phase II programme that target common ACP needs will fall under the 'core' module. A major benefit of delivering capacity building activities under the core module is that with all ACP regional organisations and countries participating, the costs of delivering the activity is shared across a larger number of participants—delivering economies of scale and considerable savings while maintaining a demand-driven approach to capacity building on trade policy matters.

Possible core capacity building activities could include: an expanded network of RTPAs and TPAs; support for project proposals under the 10th EDF regional and national envelopes; project management and administration; and other Pan-ACP activities.

Elective module

It is envisaged that the Phase II programme will be flexible and will adapt and evolve to meet the changing needs of ACP regions and countries, particularly as governments move through the trade policy phases. Where core programme activities address common capacity needs and constraints across the ACP, an elective component is necessary to address the varying needs and demands within the ACP. Participation in elective activities would therefore take place on an 'opt-in' basis—ensuring regional organisations only participate in initiatives directly targeting their specific capacity needs.

Possible elective capacity building activities could include: roaming specialists and experts; a 'MasterClass Facility'; eLearning courses; attachment programmes to international organisations; export strategy development and market information services; and post-graduate trade courses utilising regional centres of excellence and universities.

Phase II — Sample Project Activity Matrix

The following sample Project Activity Matrix is a hypothetical illustration of how core and elective modules could provide targeted, demand-driven capacity building assistance to the ACP as part of a Phase II programme.

Timeframe	Trade policy constraint	How can H&S Phase II help?
Short-Medium	Under-resourced trade ministries have difficulty in managing a congested negotiating agenda. The current Hub & Spokes project has demonstrated how a network of RTPAs and TPAs can support regional organisations and trade ministries.	The current RTPA and TPA network should be maintained in a Phase II programme and, where appropriate, expanded to offer further support and assistance—especially to those ACP countries yet to benefit directly from TPA services. This would be a core module in a Phase II programme.
Short-Medium	Incomplete and unreliable trade data inhibits the capacity of ACP countries to undertake robust economic analysis. This data and evidence is crucial to the setting of domestic trade policy objectives and negotiating priorities.	Some RTPAs and TPAs have worked with local statisticians and academics in improving data quality and reliability for select industries. This would continue (and could be expanded) in a Phase II programme as a core module . Expert economists and trade statisticians could also be made available via the ‘roaming specialist’ facility proposed under the elective module . ¹
Short-Medium	There is likely to be continued need for training and sensitising exercises for stakeholders on trade policy issues across the trade policy spectrum.	Training delivered through a MasterClass Facility (involving workshops, seminars and intensive courses) can be tailored to address specific trade policy issues of interest. As part of the elective module all stakeholders are able to participate on an ‘opt-in’ basis.
Short-Medium	An estimated €10 billion in funding has been un-utilised over the life of the EDF. With the ACP receiving an overall 63% increase in funding under the 10 th EDF, the EC has raised concerns about the capacity of regional organisations to fully utilise funding allocations.	RTPAs and TPAs, and the Hub & Spokes programme more broadly, are well placed to assist regional organisations conduct prepare robust project proposals under the 10 th EDF. This will help minimise under-utilisation of regional funding as a core component .
Short-Medium	Some ACP countries still lack a coherent and comprehensive national trade policy strategy to guide negotiations and priority settings.	RTPAs and TPAs have a proven record in contributing to the design and coordination of national trade policies. This would continue in a Phase II programme with input from domestic consultative networks as part of an elective module .

