How Cambodia became ‘famous’ for its trade strategy

From hunting to harvesting: Zambia’s eco-friendly approach to beekeeping

Vanuatu: Tourism as a way to lift the pacific out of poverty
Voices for trade and development in Least Developed Countries (LDCs)

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Trade for Development News is a place to share EIF stories on the ground, across 47 Least Developed Countries (LDCs), 4 recently graduated countries and several themes and sectors. From op-eds to impact stories, videos to photo essays, this platform is a window into the far-reaching impact of the EIF.

Also designed with a strong focus on partner content in mind, Trade for Development News is intended to be a knowledge hub on all things trade for development and aid for trade. We invite you to share your stories with us, so we can disseminate them further to our readers.

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How Cambodia became ‘famous’ for its trade strategy

Michelle Kovacevic  |  January 16, 2018  |  Aid For Trade

The year is 2017 and Cambodia has stepped into a role that has been out of its reach for years — the voice of 47 Least Developed Countries (LDCs) at the Word Trade Organization. They’re the talk of the town — with a visionary trade policy and the trust and support of a group of donor partners that has helped them achieve an annual economic growth rate that many countries would dream about.

“Cambodia’s cross sectoral trade policy has been very famous in the LDC constituency. Many countries want to come to Cambodia to learn about it,” says Hang Tran, a senior coordinator at the Executive Secretariat for the Enhanced Integrated Framework (EIF), a programme that has supported Cambodia to not only handle its WTO commitments but also help build the country’s capacity to formulate and implement its trade policy.

To understand Cambodia’s remarkable trade journey, we need to go back to 2007, the year Cambodia ran its second Diagnostic Trade Integration Study (DTIS). Traditionally, these EIF studies are comprehensive macroeconomic portraits that identify constraints and opportunities to a country’s ability to export its goods and services to regional and international markets.

“Essentially you have a checklist that helps you diagnose the situation to determine a country’s strengths, weakness, threats and opportunities to trade,” says Tran.
This analytical work helps to identify priority actions to be taken by relevant stakeholders in the country. But, Cambodia did not follow this traditional approach, Tran says.

“The difference with Cambodia is that the DTIS led to a comprehensive National Trade Strategy aligned with the government’s vision for sustainable development. It focused on how to realise this vision using trade as engine for growth across sectors,” Tran says.

So, at the end of the 2007 Diagnostic Trade Integration Study, the government launched what was to become the backbone for an ambitious cross cutting trade strategy — the Trade Sector Wide Approach, or Trade SWAp.

**Taking an integrated approach to trade**

The Trade SWAp is based on three pillars:

- Reforms and cross-cutting issues for trade development (legal reforms, trade facilitation, technical barriers to trade, improving sanitary and phyto-sanitary regulation and practice);
- Product and service sector export development (sector-specific reforms, with a focus on the products identified in the DTIS 2007); and
- Capacity-building for trade development and for the management of trade development (building competencies, institutional functionality, and information and accountability systems).

The approach has allowed for, what seem to be, unrelated projects to contribute to a common development goal, says Kamrang Tekreth, Secretary of State at Cambodia’s Ministry of Commerce.

“Trade is a cross cutting issue. The Ministry of Commerce cannot do it alone. The Ministry of Industry and Handicrafts has been responsible for standardisation of the products. The Ministry of Agriculture, Forestry and Fishery is responsible for increasing supply production. The Ministry of Economics and Finance through the customs agency are working on trade facilitation and import/export,” says Tekreth, who has played a central role in developing the Trade SWAp.

During the implementation of projects, meetings organized in the framework of the Trade SWAp, namely monthly meetings...
of the SWAp Implementation Committee, quarterly meetings of the Sub-Steering Committee on Trade Development and Trade-Related Investment (SSC TDTRI) and regular SWAp Pillar Working Groups are all coordinated by Ministry of Commerce.

Accordingly, every four months the Ministry also organized an informal meeting on trade development update with in-country development partners. The purpose of the meeting was to update trade support activities from each Partner who was supporting trade development in Cambodia, says Tekreth.

The cross-sectoral approach has also made it easier to coordinate project resourcing, says Tran.

“Some partners prefer to support sectors which have high visibility. So the sectors with a low visibility but high importance for the country may be under-resourced,” she says.

“Through Trade SWAp and a multi-donor trust fund, the government was able to channel aid for trade resources in areas that the government might normally struggle to resource, such as institutional capacity-building. They managed to get the resources they needed across the board.”

Learning by doing

A key part of the EIF approach has been increasing institutional capacity, and again it was done in a unique way, says Tran.

