



All-Party Parliamentary Group for Trade Out of Poverty

Inquiry Terms of Reference

Can the Commonwealth help developing countries trade out of poverty?

1. INTRODUCTION

This paper sets out the context, key questions, approach, timeline and membership of the All-Party Parliamentary Group for Trade Out of Poverty¹ (APPG-TOP) Inquiry into the potential of the Commonwealth – its member states, business and civil society organisations, as well as its own Commonwealth institutions – to help developing countries use trade and investment to reduce poverty and accelerate economic growth. The aim of the Inquiry is to gather evidence and set out concrete proposals for consideration/adoption by Commonwealth member states at the Commonwealth Heads of Government Meeting (CHOGM) in London during April 2018.

The Inquiry will be organised as a joint initiative between the APPG-TOP and the UK's Overseas Development Institute² (ODI) and will be led by a Committee of eminent persons and experts. Evidence will be sought from stakeholders from Commonwealth member states (policymakers, business and civil society leaders), as well as from key organisations such as the Commonwealth Secretariat; the Commonwealth Enterprise and Investment Council (CWEIC) and its corporate members and partners; the Commonwealth Foundation; the Royal Commonwealth Society; and ODI's sister organisations across the Commonwealth (see Annex 1 for a non-exhaustive list of relevant stakeholders who can be invited to submit evidence to the Inquiry and follow its work).

The inaugural Commonwealth Trade Ministers Meeting (CTMM) held in London in March 2017, offered the APPG-TOP and ODI the opportunity to begin a wide-reaching policy discussion through the launch of a booklet on *10 Commonwealth policy priorities for trade and development*³ and the convening of a Wilton Park conference on 'Creating a consensus-based Commonwealth vision for trade negotiation, facilitation and finance'. With the Commonwealth Heads of Government Meeting (CHOGM) taking place in London in April 2018, the Inquiry provides a unique opportunity to build on this momentum, engage a wider group of stakeholders, and make a powerful case for an ambitious new trade and development agenda for the Commonwealth as a whole.

The rest of this document is structured as follows:

¹ For more information about the APPG-TOP, see: <http://tradeoutofpoverty.org/>

² For more information about ODI, see: <https://www.odi.org/>

³ 10 Commonwealth Policy Priorities for Trade and Development. Available at: <https://www.odi.org/sites/odi.org.uk/files/resource-documents/11341.pdf>



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2. BACKGROUND

The Commonwealth is an association of fifty-two diverse countries spanning Africa, Asia, the Americas, Europe and the Pacific, and bound by historic ties, shared values and long-established trading relations. With a combined economy of more than \$10 trillion, a population of 2.3 billion people, and annual GDP growth in excess of 4 per cent, the Commonwealth is uniquely placed to become a driving force behind global trade for development⁴.

Commonwealth members' combined exports of goods and services account for roughly 15 per cent of the world's total exports. While the Commonwealth is not a formal trading block, a recent study found that trade costs are 19 per cent lower and countries tend to trade 20 per cent more when bilateral trade takes place between Commonwealth countries⁵. Unsurprising, the growth of intra-Commonwealth trade is set to continue with the value of trade forecast to surpass \$1 trillion by 2020.

The inaugural CTMM, which took place in London on 9-10 March 2017, highlighted the importance the governments of Commonwealth states place on improving conditions for trade and investment. The *10 Commonwealth Policy Priorities for Trade and Development* booklet published in March 2017 by APPG-TOP and ODI was put forward to stimulate debate and ensure Commonwealth trade ministers kept a focus on trade and investment policies and programmes that would enhance development outcomes. The 10 recommendations were:

1. Reduce costs by implementing the WTO Trade Facilitation Agreement
2. Ensure that the benefits of tariff preferences are maximised for developing countries
3. Increase connectivity to better facilitate
4. Expand trade finance for small and medium sized enterprises
5. Expand women's participation in trade
6. Develop skills for trade
7. Promote green growth through trade
8. More and better-targeted aid for trade
9. Establish a Commonwealth-wide trademark system

⁴ Ibid

⁵ The Commonwealth in the Unfolding Global Trade Landscape: Prospects Priorities Perspectives Commonwealth Trade Review 2015. Available at: Available at: <http://thecommonwealth.org/sites/default/files/inline/ExecutiveSummarykeyfindingswayforward-CTR2015.pdf>



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10. Improve trade governance

Given that the Commonwealth includes a significant number of developing countries, thirty of which are classified as small states (many of these being islands), it is crucial that trade is harnessed to promote sustainable development and make progress against the Global Goals⁶. This Inquiry will help ensure that this message is amplified in the lead up to CHOGM 2018. Through engaging stakeholders and developing concrete proposals and recommendations, the Inquiry can play a key role in shaping the Commonwealth's trade and development agenda and driving it forward.

