

Hubs & Spokes II

Pacific Brief

A SUPPLEMENT TO THE HUBS & SPOKES II DESIGN DOCUMENT

Prepared for:

The Commonwealth Secretariat



By:

Ticon Holdings Inc.



March 08, 2010

Disclaimer

This report has been prepared by Ticon Holdings Inc. for the Commonwealth Secretariat as part of the *Hub & Spokes II* design. The views and opinions expressed in this report are those of Ticon Holdings Inc.

Table of Contents

1	RECOMMENDATIONS: HUB & SPOKES II DESIGN DOCUMENT.....	1
2	RECOMMENDATIONS: HUB & SPOKES II – PACIFIC.....	3
3	HUB & SPOKES II IN THE PACIFIC	9
3.1	BACKGROUND AND CONTEXT	9
3.2	SUMMARY OF HUB & SPOKES TO DECEMBER 31, 2009	10
4	FINDINGS AND DISCUSSION – PACIFIC	11
4.1	THE TRADE POLICY SPECTRUM.....	11
4.2	SUMMARY	11
4.3	TRADE POLICY SPECTRUM.....	12
4.4	CAPACITY BUILDING – EDUCATION AND TRAINING.....	14
4.5	MANAGEMENT AND ADMINISTRATION	15
4.6	PRIVATE SECTOR ENGAGEMENT AND MARKET ACCESS	15
4.7	COMMUNICATION.....	16
4.8	“MINI” SURVEY OF RTPAS AND TPAS.....	16
	ANNEX 1 – ALLOCATION OF REGIONAL / TRADE ADVISORS	A1
	ANNEX 2 – SURVEY OF R/TPAS: CURRENT HUB & SPOKES PROGRAMME	A3

1 Recommendations: Hub & Spokes II Design Document

In order that the recommendations for the Pacific are more easily understood, the following repeats the main recommendations made in the full Design Document.

Recommendation One

The Programme Goal of Hub & Spokes II should be the building of national and regional (trade) capacity through institutional strengthening and organisation development.

Recommendation Two

Hub & Spokes II is a 5 year programme with no extensions.

Recommendation Three

Hub & Spokes II should be composed of three graduated programme levels, viz. Basic, Partnership Development and Partnership Plus with the two Partnership levels based on sharing of costs on an agreed scale between Hub & Spokes and the organisation. The largest proportion of costs in the two Partnership programmes is borne by Hub & Spokes.

Recommendation Four

Hub & Spokes II should have four main components as follows:

- The “Hub” and “spokes” model continues,
- Capacity building, i.e. education and training,
- Assistance for market access through implementation of the Policy Participation Interface, and,
- External (public) and internal (Hub & Spokes II and stakeholders) communications.

Recommendation Five

Hub & Spokes II should be expanded to include other ministries as well as non-government organisations involved in trade.

Recommendation Six

Hub & Spokes II field staff should be titled Regional Trade Advisors (RTA) and Trade Advisors (TA) to reflect the broader skills, expertise and responsibilities required.

Recommendation Seven

- The Commonwealth Secretariat (Hub & Spokes) should be responsible for the design, development and overall management of the education and training component of Hub & Spokes II.
- Delivery of education and training should be by qualified, reputable education and training institutions.
- To ensure institutional capacity building, organisations must commit to establishing a human resources/training function and developing and implementing a training plan for employees

Recommendation Eight

A mandatory activity of Hub & Spokes II Trade Advisors in trade ministries is to ensure that the ministry develops and implements a Policy Participation Interface – a process for government and non-government bodies to participate in all phases of the trade policy spectrum.

Trade Advisors in non-government organisations should facilitate market access for all members of the private sector.

Recommendation Nine

- Hub & Spokes should develop and implement both an external (public) and internal (Hub & Spokes II and stakeholders) pro-active communications programme to develop heightened awareness of, and a positive attitude to, Hub & Spokes among its target audiences as well as to facilitate communications within its stakeholder group.
- Hub & Spokes should establish a high level “Advisory Board” composed of distinguished public figures to assist with image building among governments, Regional Integration Organisations (RIOs), donors and others.

Recommendation Ten

Overall management of Hub & Spokes II should be by the Commonwealth Secretariat with significant input and cooperation with Regional Integration Organisations. Local and regional (functional) administration and implementation should be by a Commonwealth Secretariat Regional Programme Director who also receives significant input and cooperation from the RIO.

Recommendation Eleven

- Hub & Spokes must develop and implement a Transition Plan that concludes all legal and administrative requirements of the current Hub & Spokes programme.
- A key element of the Transition Plan is a communications programme that keeps all parties advised of the status of the current Hub & Spokes and of Hub & Spokes II.

2 Recommendations: Hub & Spokes II – Pacific

The focus of Hub & Spokes II should be the building of national and regional (trade) capacity through institutional strengthening and organisational development.

Thus the following recommendations for Hub & Spokes II in the Pacific are targeted at capacity building in the widest sense and follow the four components in Recommendation 4 above. These recommendations are also consistent with those given in the Hub & Spokes II Design Document (see Section 1 above).

➡ See also Figure 6-1 in Section 6.1 of the Hub & Spokes II Design Document.

Component 1: Trade Advisors

- Trade Advisors should continue to be located in countries currently participating in Hub & Spokes and should be offered to other Pacific countries as well, especially those needing the most assistance along the trade policy spectrum
- Regional Trade Advisors should be located in the Pacific Islands Forum Secretariat (PIFS) and, at some future time, in other regional organisations such as the Office of the Chief Trade Advisor (OCTA).
- The proposed pool of experts should be staffed with persons able to assist countries with various trade policy matters including the Pacific Island Countries Trade Agreement (PICTA), PACER Plus (Pacific Agreement on Closer Economic Relations) and EPA (Economic Partnership Agreement) negotiations, matters relating to the World Trade Organisation (WTO) as well as those affecting sub-regional organisations such as the Melanesian Spearhead Group Trade Agreement (MSG) as well as the Micronesian Trade Committee (MTC).

These experts can be located anywhere, but a small cadre (perhaps 3 – 4) should in practice be “roving TAs” and be located geographically where there are good air and ITC connections in order to respond to urgent requests for assistance.

Countries and RIOs will provide input into the makeup of the overall pool of experts and in particular into “their” regional cadre of experts.

➡ See also sub-section 6.5.3.1 of the Hub & Spokes II Design Document for details on trade advisors.

Component 2: Capacity Building

- Government and non-government trade-related organisations should immediately establish a human resources function (if such does not exist); an immediate priority must be development of an education/training plan and programme for both the organisation and for individuals within that organisation.
- A comprehensive regional education/training programme should be developed and implemented in partnership with, at the beginning, the University of the South Pacific and perhaps expanded over time to other national universities. The University of Adelaide’s Institute for International

Trade (IIT) provides excellent trade (policy) education; a joint venture between a national university and IIT would assist substantially with capacity building in the Pacific.

- An education/training programme should include activities that were proposed for the current Hub & Spokes but were not fully implemented, such as internships, exchanges, and “e-learning”.
- A merit-based process for identifying, evaluating and recommending candidates for scholarships must be established.
- Links must be established between trade ministries and regional and international think tanks that could result in joint research activities as well as possibly encouraging internships, exchanges and secondments.

Component 3: Private Sector Engagement/Market Access

- Policy Participation Interface (PPI): TAs in trade ministries must ensure that the ministry develops, if it is not in place already, a mechanism to facilitate input into the trade policy development process by other trade-related ministries and by non-government organisations, especially business associations and academia. Once developed the PPI must also be implemented in practice as well as in theory.

➞ See also sub-section 6.5.3.3 of the Hub & Spokes II Design Document for details of the Policy Participation Interface

- Non-government organisations, particularly business associations, wishing to participate in Hub & Spokes II must do so via one of the Partnership programmes thus building their capacity to both provide input to the trade policy process and also to assist their members to take advantage of new or enhanced business opportunities.

➞ See also sub-section 6.5.2 of the Hub & Spokes II Design Document for details of Partnership Programme levels.

Component 4: Communications

- RTAs and TAs must take the initiative to improve communications throughout the region and countries by continuing the public communications activities of the current Hub & Spokes.
- New activities include, but are not limited to, organisation of regional workshops for RTAs and TAs and/or for stakeholders, active use of the Hub & Spokes website, active participation in events held by other trade-related organisations, by donors and by academia.
- RTAs and TAs must also participate in the communications programme proposed for Hub & Spokes II by the Commonwealth Secretariat's Communications Division.