“Instead of creating a project implementation unit with outside staff, the Ministry of Commerce created a permanent institution in the form of the Department of International Cooperation (DICO) as the main project implementing entity. They developed the project, they submit it to us and they lead the implementation of the project but can call on us for support,” Tran says.

“Five years down the road you can see the difference — they have confidence to manage projects and you can see they are doing well — they have started by managing US$1.5 million in projects and they are now managing a US$36.3 million loan. That is the indication of institutional capacity.”

“If you don’t enable people to learn by doing and to make mistakes, then they won’t grow.”

Tekreth has found this approach refreshing.

“Before the staff didn’t know much about HR, finance, monitoring and evaluation but by doing the project implementation and receiving specialised short- and long-term training, we feel very strong in our capacity,” she says.

“Even me, I learnt from all that ongoing technical and financial support.”

Mr Suon Prasith, Deputy Director General at the General Department of International
Trade in the Ministry of Commerce, confirmed: “Through the EIF, Cambodia implements aid for trade effectively and took ownership seriously.”

**Rice and silk**

A testament to a well-implemented set of programs, most of the 10 sectors that were identified for increased supply have performed very well over the past decade, Tekreth says.

The high value silk project, which has been supported by the EIF, has seen a 74% increase in export of Cambodian silk and exports reached five selected import markets: the EU, the USA, Japan, Australia and New Zealand. Over 160 new weavers have been employed and nearly 130 new silk product designs developed, showing Cambodia can not only compete not only on price but also on quality.

“The weavers, most of whom are women, tell us that they have doubled their monthly income. We are happy that this project can promote women’s economic empowerment, especially in rural areas, which is one of our main agendas,” Tekreth says.

Rice, the largest employment sector of the Cambodian economy, has experienced similar gains. Since 2011, Cambodian rice exports increased threefold. Cambodian rice now meets standard and hygiene requirements for export to most international markets.

“Cambodian rice received the World’s Best Rice Award three years in a row (from 2012 to 2014), and have never been outside the top three ever since. It is a testimony to standard of rice that we are producing,” Tekreth says.

**Ensuring sustainability**

With most of the sectoral projects and the Least Developed Countries group coordination role coming to a close at the end of 2017, Cambodia is now focusing on ensuring the strong institutions that have been built can sustain the gains achieved over the past decade.

Tekreth sees the committee developed at both a national level, and within sectors as integral to this.

“We have developed strategies to solve problems fast and work closely with the private sector. It has not been without challenges but we have overcome the challenges together,” she says.

With Cambodia’s next Diagnostic Trade Integration Study update set to occur in 2018, all eyes will be on where the country’s famous cross sectoral economic vision goes next.
Recognising that traditional honey harvesting damages the forest, Zambia’s rural communities are using modern beekeeping practices that value trees and produce better quality honey. This, and a number of other market measures, has seen Zambia’s honey exports grow by 700% — from EUR 163,000 to EUR 1,316,000 — over the past five years.

“The project has made significant impact on Zambia’s apiculture sector. Not only has it increased the productivity of the sector, it has reduced deforestation and encouraged more women into beekeeping,” says Griffin Nyirongo, EIF Project Manager at Zambia’s Ministry of Commerce, Trade and Industry, which has collaborated with SNV Zambia and the Enhanced Integrated Framework over the past four years to support the development of a sustainable and inclusive honey sector.

Zambia’s economy has grown annually by over 6% in the last few years due to the mining sector and the demand for copper, which is fuelled by the global electronics industry. In rural communities, particularly in northwestern Zambia where mining dominates and access to income is limited, small-scale beekeeping can contribute significantly to livelihood security.
Tree change

The traditional way of harvesting honey is less like farming and more like hunting, Nyirongo says.

“First you need to cut down trees to make beehives from the bark. You then climb the tree and place the beehive in a spot up high. When it is ready to harvest you have to disturb the honeycomb and you scoop everything out with your hands,” he says.

With EIF’s support, the Ministry of Commerce and the SNV Netherlands Development Organisation set out to train 5,000 beekeepers in modern apiary management but exceeded its target, reaching 6,580 beekeepers.

It was able to do that through a training-of-trainers approach with Zambia Forestry College.

“First 50 people were trained, they then each trained 10 people, and before you know it a we have 500 extension agents who were able to support farmers at a local level, which made all the difference,” Nyirongo says.

The beekeepers were given modern beekeeping equipment — hives, protective clothing, harvest and storage buckets and smokers — and trained in harvest and post-harvest techniques, apiary management and entrepreneurship skills. These practices were quickly adopted by beekeepers.

