

Delivering Sustainable Support to Trade Policy Making: A practitioner's view in the case of Rwanda

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Key messages

Good trade policy development is dependent on capacity of system of actors, not just capacity of individuals.

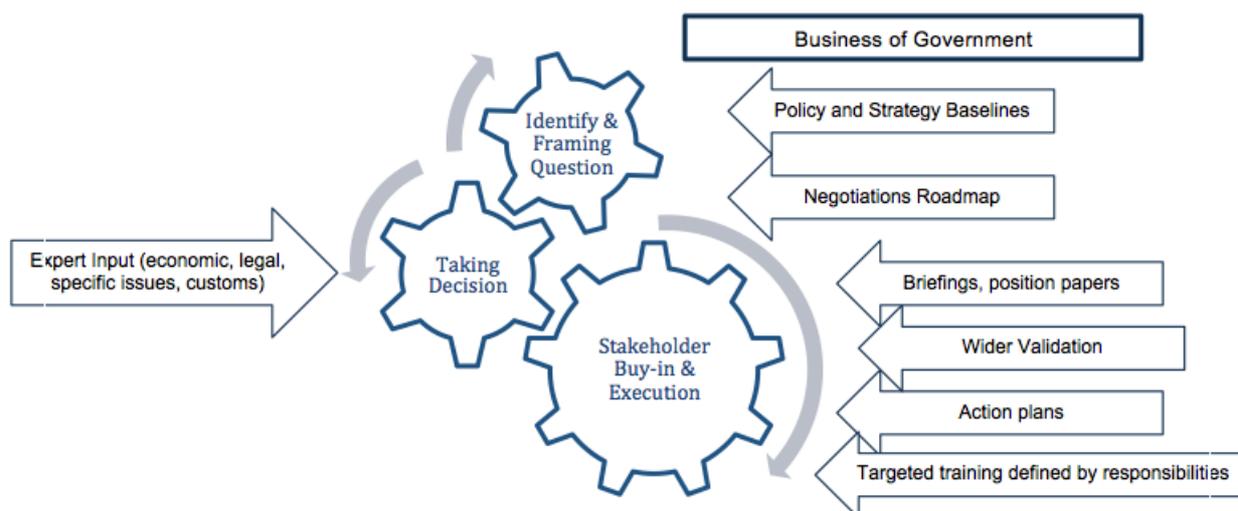
Effective trade policy capacity strengthening should be aligned with national development priorities and focus on decisions that have to be made.

Technical expertise used to develop templates for policy issues, agreed with ministry and approved by the minister - officials then trained on tasks related to the templates ensuring that officials do their jobs more effectively and efficiently.

This note outlines the approach taken by the Long Term Technical Assistance (LTTA) team of Trade Mark East Africa (TMEA), implemented by Imani Development, within the Rwandan Ministry of Trade and Industry (MINICOM) to providing capacity building and technical assistance. The approach is built around an understanding that the Ministry of Trade, and specifically, the external trade department, is just one player in a broader network of actors required to develop evidence-based trade policy. A system geared toward good trade policy development includes technical leadership of the process, the ability to harness expertise and inputs from a range of stakeholders, and the ability to get to agreement at political level. The LTTA has therefore focused on strengthening the system rather than focusing on a single department or on individuals.

Three areas have been prioritised for support: (i) the ability of concerned stakeholders to correctly identify, prioritise and frame the questions that need answering; (ii) the capacity of MINICOM to recognise what analysis is required (economic, legal, political) to make decisions and identify who is best placed to undertake that research; (iii) supporting constructive engagement with a network of stakeholders who have the capacity to understand the issues and play their part in implementing the decision.

¹ The authors are grateful for feedback and inputs received from San Bilal, ECDPM, on this publication. Any opinions and errors remain those of the authors.

Figure 1: System for delivering evidence-based trade policy

Capacity Development - System Smart as Important as People Smart

So much of capacity building in support of trade policy has focused on building the knowledge and skills of individuals. Training is delivered through a variety of forums including: mentoring, national and international workshops, traineeships, online training courses and resident masters degrees, often at great time and cost to both those funding the training and the individuals and institutions receiving the training. Most of the training we are aware of and have been involved in has been geared toward developing “trade experts” within government.