Short-Medium	Domestic constituents in most ACP countries are often sceptical of the benefits of trade agreements and lack the information and understanding to participate in the opportunities offered by international trade.	Domestic trade advocacy programmes can be designed to inform views on trade policy and international trade. These programmes could be facilitated by RTPAs and TPAs with input from third parties as part of an elective module .
Short-Medium	Not all ACP regions and countries have a formal and reliable consultative network with representatives from across government agencies and with the non-government sector. Further these networks are not always fully utilised in the development of trade policies.	RTPAs and TPAs have contributed to and facilitated some national consultative networks. There is scope for these consultative arrangements to become a more structured part of the trade policy process. This would be a core module of a Phase II programme.
Short-Medium	Trade agreements are typically complex legal texts, requiring extensive legislative and policy changes by ACP governments.	Experience legal professionals familiar with trade law can be made available to assist in drafting and amending national legislation. These legal professionals would be ‘roaming specialists’ able to offer targeted advice to specific regions and countries as part of an elective module . ¹
Short-Medium	Non-tariff barriers and ‘beyond the border’ measures inhibiting export opportunities (e.g. export certification requirements, environmental standards, rules of origin, SPS measures).	Roaming specialists and experts can be provided on a project-by-project basis to assist national governments and industries and advise on domestic constraints to increasing exports. This would be provided as an elective module . ¹
Short-Medium	New trade policy instruments (such as trade remedies) require legally complex process to enact and comply with international obligations.	Roaming legal experts can be deployed to regional organisations for periods to assist with implementation issues as part of an elective module . ¹
Short-Medium	Due to resource and time-constraints, senior officials often have less opportunity to participate in traditional capacity building initiatives.	eLearning courses could be made available to allow a broad range of officials to participate in capacity building and training exercises. This would operate on an ‘opt-in’ basis as an elective module . ²
Medium-Long	Skills shortages and high staff turnover in key ministries create a persistent state of corporate knowledge loss. A longer-term and more sustainable knowledge base is needed.	Long-term trade capabilities in the ACP could be enhanced by developing a specialised trade policy post-graduate programme delivered in partnership with regional centres of excellence and/or academic institutions. This would be implemented as an elective module over a longer timeframe.

Medium-Long	<p>Congested trade negotiations landscape—all ACP countries have resource commitments for the WTO Doha Round and most are still engaged in EPA negotiations with the EC. In addition, a number of regions and countries have either flagged or initiated bilateral trade negotiations with non-ACP trade partners. Further, closer regional integration remains a key priority for the ACP.</p>	<p>RTPAs and TPAs, and the Hub & Spokes programme more broadly, have a track record in providing back-stopping support services and analysis for ACP negotiating delegations. This would continue, and possibly expanded, under the core module of a Phase II programme.</p>
	<p>Programme administration and management will be resource intensive with few, if any, ACP regional organisations in a position to self-manage a Hub & Spokes Phase II Programme.</p>	<p>As recommended in the <i>Woolcock Report</i>, utilising the Commonwealth Secretariat and OIF as executing agencies offers significant efficiency dividends and cost-savings. Further, these organisations have an extensive network of trade policy experts that can be drawn on in delivering a Phase II programme. This would be a core module.</p>

Notes:

1. 'Roaming specialists' could be made available in a broad range of fields to support specific needs of ACP regional organisations and countries. For example, these include experts in the area of: national statistics and data collection; treaty ratification; intellectual property rights; international trade law and dispute resolution; trade remedies; SPS and quarantine barriers; experts; customs procedures and valuation; and rules of origin.
2. The Commonwealth Secretariat and OIF would seek to develop an eLearning course in partnership with a regional university or centre of excellence providing targeted and interactive courses tailored to ACP officials. The aim would be to foster a sustainable knowledge base and learning facility that exists beyond the term of a Hub & Spokes Phase II programme.
3. Project partners may wish to consider having a TPA deployed under a flexible arrangement—i.e. deployed to the trade ministry when the national government's priorities are focused on trade negotiations, but perhaps re-deployed to another central ministry responsible for cross-government coordination when priorities shift to implementing trade agreements. This facility arrangement would ensure that the Hub & Spokes network continues to be demand-driven and targeted to the specific needs of host governments.

SECTION 4 | PROGRAMME ADMINISTRATION

Section 4 briefly outlines administrative arrangements for a Phase II programme and transitional issues for consideration by project partners.

The Commonwealth Secretariat and OIF are committed to long-term capacity development and improved trade policy outcomes in the ACP and this commitment will remain irrespective of the decision by project partners regarding future administrative arrangements for the Hub & Spokes project.