3. OBJECTIVES

The Inquiry seeks to answer one overarching question: can the Commonwealth help countries trade out of poverty? As such, the objectives of the Inquiry are as follows:

1. Build on the momentum and discussions generated from recent activities and events, including the launch of *10 Commonwealth policy priorities for trade and development* and the inaugural CTMM in London in March 2017.
2. Gather evidence and opinions through consultations and engagement with interested stakeholders from government, business and civil society across the Commonwealth and with key Commonwealth institutions as well as international organisations and development partners.
3. Produce a report based on the findings of the Inquiry, to be presented initially to Commonwealth Trade Ministers in the margins of the WTO 11th Ministerial Conference in Buenos Aires in December 2017 and launched formally at the Commonwealth Business Forum in London in April 2018. The Inquiry Report will include concrete recommendations detailing how Commonwealth institutions, member governments and business/civil society organisations can drive the trade and development agenda forward over the next 5 years.
4. Draft a standalone section on trade and development for inclusion in the CHOGM 2018 communiqué and advocate for its adoption in the lead up to CHOGM 2018.

4. MEMBERSHIP

The Inquiry will be led by a committee of eminent persons and experts selected by the APPG-TOP and ODI. The Committee will be comprised of members broadly representative of the geographic and socio-economic diversity of the Commonwealth, with a good representation of male and female senior policymakers, business actors and civil society leaders. It is expected that one of the Co-Chairs of the Inquiry will be a Peer from the UK House of Lords and the other Co-Chair will come from a Commonwealth developing country member state.

⁶ For more information see: <http://www.globalgoals.org/>



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Inquiry Committee members will be asked to attend 1-2 days of intensive hearings and working sessions at the UK Houses of Parliament in mid November 2017. A public Call for Evidence will also be issued by the APPG-TOP and ODI in early September 2017.

A team from ODI and Saana Consulting, the secretariat for the APPG-TOP, will assist the Committee in carrying out the Inquiry as it is recognised that Committee members have many other demands on their time. Specifically, the Secretariat will produce background papers, initiate calls for evidence from stakeholders and organise hearings. It will also manage the production, publication and presentation of the Inquiry Report, including supporting Inquiry Committee members to promote the work of the Inquiry amongst the leadership of Commonwealth institutions, member states, business, media and civil society in the lead up to CHOGM 2018.

The secretariat will also work with the Co-Chairs and members of the APPG-TOP on how best to follow-up the eventual conclusions and recommendations of the inquiry, and to maintain the visibility of these within the work of the APPG-TOP over the medium term.

5. APPROACH

5.1 Analysis and evidence

The overall approach for the Inquiry will be forward-looking, placing emphasis on learning from the experiences of a wide variety of stakeholders from across the Commonwealth. ODI and the APPG-TOP secretariat will produce two background research outputs, which will be provided to the Inquiry Committee members before the Hearings (see Section 5.2 below).

- i. **Literature review:** Analysis of trade and investment flows as well as existing trade and development initiatives within the Commonwealth from publically available documents and the academic literature.
- ii. **Summary of evidence from interested parties across the Commonwealth:** An analysis of submissions received in response to the Call For Evidence.

The literature review and Call for Evidence will focus on gathering and analysing two main strands of evidence:

- Quantitative evidence: Quantitative analysis of trade and investment flows, and barriers to trade within the Commonwealth for developing countries. Submissions will be solicited from organisations including the Trade Policy Observatory at the University of Sussex (TPO), the UN Conference on Trade & Development (UNCTAD), the Centre for Trade and Sustainable Development (ICTSD), and the UNCTAD-WTO International Trade Centre (ITC).
- Policy & programme analysis: Analysis of key trade and development policies and programmes from Commonwealth governments. Qualitative comparative



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evidence and analysis will be beneficial in understanding the progress and pitfalls of trade and development programmes in the Commonwealth and how these can be built upon in the future. Submissions will be solicited from organisations including the Commonwealth Secretariat, CWEIC, the Fairtrade Foundation, the Royal Commonwealth Society, The Commonwealth Foundation, and the Commonwealth Parliamentary Association.

5.2 Hearings

The APPG-TOP secretariat will organise one-to-two days of public hearings to collect expert evidence and opinions from different stakeholders. Hearings will be held in the UK Houses of Parliament and will be structured in a roundtable format. This will allow participants to highlight and discuss the evidence, challenges and opportunities with each other and Committee members interactively, as well as putting forward recommendations. Inquiry Committee members will be present at the hearing to lead the discussion, supported by the team from the ODI and APPG-TOP secretariat.

The APPG-TOP secretariat proposes that the Inquiry Committee could hold the Hearings in mid November 2017. Provisionally, it is suggested that the first part of the Hearings could consist of senior policy makers from various Commonwealth member countries, appearing via videoconference if necessary. A second hearing could focus on hearing views from private sector and civil society groups across the Commonwealth. The Committee may decide to adopt a different thematic focus for each of the hearings.

To take the discussions from the Hearings to a more informal setting, the APPG-TOP secretariat proposes to organise a lunch and/or evening reception in Parliament during the time of the Hearings. Senior stakeholders from government, business and civil society who were not able to attend the Hearings will be invited to attend these informal networking events with Inquiry Committee members and the Secretariat.

The structure and timing of the Hearings suggested above may be reviewed and modified by the Inquiry Committee members at the beginning of the Inquiry. In addition, further *ad hoc* meetings maybe organised for the Inquiry Committee members to collect evidence from specific groups of stakeholders.