➞ See also sub-section 6.5.3.4 of the Hub & Spokes II Design Document for details of the communications programme.

Allocation of RTAs and TAs

- Trade Advisors for countries are allocated to the three countries that currently have a Trade Policy Analyst plus an arbitrary allocation of one for Papua New Guinea and a “shared” TA (based in Fiji, but not allocated to Fiji) for a number of islands in the northwest. In addition to allocating an RTA and TA to PIFS, it is recommended that an RTA and TA be co-located with the OCTA and work with the OCTA, MTC and MSG¹.
- Since Hub & Spokes II is a demand driven programme, the actual location of TAs will depend on which countries make their requests and hiring decisions first.
- A small group of 3 – 4 “roving” TAs will be co-located with the Regional Programme Manager; these TAs are in addition to the ones allocated to countries or RIOs.
- The following table summarizes the allocation of RTAs and TAs; detail on allocation of RTAs and TAs by RIO and country is given in Annex 1.

	RTAs	TAs	Total
Regional Integration Organisations	2	2	4
Countries		5	5
Total	2	7	9

Management & Delivery

- Per recommendation 10 above, overall management is by a Hub & Spokes management team located in London, supervised by a Management Board that includes senior representatives from the Commonwealth Secretariat, the European Commission, RIOs and other project partners.
- The Board’s decisions are implemented by the Hub & Spokes II Programme Director under direction of a Commonwealth Secretariat Steering Committee.
- Programme delivery in the field is by a Regional Programme Manager under the direction of the Hub & Spokes Programme Director with joint supervision by the respective RIOs.
- In the Pacific it is recommended that the Regional Programme Manager be located in Fiji as having good availability of business services including ICT and with efficient air connections to all the regional capitals to minimize travel costs as well as being reasonably central to the region.
- Figure 2-1 below gives details on Hub & Spokes II management structure while Figure 2-2 does the same for the delivery structure.

¹ The allocation of a R/TA to OCTA is projected for the future, perhaps in a year or so, and assumes OCTA requests these resources and that it has widened its trade negotiating mandate beyond PACER Plus needs.

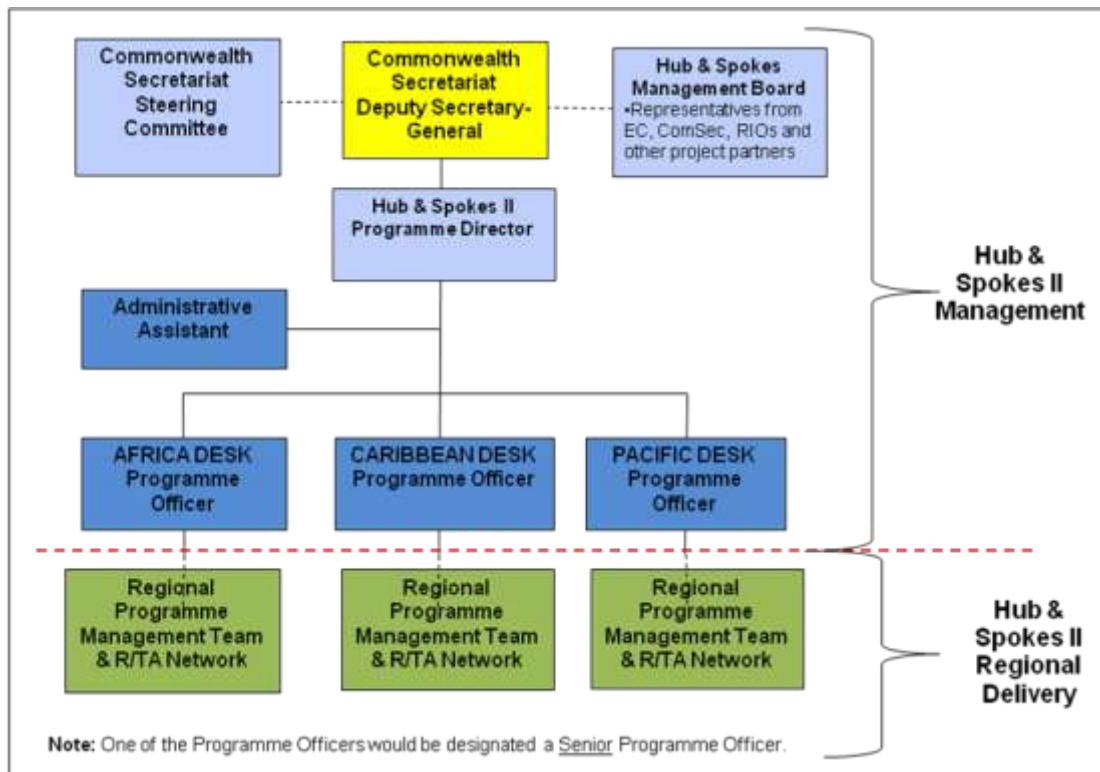


Figure 2-1: Hub & Spokes II Management Structure

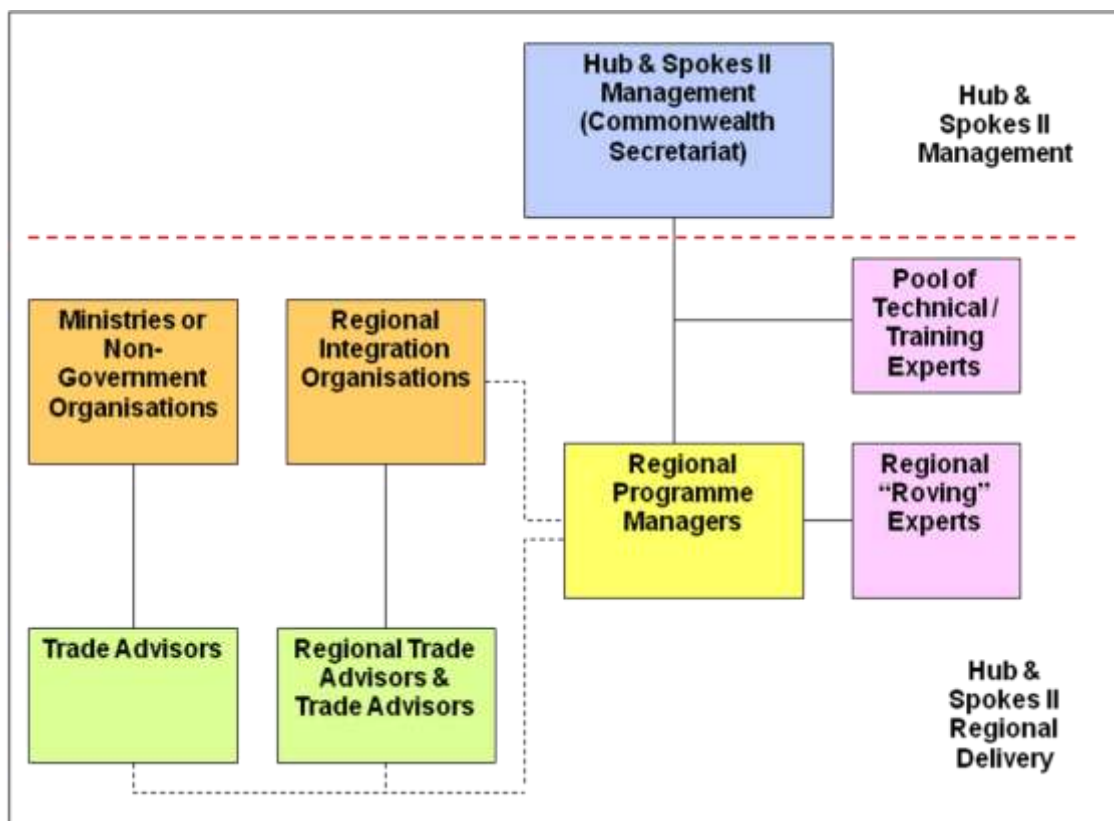


Figure 2-2: Hub & Spokes II Delivery Structure

Budget

- The estimated budget for Hub & Spokes II in the Pacific in Year I is €2.35 million for the Basic, Partnership Development and Partnership Plus programmes.
- The allocation of costs between London management and the balance of the programme is 10% and 90% respectively.