The Hub & Spokes project has established a favourable and well-earned reputation and profile in ACP countries, and the Commonwealth Secretariat and OIF are well placed and ideally suited to administer a Hub & Spokes Phase II programme. As independent and well-established inter-governmental organisations, the Commonwealth Secretariat and OIF bring a number of qualities to the administration of the Hub & Spokes programme, including:

- i. substantial in-house expertise in developing and managing capacity building programmes
- ii. a strong international network of specialist knowledge and technical expertise to draw upon
- iii. experience in producing high-quality and respected economic and trade policy analysis
- iv. a membership that generates a close geo-political association with, and understanding of, issues concerning the ACP region
- v. excellent working relationships with other inter-governmental institutes as well as with leading global research institutes, universities and think-tanks
- vi. general institutional support and overheads that would otherwise have to be funded by the EU and/or regional organisations
- vii. seen as competent and independent contractors, and avoids the perception of the EU using Hub & Spokes to generate undue influence in ACP countries and government ministries.

Of course, it is for project partners to determine the preferred administrative arrangement for any future Hub & Spokes Phase II Programme. The Commonwealth Secretariat and OIF have proposed that the needs assessment and Programme Design Document examine administrative options to facilitate a decision by project partners and a smooth transition to a future phase. The Commonwealth Secretariat and OIF are conscious of minimising the risk of delayed implementation of a Phase II programme. Issues for consideration as the current Hub & Spokes project draws to a close in 2010 and Phase II preparations commence, include:

- managing capacity building activities that overlap projects
- ceasing current Contribution Grant Agreement and meeting reporting conditions, such as full evaluation of current project and performance appraisal of field staff
- review of administrative procedures to improve programme delivery by project partners
- decision on Phase II funding arrangements and
- recruitment of RTPAs and TPAs and expanding the network to new posts.

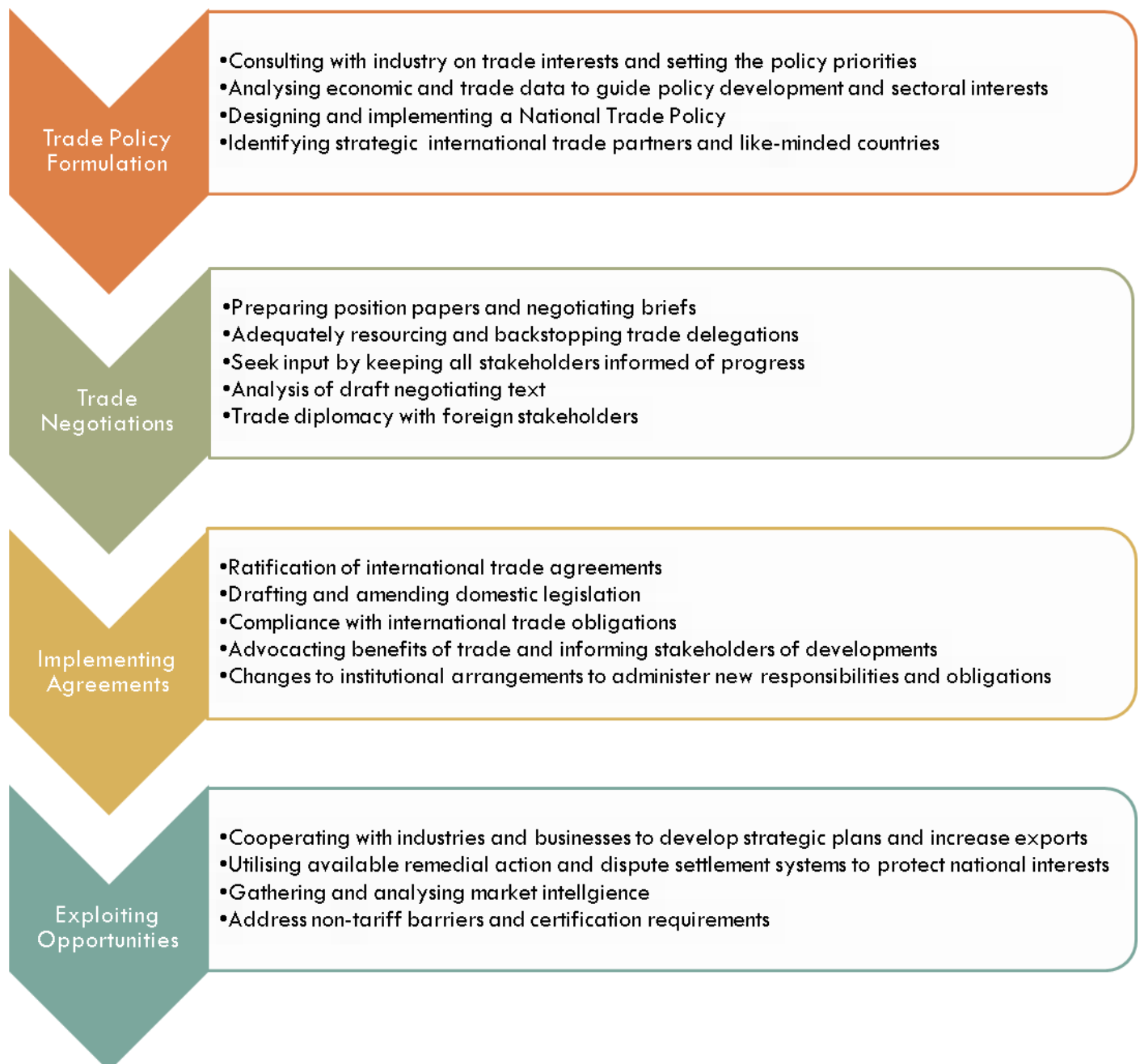
These items will need to be given careful consideration by project partners as part of Phase II planning with sufficient time allocated to implement operational changes as part of the transition period.