“With modern hives, it is easy to monitor hives for red ants and other predators.”
- Richard Kadimba, a beekeeper from Kabompo

“When I used traditional bark hives, they were warping and easily got destroyed. With modern hives, it is easy to monitor hives for red ants and other predators,” says Richard Kadimba, a beekeeper from Kabompo.

And by making communities aware of how trees are a source of food for bees, beekeepers now check the vegetation in the area and the availability of water for bees during apiary establishment.

“We now know that bees can be kept in bee-hives. Previously our understanding was that bees are only found in the forests, and honey was gathered through honey hunting,” says a beekeeper from Machiya, a village in the Copperbelt province named for its vast reserves of copper metal.

Modern hives are also easier to monitor, Nyirongo says, and produce higher quality honey resulting in better access to better markets and prices.

“We saw reduced losses because with the modern hives you can lift out the combs and see which are ready and take them out. As a result, handling honey is easier and more hygienic,” he says.

Training has also focused on assisting rural beekeepers to generate more products from the hives, like artisanal candles and honey wine.

“I know where to sell my honey. I no longer use it for making imbote [a local alcoholic beverage] which is less profitable,” says a member of Chisanga beekeeping group.

Buying bulk

Previously, beekeepers used to keep honey in whatever containers they would get and incur costs in transporting honey to long distances looking for the buyers.

“Honey processors had to travel vast areas to collect honey. They had to go to various farms where beekeepers are. Not only is this time consuming but it also left out beekeepers where motorized transport couldn’t access their farm,” Nyirongo says.

The construction of 18 bulking centres
has improved the storage of honey, reduced transaction costs and significantly contributed to the improved quality and subsequently access to markets. The processors are also able to get honey from one place directly from the producers rather than relying on traders.

Communities also made contributions in kind to the construction.

“This helped create a level of ownership and an interest to maintain the facilities,” Nyirongo says.

Through improved training and storage, farmers have improved quality of their product and improved access to markets and achieved higher prices.

Laston Mwape is one of more than 6,000 beekeepers connected to extension services who is now collaborating through bulking centers to facilitate access to higher value markets. His honey business has become very profitable — he is collecting up to twelve 20-liter buckets per harvest, which comes twice a year from June to August, and again from November to January.

“I bought cattle, built a house [and my] children go to school,” he says.

The quality of Mwape’s honey has also improved significantly since participating in the project. Processors say that honey bought from trained beekeepers is of superior quality when compared to untrained beekeepers.

Of the 2,653 beekeepers now directly attached to the bulking centre, at least 38% are women, exceeding the 30% target placed by the project.
Queen bee

Beekeeping in Zambia has traditionally been a predominantly male occupation. Male beekeepers have been reluctant to allow women into the sector based on both tradition and safety considerations.

“It was a general understanding that women’s participation in the bee products sector could only be enhanced through the use of acceptable modern hives, located close to their respective homes,” Nyirongo says.

The adoption of modern beekeeping technologies has created an environment where women are encouraged to participate in the sector. The project also deliberately targeted groups and entities that are led or owned by women participating in the sector. One of those groups was the Kabule Women’s Beekeeping group — a group of 20 members based in a town in the middle of Zambia called Kapiri Mposhi.

The group has received training and has been linked to Luano honey as the main buyer, which increased their production from 45 buckets of honey at the start of the program to more than 300 in 2015. They also managed to secure the sale of their entire bulk product.

“We hope to attract the entire community.”

- Dorothy Mambwe, a member of the Kabule Women’s Beekeeping group

“The majority of members, if not all, have husbands with no jobs and some are widows keeping orphans. This project has really uplifted their standard of living in all aspects... through the profits they get from the club they are able to pay for their children’s [tuition],” says Dorothy Mambwe, a member of the group.

“Our future plans are to go into extraction so we can produce soap, candle and other beeswax products. We hope to attract the entire community,” she says.
Vanuatu: Tourism as a way to lift the pacific out of poverty

Ratnakar Adhikari, Joe Natuman  I  November 11, 2017  I  Tourism

Originally published on Thomson Reuters Foundation News

The seafront of Port Vila, Vanuatu, bustles with activity. Traders – most of them women – call out to tourists wandering past, imploring them to take a look at a kaleidoscopic island dress or intricately woven basket.

These ‘market mamas,’ as they are colloquially referred to, are the backbone of a vital part of Vanuatu’s economy – its tourism industry. Tourism employs 55 percent of Vanuatu’s total labour force, represents 65 percent of Vanuatu’s GDP and is also helping communities build resilience to climate change.