5.3 Report drafting and publications

ODI, with support from the APPG-TOP secretariat, will compile responses from the Hearings and Call for Evidence, and support the Committee members in drafting a Final Report. The draft Inquiry Report and recommendations will be presented first to Commonwealth Trade Ministers in the margins of the WTO 11th Ministerial Conference in Buenos Aires in mid December 2017. The Final Report will be then be published and presented to Commonwealth Heads of State prior to CHOGM, and launched formally at the Commonwealth Business Forum in April 2018 in London.

The secretariat will also discuss with the members and the Co-Chairs of the Inquiry Committee and APPG-TOP a programme of follow-up actions (such as periodic publications, surveys and seminars) after the publication of the Inquiry's Final Report to maintain the visibility of the Inquiry.



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The Inquiry will result in the following deliverables, which will be developed in the lead up to CHOGM in April 2018:

- The draft text of a Commonwealth trade and development agenda and workplan for inclusion in the CHOGM 2018 Communiqué.
- A draft Inquiry Report, which will be tabled for discussion and feedback with Commonwealth Trade Ministers in the sidelines of WTO MC11 in December 2017 in Buenos Aires.
- A final Inquiry Report that will be launched at the Commonwealth Business Forum in London in April 2018.

6. WORKPLAN

It is suggested that the Inquiry will commence in early September 2017, with the launch of the Inquiry and Call for Evidence published through multiple channels, including an article authored by the Chair of the APPG-TOP and/or Co-Chairs of the Inquiry in a well-respected newspaper.

The APPG-TOP secretariat will seek to schedule the timings of the hearings around the availability of the Committee members. The Hearings will take place in sufficient time for the Draft Report to be presented at a side event at the 11th WTO Ministerial Conference scheduled to take place in Buenos Aires in mid December 2017.

7. FURTHER READINGS

Commonwealth Secretariat (2017) Commonwealth Trade Ministers' Roundtable, Chair's Summary Statement. Available at: <http://thecommonwealth.org/sites/default/files/press-release/documents/CommonwealthTradeMinistersRoundtableChairsSummaryStatement10.03.17.pdf>

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Commonwealth Secretariat (2011) A Commonwealth of the People: Time for Urgent Reform. A report by the Eminent Persons Group to the Commonwealth Heads of Government. Available at: <http://thecommonwealth.org/sites/default/files/news-items/documents/EminentPersonsGroupReport.pdf>



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Wilton Park (2017). Creating a consensus-based Commonwealth vision for trade negotiation, facilitation and finance, WP1541. Available at: <https://www.wiltonpark.org.uk/wp-content/uploads/WP1541-Report.pdf>



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Annex 1 – List of potential stakeholders relevant to the Inquiry

The below table contains a non-exhaustive list of stakeholders that are relevant to this Inquiry and well placed to provide written evidence and/or attend the Hearings.

Stakeholder Categories	Illustrative Examples
Government	Ministries of Trade Ministries of Foreign Affairs Ministries of International Development
Regional Economic Communities	Secretariats of CARICOM, OECS, ASEAN, EAC, SADC, ECOWAS, PIFS, COMESA, ACP Group
International Organisations & Development Partners	WTO, ITC, UNCTAD, IMF, World Bank, Asian Development Bank, African Development Bank, Caribbean Development Bank, World Customs Organisations, TradeMark East Africa, Global Alliance for Trade Facilitation
Commonwealth Organisations	Commonwealth Secretariat, Commonwealth Enterprise and Investment Council, Commonwealth Foundation, Royal Commonwealth Society, Commonwealth Lawyers Association, Commonwealth Exchange, Association of Commonwealth Universities, Commonwealth Association of Tax Administrations, Commonwealth Business Council, Commonwealth Business Forum, Commonwealth Businesswomen's Network, Commonwealth Engineers Council, Commonwealth Fashion Council, Commonwealth Forestry Association, Commonwealth Location Government Forum, Commonwealth Telecommunications Organisation, Commonwealth Trade Union Group, Commonwealth Women's Network, Commonwealth Association (COMASSOC), Ramphal Institute, Royal Agricultural Society of the Commonwealth
Private Sector Organisations	World Economic Forum, East African Business Council, Borderless Alliance West Africa, FICCI, Caribbean Export, Export Council of Australia, PwC, Accenture, KPMG, Deloitte, GSK, Unilever, Chambers of Commerce, AECOM, Anglo American, BHP, Bechtel, Frontier Economics, CBI, Business Fights Poverty, Light Years IP, AgDevCo, InfraCo Africa
Civil Society Groups	Universities in Commonwealth countries, IDRC, ICTSD, Oxfam, CAFOD, Fair Trade, BasicNeeds, BUILD CIVICUS, Pacific Island Association of NGOs, Transparency International, International Trade Unions Council, Center for International Environmental Law, BOND, Africa Progress Panel, Plan UK, Tralac, TraidCraft, Trade Justice Movement, Mo Ibrahim Foundation, Engineers Without Borders, WWF