PACIFIC	Hub & Spokes II – Year One		
	Basic	Partnership Development	Partnership Plus
Personnel	1,171,895	56,653	66,008
Administration	21,210	0	0
Seminars/Workshops/Training	451,075	0	0
Travel	435,412	0	0
Other	146,895	0	0
Sub-Totals	2,226,486	56,653	66,008
TOTAL COST	2,349,147		
London Management Cost Allocation	Amount €	Amount %	
London Management	230,906	10%	
Balance of Programme	2,118,241	90%	

3 Hub & Spokes II in the Pacific

3.1 Background and Context

The Hub & Spokes programme was designed to promote the effective participation of ACP countries in international trade negotiations, especially the Economic Partnership Agreements with the European Union.

The Hub & Spokes programme was piloted in the Pacific in 2001 with the assistance of the Overseas Development Institute (ODI), and recognised that the Pacific Region and PIFS were in urgent need of capacity assistance on trade policy issues. The current Regional Trade Policy Advisor took up his post at the end of June 2003. Since then a network of TPAs have commenced work in both national trade ministries and in PIFS.

In that time much progress has been made. The RTPA and TPAs have helped develop trade policies, have provided advice and backup at trade negotiations, have expanded both stakeholder views and those of the general public on the importance of trade as a tool of poverty alleviation, have worked with their counterpart organisations to increase the capacity and capability of staff, assisted trade ministries in countries without a TPA and in general helped improve the trade policy climate in their countries and the Pacific.

Ongoing trade development assistance is still required however. Many Pacific countries have wide-ranging and diverse trade policy objectives as well as limitations on their ability to implement trade-related commitments. Thus, attention has shifted to capacity needs beyond 2010 with a focus on a framework for capacity building responsive to the different needs of ACP countries.

It is recognized that trade policy development and implementation is an on-going process and that different (Pacific) countries and regions are at different stages in terms of capacity and capability to formulate, negotiate and implement trade policies and agreements. The Pacific also has some unique challenges related not only to its geographic size but also to the differences in size among countries, to the many different cultures across the region, to a general lack of resources including in some cases very small populations (in some countries more nationals live outside the country than in the country), vulnerability to natural disasters, to levels of development and so on. These and other factors complicate the seemingly simple task of developing and implementing a functioning trade policy.

Therefore while in the Caribbean Hub & Spokes II can be somewhat more focused in its implementation, and in Africa because of the size of most countries each country can adapt Hub & Spokes II to its particular requirements, in the Pacific it is anticipated that the full array of Hub & Spokes programme components will be utilized with the focus varying among countries.

A complication for the Pacific island nations is that they are involved in PICTA trade in services negotiations, EPA negotiations and PACER Plus negotiations which were launched in August 2009 and their capacity to participate in all these negotiations is stretched. More resources will be required to assist the 14 Forum Island Countries in these negotiations. It is expected that the EPA negotiations will be finalised in 2010. Negotiations on trade in services and other trade-related issues will be considered after PICTA trade in services and PACER Plus negotiations have been finalised. This will be in line with the Pacific Plan which promotes regional integration among the 16 Forum Members. The TPA at PIFS

is assisting countries to formulate/revise their offers² and advising the PACPS on the draft EPA legal text.

It should be noted that the PACP Trade Ministers in June 2009, requested the Hub and Spokes “Project” be extended to Phase II to assist countries on various trade matters.

The PACP Trade Ministers:

- (a) noted the current activities being undertaken through the Project and endorsed the proposed future Project activities to June 2010 which would focus attention on providing trade policy assistance to PACPS at the national level; and
- (b) urged the EC to fund a Phase 2 of the Project after 2010 to continue the provision of independent trade policy advice and capacity-building assistance, including sufficient resources for Trade Policy Analysts to be appointed in additional PACPS.

The PACPS also prioritised the Hub and Spokes Project as a key activity that should be funded under the EDF 10 Regional Indicative Programme.

3.2 Summary of Hub & Spokes to December 31, 2009

Since commencement of Hub and Spokes in 2004, Regional Trade Policy Advisors have been assigned to Regional Integration Organisations and Trade Policy Analysts to those same RIOs and to government ministries responsible for trade. At the peak, there were six RTPAs in six RIOs (CARICOM, OECS, PIFS, SADC, COMESA and AU) and 26 TPAs in RIOs and trade ministries.

As of December 31, 2009, in Hub & Spokes as a whole there were 5 RTPAs in RIOs and 24 TPAs in RIOs and countries (6 and 18 respectively). Of those, 3 TPAs are in ministries³ in the Pacific and one RTPA and TPA in PIFS.

Overall, in the current Hub & Spokes programme RTPAs and TPAs have trained, advised and/or sensitised over 5,500 participants in the importance of trade as a component of economic well-being. Of these, approximately 1,000 have been from the Pacific, however the figure may be higher as not all participant figures have been reported. There has been strong growth in the participation of women and indications of an encouraging increase in private sector participation in trade policy development.

These outreach efforts have been complemented by supporting analysis and technical briefs, preparation for and support at trade negotiations and expert advice on implementation-related issues. The RTPA and TPAs also have been involved in consultative forums to facilitate the dissemination and exchange of information relating to national and regional trade policy activities. In some countries national trade policies (e.g., national export strategies) have been developed or are in the process of being developed.

² First quarter of 2010.

³ Federated States of Micronesia, Samoa and Tonga

4 Findings and Discussion – Pacific

4.1 The Trade Policy Spectrum

The point of departure for the Design Document has been the four phases of the Trade Policy Spectrum as set out in the Phase II Roadmap⁴ issued by the Commonwealth Secretariat and the *Organisation Internationale de la Francophonie*. According to the Roadmap, the trade policy spectrum comprises four essential elements:

1. Trade policy formulation
2. Trade negotiations
3. Implementing agreements
4. Exploiting Opportunities.

While there are four components to the trade policy spectrum that appear to progress sequentially the process is actually continuous – as practitioners know very well (see figure below).

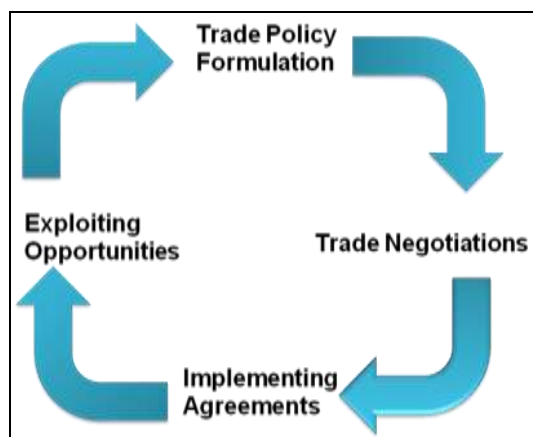


Figure 4.1: The Trade Policy Spectrum

4.2 Summary

The basis for needs and gaps analysis in all regions, including the Pacific, was the trade policy spectrum described above.

After the document research phase, on-site research was carried out during the last three weeks of November 2009. Interviews were held in three countries⁵, and with PIFS which has an RTPA and a TPA. A broad group of both government and non-government stakeholders (47 in total) were interviewed and the process culminated with a workshop (attended by 23 delegates from across 12 countries) in early December in Fiji at which the needs and gaps identified during interviews were validated by participants and potential direction for Hub & Spokes II was discussed and confirmed.

⁴ Commonwealth Secretariat and *Organisation Internationale de la Francophonie* “Hub and Spokes Phase II – Roadmap”, July 2009, available for download at: <http://www.thecommonwealth.org/>.

⁵ Tonga, Samoa and Vanuatu

Hub & Spokes and the RTPAs and TPAs have played a valuable role over the last half decade in helping PACPS (Pacific ACP Countries) to strengthen their trade policy/trade development capacity and there is a strong desire to continue the programme.

Overall, in the Pacific progress along the trade policy spectrum is variable, however it is clear that there has been definite progress. In some countries the focus should remain on building capacity in formulating trade policies and strategies to provide credible input to regional and national trade agreement negotiations. As indicated in a survey of ministries and TPAs⁶, technical assistance in all aspects of the trade policy spectrum is a necessity, not an option. This indicates a continuing need for capacity building/institutional strengthening at various levels.

