

All-Party Parliamentary Group on Trade Out of Poverty

Annual Report 2015-16

Introduction

The All-Party Parliamentary Group Trade out of Poverty seeks to raise awareness of how trade can be used to help eradicate poverty for developing countries. Co-chaired by the Rt. Hon. Peter Lilley MP, the Rt. Hon Hillary Benn, and Lord Michael Hastings, Trade out of Poverty aims to promote trade as a way to increase economic growth and further sustainable economic development.

Over the past year, Trade out of Poverty has launched its first major inquiry, organized or co-organized a series of events at Parliament, and helped parliamentarians to track global developments in the area of international trade and development. This report provides an overview of Trade out of Poverty's activities over the past year.

Saana Institute: new secretariat for Trade out of Poverty APPG

In August 2015, the Saana Institute took over from Ruth Stanley in providing secretariat services for the APPG following her departure to take up a new role at CAFOD. Ms Jade Siu and Ms Stephanie Gillibrand perform the bulk of secretariat services, under the overall direction of Mr Tom Pengelly, Managing Director at Saana Consulting.

The Saana Institute is the independent, not-for-profit arm of Saana Consulting. The Institute brings together 'thinking' and 'doing' to improve development outcomes, especially in trade and regional integration. The Institute seeks to generate practical development solutions by applying empirical evidence and targeted research to cutting-edge real-world challenges.

The Secretariat supports the APPG in holding events, organising field trips and conducting research, such as inquiries and publications. The Secretariat also represents the APPG in events and meetings, and maintains APPG external communications and website.

Our 2016-2017 workplan is structured according to the four pillars below:

- Mainstreaming development in UK/EU trade policy & WTO
- Integrating Africa
- Creating jobs & empowering women through trade
- Delivering effective Aid for Trade

Fairtrade Foundation Event

In November 2015, Trade out of Poverty jointly organised a panel discussion in the House of Commons with the Fairtrade Foundation.

The event, titled ***Fair Food, Fair Business and Fair Trade - How can the Global Goals for Sustainable Development (SDGs) deliver for farmers and workers?*** featured the Rt Hon Desmond Swayne MP, (Minister of State, DFID), Stephen Twigg (MP, Chair - International Development Committee), Dr Lisa Cameron (MP), Judith Batchelar OBE, (Director of Brand, Sainsbury's), John Steel, (CEO, Cafédirect), and James Mwai, (Director of Programmes, Fairtrade Africa). The discussion was chaired by Fiona Bruce MP.



All-Party Parliamentary Group on Trade Out of Poverty

The panel made three key recommendations for the Sustainable Development Goals:

- **Create pre-competitive conditions and breaking silos** - Embrace the opportunity created by the SDGs to collaborate with competitors in private and public sectors.
- **Partner with smallholder farmers** - Shift from one-way 'giving' to smallholder farmers to two-way partnership between smallholder farmers and businesses or governments. Provide leadership opportunities for smallholder farmers in implementing the SDGs.
- **Reduce barriers to trade and investment** - Provide more trade opportunities to developing countries to reduce reliance on aid.

House of Lords debate: increasing UK-Africa trade and investment

In November 2015 the House of Lords held a debate discussing how to further bilateral trade and investment between the UK and African countries.

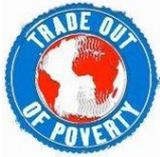
The Secretariat for the APPG TOP provided Lord Alton of Liverpool with a briefing on UK-Africa trade and investment prior to the debate. Some of Lord Alton's recommendations included:

- **The UK needs an up-to-date, holistic strategy to accelerate trade and investment in Africa** with a clear set of objectives, targets and resources supported across Government – Department for International Development (DFID), Business, Innovation and Skills (BIS), UK Trade and Investment (UKTI) and the Foreign and Commonwealth Office (FCO).
- **A new UK strategy needs to take recognition of the way China, India and Brazil have increased their trade and investment footprint** in Africa in recent years.
- **A new UK strategy should have clearly measurable outcomes** and track key indicators year on year, like the value of new UK business investments and the number of jobs created.
- **The UK government should expand the UK Prime Minister's Trade Envoy programme** to more key trade partners in Africa.

Public Seminar: Outcomes and Implications for Developing Countries from the 10th WTO Ministerial Conference

In February 2016, Trade out of Poverty held a public seminar in the House of Commons, featuring as its keynote speaker, **Mr. Joakim Reiter**, (*Deputy Secretary-General, United Nations Conference on Trade & Development*).