Take Port Vila’s seafront, for example, which was destroyed by Tropical Cyclone Pam in March 2015. With the help of the New Zealand government and the Enhanced Integrated Framework, Vanuatu redeveloped the seafront into an attractive area for locals and visitors alike – building a stage for cultural performances, equipping the market mamas with power and internet, and reinforcing the seafront wall to enhance protection against erosion.

It is expected that the seafront redevelopment will contribute to a 36 percent increase in tourism arrivals this year, which means more local jobs not just for tourism operators but also for farmers, furniture makers, beauticians, artists and...
other professions directly or indirectly impacted by the tourism industry.

Vanuatu is not the only Pacific Island state for which tourism is vital for economic and social development. The World Travel & Tourism Council rates Oceania second to only the Caribbean in terms of tourism’s contribution to employment, GDP, domestic spending and visitor exports.

The Solomon Islands is another country that sees tourism as a powerful tool to decrease poverty in rural communities, and has introduced a number of successful measures in the past few years to enable an increase in participation, particularly of women and youth, in the sector.

Policy initiatives such as The National Tourism Development Strategy 2015-2019 have created a favourable environment for tourism to flourish, laying out a roadmap for a prosperous tourism industry in the medium- to long-term.

This has led to accessible educational opportunities in hospitality, travel and tourism which women have particularly have taken advantage of, making up over 70 percent of the 2016 enrolments at the Solomon Islands National University’s School of Tourism and Hospitality.

However, there are still many opportunities for the Pacific Islands states to take advantage of tourism for development, for which urgent priority actions are needed.

First, countries need sufficient transport capacities, including improving air and seaport services with increased frequency and reduced costs of travel from key tourist destinations.

Second, the region needs to develop and strengthen educational institutions to improve tourism-related skills in the workforce. This will allow more local jobseekers to benefit from the sector.

Third, for some countries high fees for tourist visa and other services, as well as rigid procedures on arrival may deter regular tourists. Easing visa requirements and simplifying customs and immigration procedures is crucial.

Finally, increased linkages between arriving tourists and local businesses need to be made to ensure inclusive growth from tourism. This could be through linking local farmers to hotels and restaurants through to government-to-government partnerships, as exemplified by the Vanuatu seafront development.

This conversation is coming at an important time. The United Nations has designated 2017 is the International Year of Sustainable Tourism for Development, which aims to support a change in policies, business practices and consumer behaviour towards a more sustainable tourism sector that can contribute to all of the 17 UN Sustainable Development Goals. Leaders across the Pacific have committed to the SDGs, with the Prime Minister of the Solomon Islands declaring the Goals as their “ultimate commitment.”
How is EIF supporting LDCs to unleash their trade potential?

Ratnakar Adhikari, James Edwin
Originally published in Bridges Africa, VOLUME 6 - NUMBER 8

Inadequate institutional and productive capacities constitute major impediments to the participation of least developed countries in global trade. How is the Enhanced Integrated Framework supporting them, particularly in Africa, in their efforts to overcome these barriers and benefit more from trade? ...

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Comorian vanilla and clove exporters secure financing with ITC help

Originally published at ITC News

Project strengthens value chains of vanilla, clove and ylang ylang in the Union of the Comoros

Three cooperative companies in the Comoros have obtained trade financing worth over $400,000 for vanilla and clove harvesting and export, thanks to a joint project by the International Trade Centre (ITC) and the United Nations Development Programme (UNDP). The loans demonstrate how modest amounts can make a significant difference to the ability of micro, small and medium-sized enterprises (MSMEs) to export competitively. The financing was secured through an Enhanced Integrated Framework (EIF) project seeking to connect the Comoros’ three main cash crops to global value chains. ...

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Benin cassava flour makers seek geographical indication

Originally published at UNCTAD News

Two dozen Beninese women making a unique type of garri flour sign up to a new code of practice to better market their product and boost incomes.

Garri, a type of flour made from cassava root, may be a staple in West Africa, but Gari Sohoui is special. That's because it can only be made from cassava grown in the central Collines département of Benin, and using only the artisanal methods unique to the area. ... <READ THE REST ONLINE>

Samoa takes important steps to becoming e-commerce ready

Originally published at UNCTAD News

The Samoa Rapid e-Trade Readiness Assessment, funded by the Enhanced Integrated Framework, was carried out following a regional workshop on e-commerce in June this year that UNCTAD and the World Trade Organization held with the Pacific Islands Forum Secretariat

Made up of eight islands sitting halfway between Hawaii and New Zealand, the country’s isolation fuels high import prices and creates challenges for Samoan entrepreneurs to access global markets and grow their businesses ... <READ THE REST ONLINE>
The Enhanced Integrated Framework brings together partners and resources to support the Least Developed Countries in using trade for poverty reduction, inclusive growth and sustainable development.

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