Also, there is a continuing need for capacity building/institutional strengthening in the public and private sectors with a focus on all facets of facilitating/enabling market access, and even though ministries have consultative processes, engaging all interested stakeholders in efforts to successfully exploit market opportunities.

Management and administration of a successor programme to Hub & Spokes will present challenges as stakeholders have a less than positive opinion of their Regional Integration Organisation's secretariat. In contrast to the Caribbean and Africa where the RIO secretariats are regarded by stakeholders as having inadequate management/administrative capabilities, this is not the case with PIFS which is regarded as being a well-managed organisation. However, stakeholders also feel that despite strong outside influences, PIFS should be more objective in its dealings with them. Stakeholders would like to see management and administration of a successor programme remain with the Commonwealth Secretariat.

Communication between and among governments, the private sector and civil society needs improvement. Hub & Spokes II has the potential to be a communications intermediary/facilitator.

4.3 Trade Policy Spectrum

Needs and Gaps

A number of needs and gaps were identified:

1. There is a continuing need for some governments to develop/strengthen their trade policy development capabilities;
2. A number of governments, e.g. Samoa and Tonga, have progressed well along the trade policy spectrum and are able to provide their trade negotiators with sound trade policy recommendations⁷; their focus is now, or soon will be, shifting to implementation of the results of negotiated trade agreements, especially the EPA with the European Union.
3. There is a need for assistance for non-government organisations to build their capacities/capabilities to provide meaningful input to trade ministries and other trade-related government organisations. At the same time government

⁶ See Section 4.8 for a summary of the survey and Annex 2 for details.

⁷ Others have likely progressed well also, however only a sampling of countries was studied.

organisations and trade ministries in particular need to have not only formal consultation processes but to use them as well.

4. Similarly there is a need for assistance for non-government organisations to build their capacities/capabilities to pursue and exploit export market opportunities.
5. Two “technical” needs that have an effect on resolving the needs and gaps mentioned above also were identified, i.e. the need for assistance in legal drafting and the need of most stakeholders for assistance in proposal preparation that responds to/meets donor requirements.

Along the Trade Policy Spectrum

Several countries have developed trade/export policies and strategies either as separate policies, e.g. Samoa and FSM⁸ or as part of a broader economic development policy/strategy and others are in the process of formulating trade policies, e.g. PNG, and consultants have been/will be hired to assist Tonga, Fiji and Niue to formulate their trade policies.

The policy development and monitoring process includes a variety of consultative mechanisms that include other ministries involved in trade, export/investment promotion agencies and the non-government sector. However, it also appears that in some countries, this process is less than all-inclusive as frequently only a “standard” group of stakeholders are included in the consultation process. Also the consultation process is largely symbolic. The process most often appears to be on an “if and when required” basis, with an emphasis on the “if”. Ministries should review which organisations are invited to provide input and how this input takes place in order that the most relevant stakeholders are able to comment. We strongly recommend that ministries develop and implement the Policy Participation Interface discussed in the Hub & Spokes II Design Document.

➡ See also sub-section 6.5.3.3 of the Hub & Spokes II Design Document for details of the Policy Participation Interface.

Implementation, the third component of the trade policy spectrum, was seen by participants as both a capacity issue as well as a market access issue. Both in interviews and in the workshop, participants expressed a degree of concern regarding national capabilities and capacities to developing and implementing national trade/export strategies and plans.

Regional Trade Policy Advisors/Trade Policy Analysts

In both interviews and the workshop participants stated that the role of the RTPA and TPAs should be to identify the trade needs of PACPS and assist in various trade negotiations. Negotiations specifically noted were the previously mentioned PACER Plus, the EPA and PICTA. It was also noted that Hub & Spokes II should assist the Melanesian Spearhead Group Trade Agreement (MSG) and continue assisting the Micronesian Trade Committee (MTC).

The Pacific was unique among the three ACP regions in that participants generally felt that countries (and in the case of private sector focused activities –

⁸ Approved by Cabinet, and has been submitted to Congress.

companies) should contribute towards some of the costs of “their” TPAs⁹. Thus countries wishing to extend the TPA’s contract could consider contributing to funding of the TPA’s in-country activities and accommodation, while Hub & Spokes II would remain responsible for salary, relocation and participation of TPAs in regional and sub-regional meetings

Participants also suggested that TPAs should assist in establishing National Trade Committees dealing with trade issues and should also provide support to the work of the Committee, e.g. organizing meetings. This recommendation appears to be identical to the recommendation in the design document regarding the need to establish the PPI – Policy Participation Interface.

In conclusion, the representative from PIPSO (Pacific Islands Private Sector Organisation) noted that his organisation has been working with PIFS and national private sector organisations on regional trade policy-making. Workshop participants noted that this relationship should be intensified and PIPSO recommended that TPAs could be based in PIPSO to provide assistance to the private sector.

4.4 Capacity Building – Education and Training

Capacity building was discussed in the context of both government and private sector stakeholder needs.

Respondents agreed that governments need to have more/better qualified international trade specialists, and that there is a continuing challenge for governments in retaining qualified staff. This was also confirmed in the survey. As in the Caribbean and Africa, the most common mechanism¹⁰ for retaining staff is “bonding” under which an employee whose training has been paid for by the government must remain in his/her post for a specified term (e.g., two years) or else reimburse the government for all or a portion of the cost of the training.

Skills development and training specific to organisational gaps/needs is an ongoing need. The most pressing needs are in organisation and management skills and development of skills in technical subjects, e.g., phytosanitary rules/regulations and practices, rules of origin, technical barriers to trade, trade in services, competition policy and investment, product development and market access entry requirements, etc. Workshop participants in particular emphasized these needs and that many reputable education and training organisations offer courses covering these subjects.

During the workshop it was recommended that national steering committees work with the Commonwealth Secretariat in developing training priorities and recommend training options and preferences. There should be a detailed needs assessment (managed by Hub & Spokes II) that should cover issues such as best practices, mode of delivery, modules and period of training. Generally people interviewed and workshop participants felt that the actual training could be delivered by existing universities or institutions. The subject of scholarships for worthy candidates from the region also was raised during the workshop.

⁹ There were some participants who felt Hub & Spokes should pay for “everything” but they were few.

¹⁰ Not a very satisfactory one either for the employee or the employer, but a better one has yet to be devised.

The overriding consideration expressed by all was that training must be responsive to identified needs and gaps of individuals/groups. The preferred training mechanism is in-person training at the location where it is needed, although “e-learning” is acknowledged to be viable in some cases. WTO courses were mentioned specifically.

The above is a significant point as in both interviews and the survey, and to a lesser extent in the workshop, it was clear that ministries do not have a formal education/training plan or programme and that education/training is done as course availability, time and budget permit¹¹. While this theoretically results in some capacity building, at the same time anecdotal evidence indicates that in practice it is a waste of time and money as the employee on returning to work does not use any of the skills or knowledge gained.

Co-financing of education/training was discussed, particularly in the workshop. Participants felt that Hub & Spokes II should fund counterpart development, consultants and facilitators while host countries could fund short-term workshops and courses, training for individual needs, sector-specific training in universities etc.

An interesting approach to practical training was the suggestion that individuals from ministries could be observers at trade negotiations and similar fora.

4.5 Management and Administration

Stakeholders expressed a desire for the Commonwealth Secretariat’s continued management and direction of any successor programme to the current Hub & Spokes programme but noted that PIFS should be responsible for the broad monitoring of the programme. A suggested option was for an experienced manager, located in the region, to provide functional/administrative management. They stressed however, that the independence of the programme must be maintained.

However, while the Commonwealth Secretariat should continue managing Hub & Spokes II, the capacity of PIFS to support PACPS in dealing with trade matters should also be enhanced.

4.6 Private Sector Engagement and Market Access

The issue of export/investment agencies as a facilitator of market access came out very strongly in the workshop. Participants recommended that each PACP country should have an export/investment promotion agency which would be operated by an independent board and management staff and would include both public and private sector representatives. Some PACPS already have similar agencies dealing with export/investment promotion. These agencies are complemented by PIPSO and the Pacific Islands Trade and Investment Commission (PITIC).