ANNEXES

ANNEX 1	THE TRADE POLICY SPECTRUM
ANNEX 2	GANTT CHART: PLANNING FOR PHASE II
ANNEX 3	SUPPORTING STATEMENTS FROM THE ACP

ANNEX 1 | THE TRADE POLICY SPECTRUM

A trade policy framework is necessary to assess the ACP's capabilities. The trade policy spectrum below provides a framework to evaluate regional and national capacity needs. Examples are provided of some of the activities and processes involved in each of the four trade policy phases.



ANNEX 3 | SUPPORTING STATEMENTS FROM THE ACP

COMMON MARKET FOR EASTERN AND SOUTHERN AFRICA

MARCHE COMMUN DE
L'AFRIQUE ORIENTALE
ET AUSTRALE



MERCADO COMUM PARA
AFRICA ORIENTAL E
AUSTRALE

Tel : +260 211 22 9725/32
Fax : +260 211 22 7318
Email : secgen@comesa.int
Web : <http://www.comesa.int>

COMESA Centre
Ben Bella Road
P O Box 30051
LUSAKA 10101
Zambia

OFFICE OF THE SECRETARY GENERAL

Ref: CS/TCM/120/226(135-2009)FM-rmm

Date: 15th May 2009

Mr. Louis Michel
Development Commissioner
EC Development Commission
1040 Brussels
Belgium

Dear Commissioner Michel,

Re: Hubs and Spokes Project

I have the pleasure to inform you that on the 26 January 2009, the representatives of COMESA, EAC, ECOWAS, and Pacific Island Forum Secretariat met in London at the Commonwealth Secretariat to receive an update on the performance and the future of the Hub and Spokes Project. The Commonwealth Secretariat briefed the representatives on a letter you wrote to the Secretaries General of the Commonwealth Secretariat and the Organisation Internationale de la Francophonie (OIF) on the future funding of the project.

After deliberations, the meeting concluded that the Hub and Spokes Project has served an important role in assisting the Member States in their trade negotiations, policy making, and preparations for implementation of commitments arising from trade agreements. The meeting was unanimous that the project should be extended beyond the timeframe of December 2010 set under the current Trade.Com facility; and appreciated the willingness of the Commonwealth Secretariat to continue co-funding the project.

There are various areas where the project is still relevant and will continue to be useful, such as: unfinished negotiations at the WTO, unfinished EPA negotiations, implementation of resulting trade agreements and utilization of trade opportunities, deepening of regional integration, implementation of the Tripartite Decisions adopted in the historic communiqué adopted on 20 October 2008 in Kampala by the Chairperson of the COMESA, EAC and SADC Heads of State Organs; and building of sustainable long term capacity in trade policy, negotiations, and implementation. In collaboration with the Commonwealth Secretariat and the OIF, the regional economic communities will develop a detailed programme for the next phase of the project.