Chaired by Rt. Hon Peter Lilley and Lord Michael Hastings, the seminar included panellists **Mr. Darlington Mwape**, (*Senior Fellow, ICTSD; former Permanent Representative of Zambia to the WTO*), **Mr. Cristián Rodríguez Chiffelle**, (*Lead, International Trade & Investment, World Economic Forum*) and the **Rt. Hon. Desmond Swayne MP**, (*Minister of State, Department for International Development*).



All-Party Parliamentary Group on Trade Out of Poverty

Following the 10th WTO Ministerial Conference in Nairobi in December 2015, WTO members secured agreements on a number of trade initiatives including a landmark agreement on the elimination of agricultural export subsidies.

Despite the achievements of MC10, there were remaining questions left unanswered surrounding the future agenda of the WTO, in particular the continuation of the Doha Development Agenda. This creates significant uncertainties for developing countries, which the seminar sought to explore; reflecting on the outcomes of MC10 and their implications for the future of global trade talks and governance for developing countries.

Following the seminar, the APPG hosted a dinner in the House of Commons for speakers and participants in the event, as well as other parliamentarians and external stakeholders, to continue informal discussions on themes related to developing countries in the WTO.

Commonwealth Secretariat Briefing – The Commonwealth in the Unfolding Global Trade Landscape

In January 2016, the Commonwealth Secretariat gave a private briefing in the House of Commons to the APPG members and Secretariat.

The briefing coincided with the launch of their flagship trade publication, which looks at how trade with Commonwealth countries can be harnessed to become an integral part of global trade.

Deodat Maharaj (Deputy Secretary-General, Economic and Social Development, Commonwealth Secretariat) outlined some of the key findings from the Review:

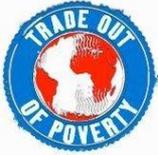
- To expand their trade, Member countries should take advantage, and encourage promotion of trade both within the Commonwealth and overall.
- The '**Commonwealth effect**' - the Review finds that when both bilateral partners are Commonwealth members they trade up to 20% more and generate 10% more foreign direct investment inflows, than if both countries were non-Commonwealth members.
- Trade within the Commonwealth is expected to bypass \$1 trillion by 2020, and reach \$2.75 trillion by 2030.
- Commonwealth developing countries should continue to explore opportunities for trading with developed Commonwealth partners through preferential trade schemes and broader trade and investment cooperation.

With the UK hosting the next Commonwealth Heads of Government Meeting in 2018, the secretariat of the Trade out of Poverty APPG would like to harness the opportunity to work with a range of organisations such as The Commonwealth Parliamentary Association, the Commonwealth Enterprise and Investment Council (headed by Lord Marland) and the Commonwealth Exchange (chaired by Lord Howell), to develop a series of events in the run up to, and during the 2018 Heads of Government meeting.

As a follow up to the briefing, Tom Pengelly was invited to participate in a Commonwealth Trade Experts Meeting in New Delhi at the end of March 2016.

Africa Free Trade Initiative Inquiry

During the year, Trade Out of Poverty APPG launched its first major inquiry into the UK's Africa Free Trade Initiative (AFTi), which was launched by the Prime Minister in 2011. AFTi



All-Party Parliamentary Group on Trade Out of Poverty

focused on providing political, financial and technical support to cut tariffs, reduce red tape and improve infrastructure in Africa, with the aim to boost trade between African countries and African countries with the world.

This Inquiry seeks to answer the following three main questions:

- 1. What has been achieved in AFTi since 2011 and what lessons can be learned?*
- 2. Is there a case for a successor to AFTi in the area of further facilitating trade and investment within Africa as a driver of growth and poverty reduction, and between African and the rest of the world, including the UK?*
- 3. What should a future AFTi look like, what targets should it seek to achieve, and through which means and partnerships should it be delivered?*

The Inquiry is led by a committee co-chaired by **Lord Stephen Green**, former Minister of State for Trade and Investment and Group Chairman of HSBC, and **Mr. Ali Mufurki**, Board Chair of TradeMark East Africa and founder and Chairman of Infotech Investment Group. Other Committee members include **Prof. Myles Wickstead**, former Head of Secretariat, Commission for Africa and **Ambassador Darlington Mwape**, Senior Fellow at International Centre for Trade and Sustainable Development (ICTSD) and former Permanent Representative of Zambia to the WTO, and **Lord Paul Boateng**.

In April, the Inquiry arranged hearings and gathered written evidence to inform the inquiry. Written submissions were provided by a range of institutions including the World Bank, the Overseas Development Institute, Trade Law Centre (tralac), the Fairtrade Foundation, United Nations Economic Commission for Africa, the International Trade Centre, and the University of Nottingham.