The mandate of the export/investment promotion agency should be flexible and designed in consultation with the private sector. It should cover both supply and demand constraints and provide services such as business information,

¹¹ One ministry representative commented wryly that his ministry did have a training plan – whichever course was free was the one that people attended.

facilitating access to funds, consulting, marketing, and information on intellectual property.

For other activities participants felt that a fee could be levied for certain activities.

All respondents in both interviews and workshops expressed the need for regular, sector-specific export market opportunities awareness-raising as well as specific market opportunity identification. Discussion on market access highlighted the importance of dissemination of export market information/intelligence. Use of the Hub & Spokes web site was mentioned as well as regular online and print dissemination of export opportunities – possibly via newsletters.

At the same time participants commented that even though new/enhanced opportunities might be identified, their companies often would not be able to take advantage of them because of two major reasons. The first relates to supply – countries either have a very limited number of products they can sell on the international market (usually agricultural products) and/or those that are available for sale are not produced in sufficient volume to meet market demand except in niche markets, and even if volumes are sufficient, supply and/or quality are often erratic. The second reason relates to trade facilitation and infrastructure. Manufacturers and processors cited difficulties and the cost of importing either raw materials or production equipment to be able to produce exportable goods and also gave examples of lack of simple infrastructure such as suitable warehouses or limited shipping to take products to market, e.g. small ships and infrequent sailings and air cargo services that have been cancelled or raised dramatically in price.

4.7 Communication

In interviews participants frequently commented on poor communication – among governments, within governments, between the private sector and government, among private sector agencies and so on. There is a need to improve the dissemination of information about Hub & Spokes to all stakeholders, including government, the private sector, and civil society. There is a need for frequent workshops within the region for various stakeholders to exchange information on various trade policies. This was obvious to the facilitator of the workshop, where the value of face to face contact and interaction of the region's trade development officials and private sector counterparts was evident. The opportunity to hear views not previously heard or known was considered valuable.

As previously mentioned, the Hub & Spokes website, though not used much, was regarded as a communications tool that was improving and had potential. Overall, as in both Africa and the Caribbean, Hub & Spokes was seen as a potential communications intermediary, but how this could be implemented other than through the website was not made clear. What was clear however was that Hub & Spokes II is regarded as a possible mechanism to improve communications among and between participants and stakeholders.

4.8 “Mini” Survey of RTPAs and TPAs

A survey of RTPAs and TPAs in all ACP countries was conducted in early February in order to measure progress since the time RTPAs and TPAs

commenced work in their trade ministry or Regional Integration Organisation. A second objective was to obtain quantitative results which could validate findings from the personal interviews and the workshops or which would indicate needs and gaps that were not brought out in the interview and workshop process.

The results of this survey¹² have been mentioned in previous sections – however, it is very important to be extremely careful in drawing conclusions from this survey as the results are based on responses from TPAs in three Pacific island countries and the TPA at the RIO who provided shared services to countries without TPAs. Thus the results cannot be considered statistically valid in any sense, but they can give a general direction. It is for this reason, as well as to not give an unwarranted sense of accuracy that, even though the survey results give numbers, those numbers will rarely be quoted when reference is made to the survey.

Overall, including in the Pacific, the RTPA and TPAs feel that their assistance is still more necessary than desirable, but at the same time that ministries' and the RIO's capacity compared to the time they started in their posts has improved, in some cases substantially.

Almost all trade ministries have a published trade policy either as a stand-alone document or as part of a national economic development policy, or they are working on such a policy. Development of such a policy is aided by established consultative mechanisms, that include formal trade policy meetings chaired by very senior Government Officials including the Vice President, the Permanent Secretary (or designate) and that draw in other ministries as well as the private sector, academia and NGOs. At the same time while there may be a formal consultative process, in practice it is used infrequently (with exceptions) and even then "if and when required".

As would be expected the ministries most frequently consulted include the Ministry of Finance, revenue and customs, the commerce or industry ministry and sector ministries such as agriculture or manufacturing. The most frequently consulted private sector organisation is the chamber of commerce or a similar business association followed by a manufacturers' association and a private sector export/investment promotion agency.

Capacity building through education and training is available to professional staff and management most often based on the kind of course available as well as on availability of budget and time. Both professional and management staff generally attend 1 – 3 education/training activities per year with a significant percentage of professional staff attending more than 10 education/training activities per year. education/training activities are almost always short-term vs. long-term.

A somewhat unfortunate situation is that only about a third of ministries have a formal human resources function with responsibility for education/training either in the ministry itself or via the public service commission or equivalent. A very substantial portion of education/training activity appears to be ad hoc – a substantial majority of ministries do not have an education/training plan in place, or if they do it is informal.

In conclusion, in the Pacific the TPAs would like to work in Hub & Spokes II (with some caveats).

¹² Included as Annex 2.

ANNEXES

Annex 1 – Allocation of Regional / Trade Advisors

NOTE: allocation is demand-driven based on expressions of interest by a country.

Current Hub & Spokes		Hub & Spokes II	
Organisation / Country	RTPA / TPA	Organisation / Country	RTA / TA
PIFS	RTPA/TPA	PIFS	RTA/TA
		Other Regional Organisation (e.g. OCTA)	RTA/TA
Fiji		Fiji	TA (roving)
Micronesia	TPA	Micronesia	TA
Samoa	TPA	Samoa	TA
Tonga	TPA	Tonga	TA
Cook Islands		Cook Islands	
Kiribati		Kiribati	
Marshall Islands		Marshall Islands	
Nauru		Nauru	
Nike		Nike	
Palau		Palau	
Papua New Guinea		Papua New Guinea	TA
Solomon Islands		Solomon Islands	
Tuvalu		Tuvalu	
Vanuatu		Vanuatu	

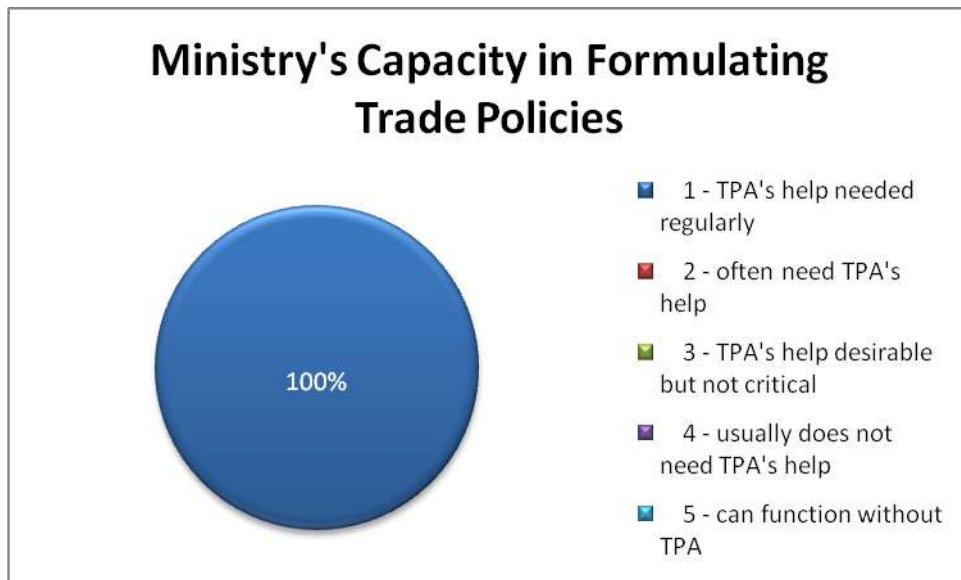
Annex 2 – Survey of R/TPAs: Current Hub & Spokes Programme

NOTE: The charts show only those responses which were chosen. Where these added up to 100% the other responses are not shown as 0%. For example, in the first chart below as response 1 is 100%; responses 2 - 5 are not shown.