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The meeting noted that the EC wishes to decentralize its support to the regions including the funding of the next phase of the project. However, the regional economic communities are already at an advanced stage of programming the 10th EDF Regional Indicative Programme resources and in this regard the meeting felt that this approach is quite late for consideration at this point in time. The representatives of the RECs preferred that funding of the project be continued under the Intra-ACP Resource Envelope.

The purpose of this letter, which I write on behalf of COMESA, EAC, ECOWAS and the Pacific Island Forum being the RECs represented at the meeting, is to convey our strong wish that the Hub and Spokes Project be continued beyond December 2010 and that funding for it should continue under the Intra-ACP Resource Envelope.

We look forward to hearing from you on these two key issues.

Please accept, Mr. Commissioner, the assurance of my highest consideration.


Sindiso Ngwenya
SECRETARY GENERAL

c.c. Ambassador Juma Mwapachu
Secretary General, East African Community (EAC)
P.O. Box 1096, Arusha, Tanzania,
Tel.: 255-27-2504253/8
Fax.: 255-27-2504255/2504481

Dr. Mohamed Ibn Chambas
President of the Commission,
Economic Community of West African States (ECOWAS),
6 King George V Road, P.M.B. 12745
Lagos, Nigeria

The Secretary General,
Pacific Islands Forum Secretariat,
Private Mail Bag, Suva Fijo
Fax:+679 3220230, E-mail:
sg@forumsec.org.fj

The Secretary General,
Commonwealth Secretariat,
Marlborough House Pall Mall
London SW 1Y 5HX,
Tel +44 (0) 20 7747 6500,
Fax: +44 (0) 20 7930 0827

His Excellency Ambassador Derik Fee
Head of Mission and Regional Authorising Officer
Embassy of the European Union (EU)
P.O. Box 34871
LUSAKA, Zambia
Tel: +260(211) 250179



CONSULTATION MEETING TO DISCUSS THE FUTURE PROSPECTS FOR THE HUB & SPOKES PROJECT

Paris, 7 April, 2009

FINAL JOINT COMMUNIQUE

The representatives of the International Organisation for the French-Speaking World (OIF), the Economic and Monetary Community of Central Africa (CEMAC), the Economic Community of Central African States (ECCAS), the Economic Community of West African States (ECOWAS) and the West African Economic and Monetary Union (UEMOA), meeting in Paris on 7 April, 2009, examined the progress made in implementation of the Project entitled “Strengthening the capacities of the ACP group countries in terms of formulating, negotiating and implementing marketing policies” (Hub & Spokes), the results obtained, any requirements not yet covered and its future prospects.

At the end of these discussions,

- The beneficiaries congratulated one another on the Project’s pertinence and expressed their satisfaction at what it had achieved, notably as regards the quality of the expertise deployed;
- The participants emphasised the need for the progress already made by the Hub & Spokes project to be appropriated by the Project’s beneficiaries, namely the countries themselves and the regional integration bodies;
- The beneficiaries declared themselves in favour of a second phase of the Hub & Spokes project. They expressed their agreement regarding the financing of Phase 2, and the resources of the RIP 10th EDF, but still emphasised the need to mobilise additional resources from other partners, including the European Union, to ensure that all requirements could be covered;
- The beneficiaries welcomed the OIF’s announcement that it would increase its financial contribution in Phase Two.

To this end, the parties present express their desire to embark on a strategic thinking process as soon as possible, with a view to determining the exact ways and means of putting in place a second phase of the Hub & Spokes project at the date of 1 January, 2011, and recommended the preparation of a roadmap, together with an indicative timetable covering preparation of Phase 2.

The OIF and the beneficiaries committed themselves to preparing, firstly, a guideline document setting out the main themes of Phase Two of the Project and, secondly, the terms of reference of the project document.

The Project’s beneficiaries would like to thank the European Commission, the Secretariat of the ACP Group, the OIF and the Commonwealth Secretariat for the extensive support provided to them in their efforts to strengthen their capacities in terms of marketing policy.

They also committed themselves to taking appropriate actions to ensure a successful implementation of the Project.

Lastly, the beneficiaries thanked the Secretary-General of the OIF, President Abdou Diouf and the OIF itself, for organising this meeting.