The April 19th hearing included evidence given by:

- Rt Hon Andrew Mitchell MP, Former Secretary of State for International Development 2010-12
- Mr. Jean-Louis Billon, Minister, Ministry of Commerce, Côte d'Ivoire
- Dr. Patrick Gomes, Secretary General of African, Caribbean and Pacific Group
- Mr. Taffere Tesfachew, Director of Africa Division, UNCTAD
- Dr. David Luke, Director of Africa Trade Policy Centre, UNECA
- Mr. Paul Walters, Deputy Director, Joint DFID-BIS-FCO Trade Policy Unit
- Mr. Harry Hagan, Senior Economic Advisor, Africa Division, DFID
- Ms Dorothy Tembo, Deputy Executive Director, UNCTAD-WTO International Trade Centre
- Mr. Frank Matsaert, CEO, TradeMark East Africa
- Mr. Brian Count, Chairman, InfraCo Africa

Later in the day, the APPG co-organised with the Commonwealth Enterprise & Investments Council a dinner for 20 UK & African business leaders. Following the hearings, members of the Committee continued to engage African stakeholders in particular, through participation in the World Economic Forum (Africa) in Kigali and the Annual Meetings of the African Development Bank in Lusaka. Whilst in Lusaka, the APPG was grateful to the British High



All-Party Parliamentary Group on Trade Out of Poverty

Commissioner for organising a breakfast meeting conference with a number of guests to discuss the AFTi inquiry with two members of the Committee and the Secretariat.

The Inquiry is currently undertaking a second phase to incorporate the potential implications for UK-Africa trade relations from the UK leaving the European Union (Brexit). This include a call for written evidence, and a further set of hearings scheduled for 12th July. The Inquiry Committee will then present and publish its Final Report in September 2016, when the new UK Prime Minister and ministerial team are in post.

Rwanda Field Study

In April, the APPG for Food and Agriculture Development and APPG Trade out of Poverty jointly organised a trip to Rwanda, with funding support from the Commonwealth Parliamentary Association.

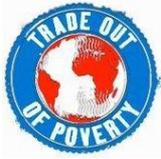
Trade is recognised by the Rwandan Government as a driver of economic growth and poverty reduction. Being a landlocked country, trade facilitation and regional integration is crucial to boosting Rwanda's economy by linking it to regional and global markets

The purpose of the trip was to better understand the role that women smallholder farmers and cross-border traders play in tackling poverty, with a particular focus on cross-border trade. Lord Cameron of Dillington, Martyn Day MP, and Kerry McCarthy MP and a representative of the APPG TOP Secretariat met with various stakeholders in the region including TradeMark East Africa, DFID Rwanda, the Parliamentary Agriculture Committee, the Ministries of Trade and Agriculture, Hand in Hand International, CARE Rwanda, the UN World Food Programme and Pro-Femmes/Twese Hamwe.

In particular, informal cross-border trade accounts for 14% of Rwanda's total exports, and is a sector largely made-up of women, accounting for 64.6% of informal cross-border traders in 2013. The MPs travelled to the Rwanda-Congo border to meet with women ICBT to gather evidence on the constraints they face to trade, including the lack of formal legal status, opaque policies, physical insecurity and abuse, customs and trade barriers, as well as lack of access to inputs (e.g. logistics, market information, skills, production inputs).

Some of the recommendations from the trip include:

- **Donors and the international community have a clear role to play.** The UK government should support the inclusion of ICBT and gender-specific components in Aid for Trade programmes in order to increase the reach of its initiative to marginalised segments of society, especially women.
- **Long-term rural poverty reduction in Rwanda will rely on women farmers going beyond subsistence farming** to become participants in stable value chains. Policies for creating an enabling environment for small-scale agri-enterprises as a whole must therefore specifically focus on the unique barriers faced by women producers.
- **Women need more dedicated recognition and support as farmers,** before ICBT even takes place. Access to seeds, farming inputs, good land and training is more difficult for women farmers in Rwanda (as in much of sub-Saharan Africa), as they are routinely overlooked by service providers and extension workers in favour of male farmers.
- **Women farmers have higher barriers to access finance,** typically because they lack collateral (which usually relies on land titles). Improved land ownership rights



All-Party Parliamentary Group on Trade Out of Poverty

would put Rwandan women farmers in a stronger position, enabling access to financial services and investment in their farming enterprises.

A copy of the full report from the visit is available from the APPG for Food & Agricultural Development website.

New Trade out of Poverty Website

In April 2016 Trade out of Poverty launched its new website, visit it [here](#). The new website was developed by the Secretariat and provides a cleaner, more user-friendly platform for the APPG to interact and communicate with its stakeholders.