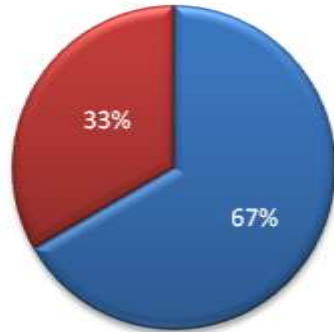
RESPONSES – PACIFIC

A. Trade Ministry`s/Department`s ("organisation`s") Capacity:

1. On a scale of 1 – 5 (1= TPA's help needed regularly 2=often need TPA's help 3=TPA's help desirable but not critical 4=usually does not need TPA's help 5=can function without TPA) how do you rate your organisation's capacity along the trade policy spectrum



Ministry's Capacity in Negotiating Agreements



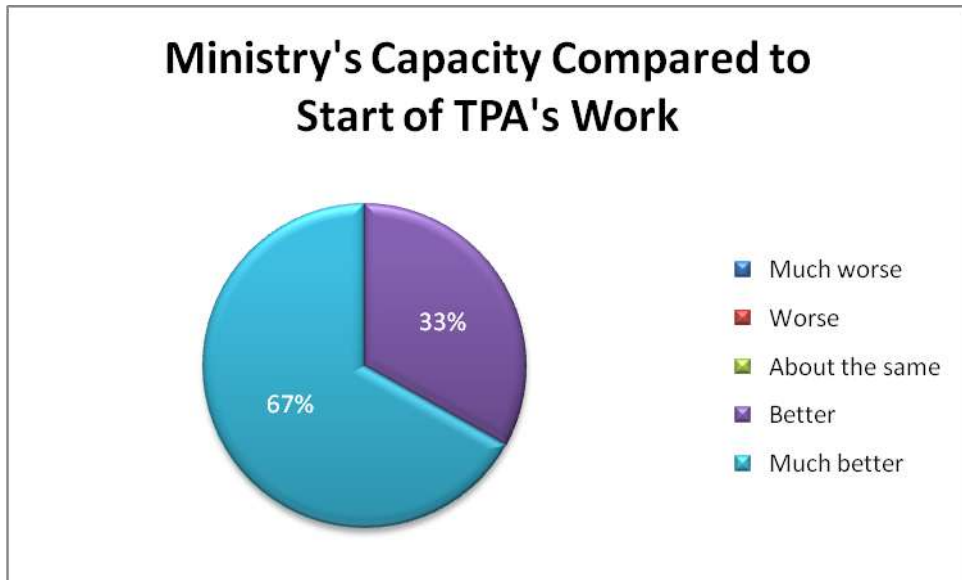
- 1 - TPA's help needed regularly
- 2 - often need TPA's help
- 3 - TPA's help desirable but not critical
- 4 - usually does not need TPA's help
- 5 - can function without TPA
- n/a

Ministry's Capacity in Implementing Agreements

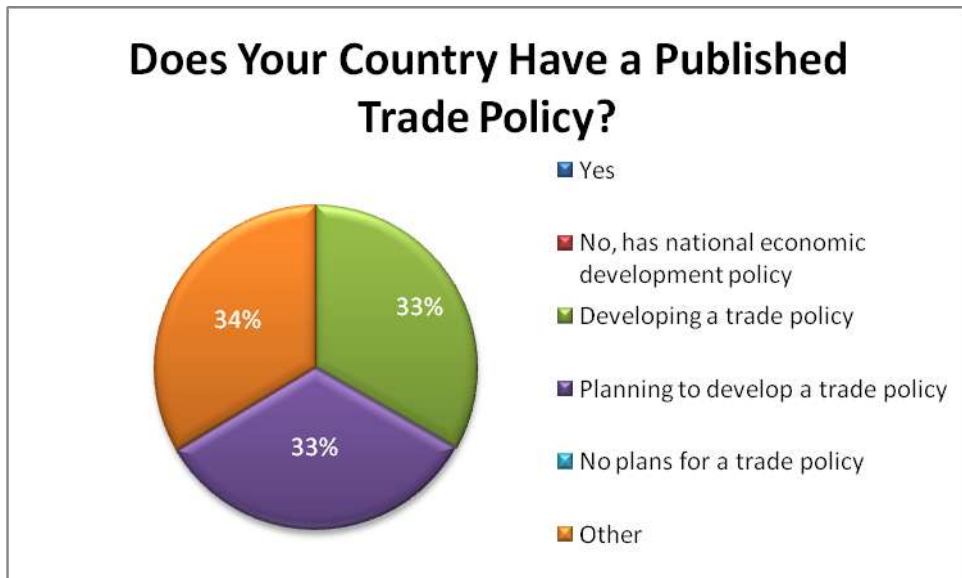


- 1 - TPA's help needed regularly
- 2 - often need TPA's help
- 3 - TPA's help desirable but not critical
- 4 - usually does not need TPA's help
- 5 - can function without TPA
- n/a

2. How do you rate your organisation's capacity (without your assistance) along the trade policy spectrum today as compared to when you first started working in the ministry/department?

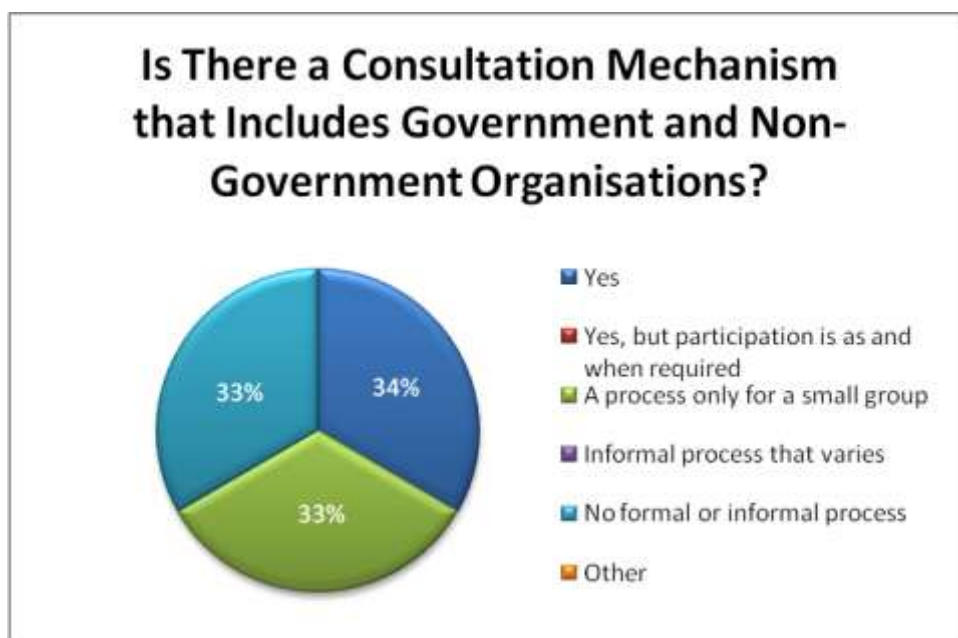


3. Does your organisation (country) have a published trade policy?

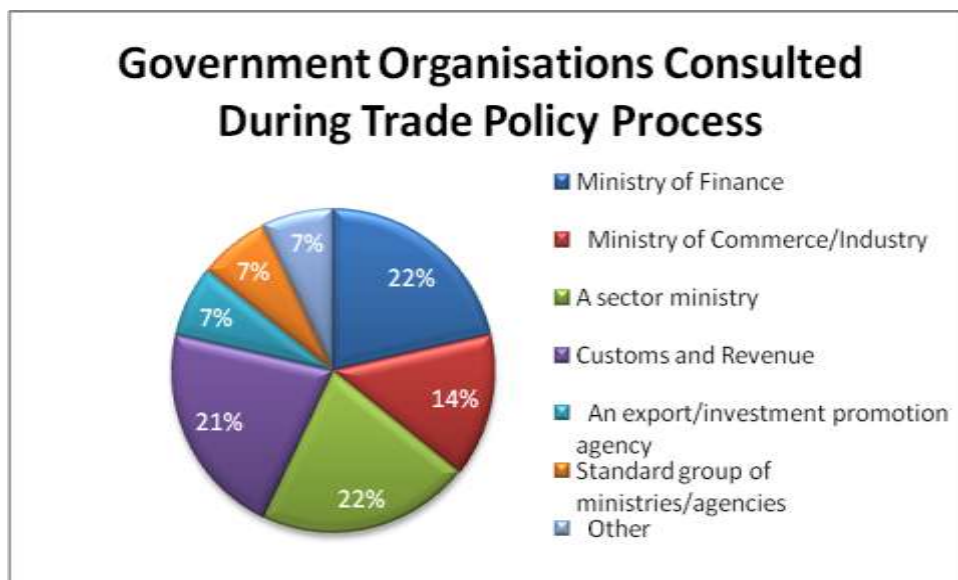


B. Engagement of other ministries, government agencies, non-government organisations

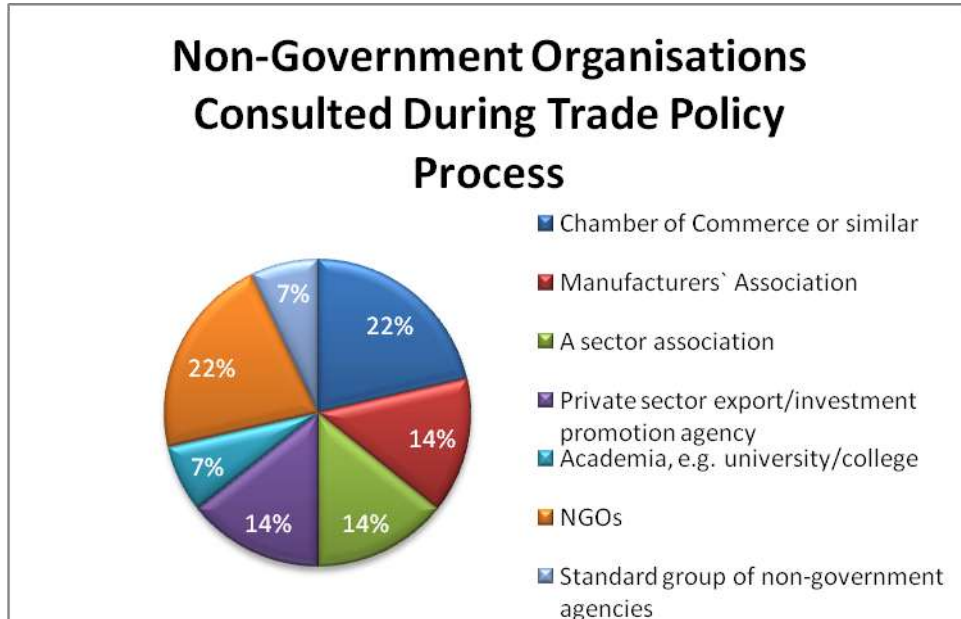
- 1 Does the organisation have a consultation mechanism that includes other ministries/agencies and non-government organisations (business associations, academia, NGOs) that have an interest in trade matters?



- 2 When other ministries/agencies are consulted, which are consulted most frequently (check all that apply)?



3 When non-government agencies are consulted, which ones are consulted most frequently (check all that apply)

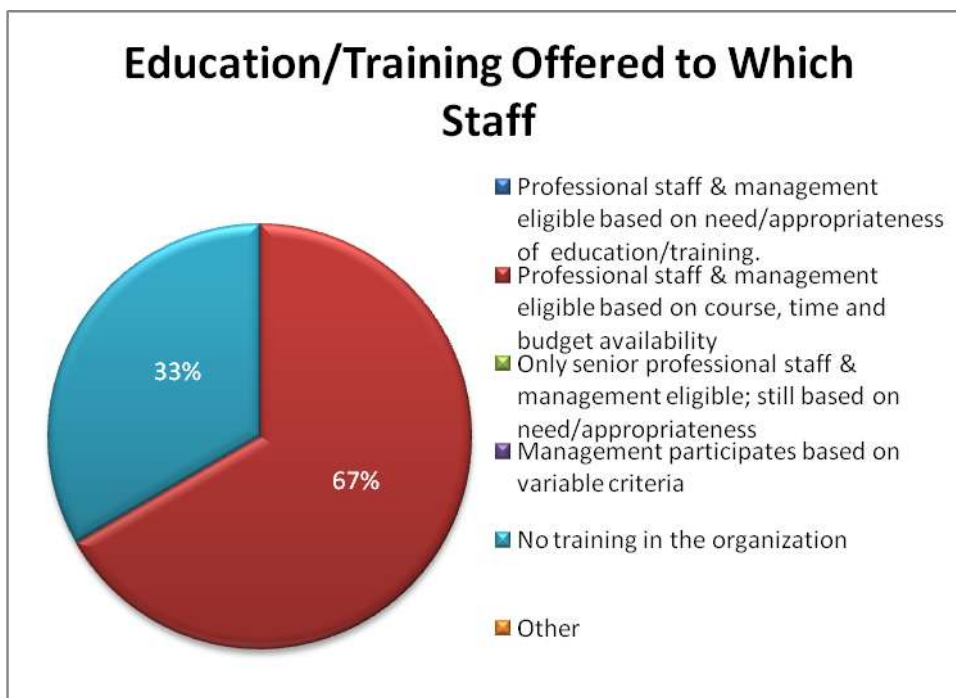


4 In a year, how often, on average, are there high-level (chaired by the PS or designate – not work group) trade policy related consultative meetings?

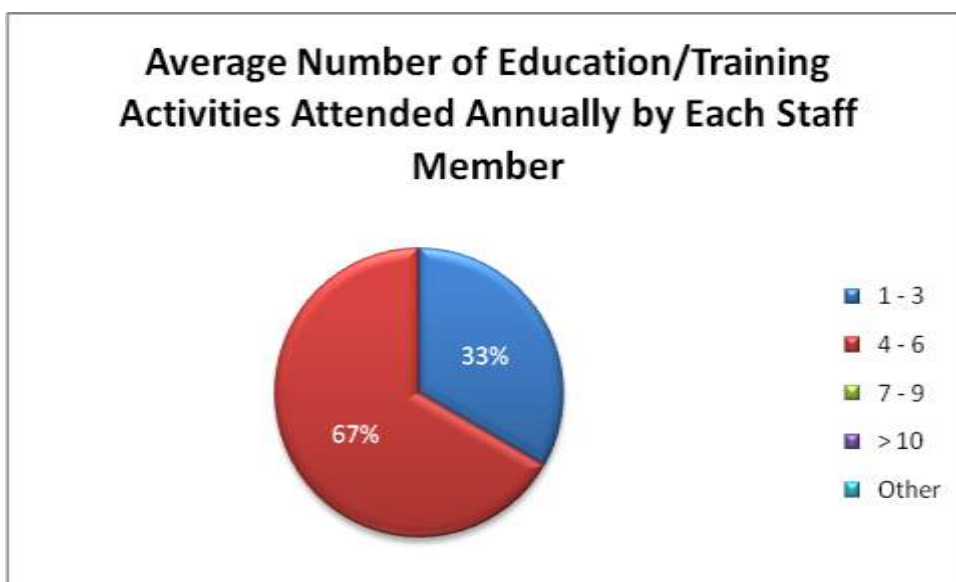


C. Education/Training:

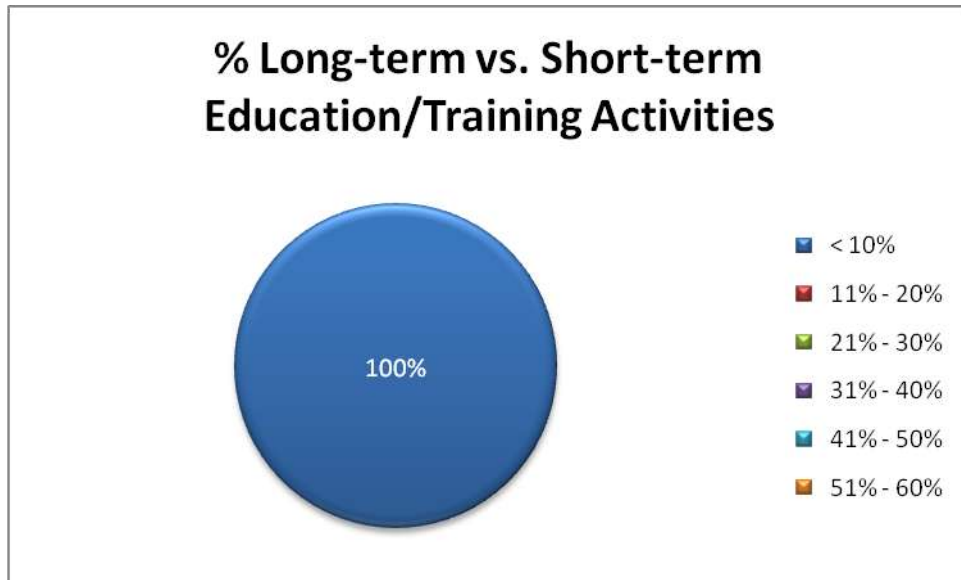
1 How is education/training offered to professional staff and management in your organisation?



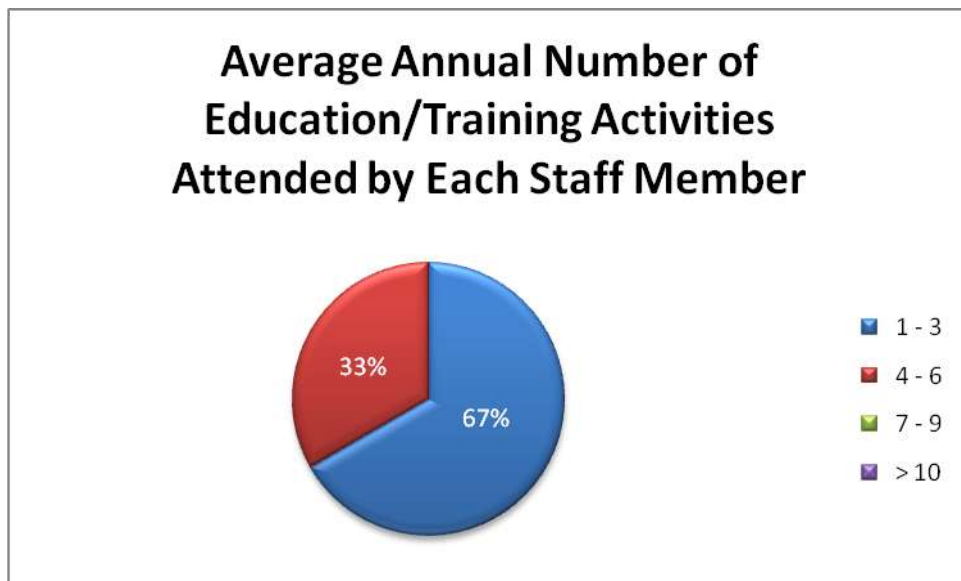
2 In a year, how many education/training activities on average, does each professional staff member attend?



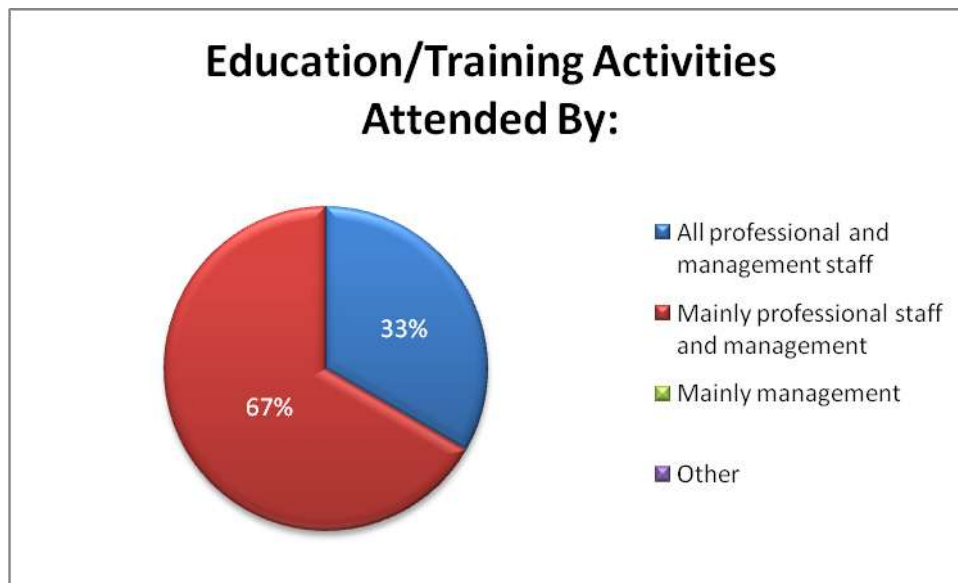
3 Of these what % would be long-term education (diploma or professional designation) vs. short-term training (practical - with or without a certificate of completion)?



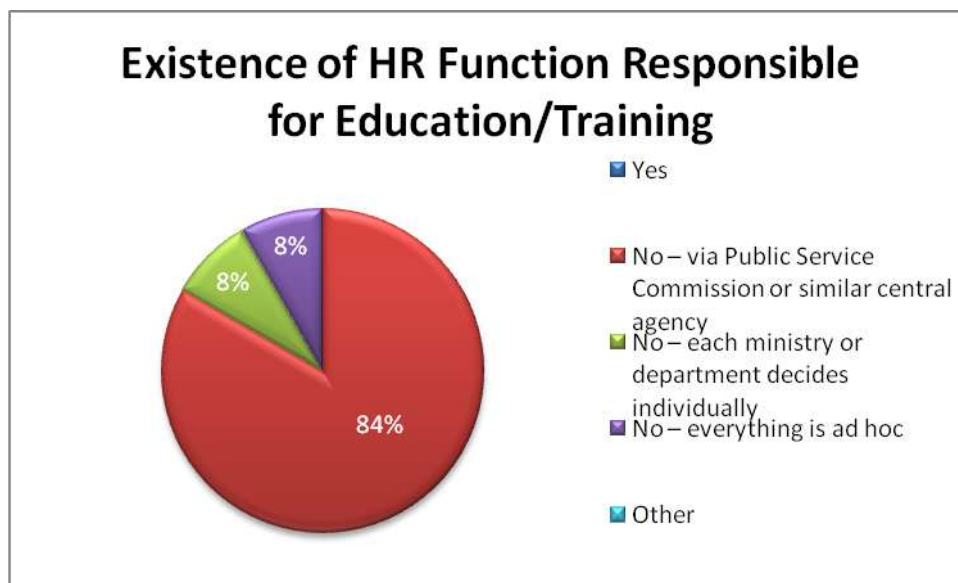
4 In a year, how many education/training activities on average, does each management staff member attend?



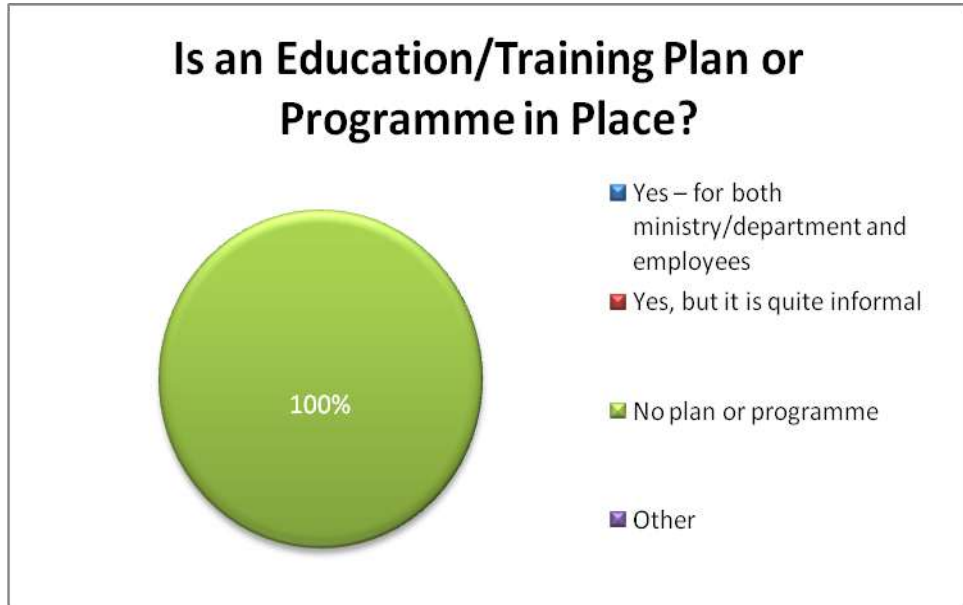
5 Education and training activities are attended by:



6 Is there a human resources function (department or person) in the organisation that is responsible for employee career development including education and training?



7 Is there a trade-related education/training plan and programme in place for employees?



D. Other

And finally, would you be willing to continue working in Hub & Spokes II (assuming there are equitable terms and conditions for all parties)?