Yet this has rarely built a sustainable capacity for effective trade policy making at the national level. This is in part because, in many cases, the best trained individuals leave government to pursue careers with development partners or as expert consultants. More importantly, however, capacity development often fails to empower the systems and networks in which government technicians work in and rely on to deliver results. The network of key players includes a range of government ministries and agencies, the private sector, development partners and other non-state actors. These networks are frequently organised into sector working groups with regular meetings. The information disseminated at meetings is often highly technical, is not linked to a specific decision that has to be made, and has limited application to participants’ actual day-to-day jobs. This results in wavering network interest in participation overtime and increases the difficulty for those working within trade related departments to produce evidence-based policy.

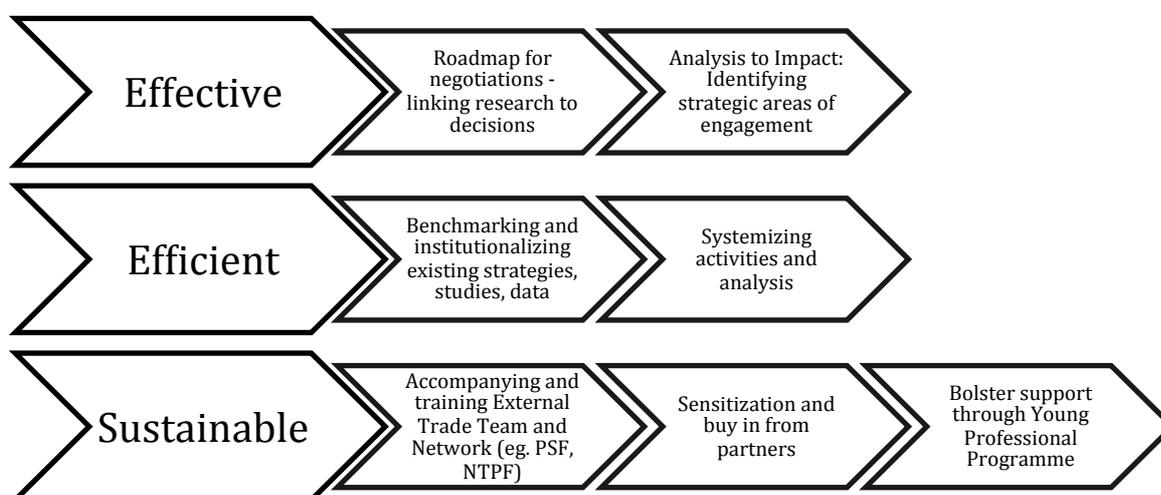
In response to this challenge, capacity building programmes resort to more and wider training at the individual level, with the aim of creating ‘trade lawyers’ and ‘trade economists’. Clearly, having more technically capable stakeholders is welcome. Yet this is far from efficient and it ignores the reality of trade policy making in other countries, including the donors that are providing this training. Our experience within the British Government and Directorate General for Trade of the European Commission is that policy development is not the responsibility of trade lawyers and economists (at least not in the roles of lawyers or economists) – rather it is a process managed by high quality bureaucrats that are able to draw on the inputs of economists and lawyers.

In providing capacity building to MINICOM we have looked at the “business of government”, as presented in Figure 1 above, from a perspective of both the capability of the system as well as the individuals in the external trade department to create and implement evidence-based policy. At the outset of TMEA’s/Imani Development’s long-term support to MINICOM, a quick capacity audit revealed that while the staff were highly knowledgeable in the particular areas they worked in, the department as a whole still struggled to

consistently deliver evidence-based, validated policy. Furthermore, there were, and are still, significant challenges in the operations of the trade policy network necessary for efficient policy development. Challenges include precisely defining what decisions are to be made, when they are to be made, what evidence needs to be provided to make the decisions that would best represent the interest of Rwanda, and a lack of understanding amongst stakeholders as to their respective roles. Meetings amongst stakeholders often focused on either generic training or presentations that were of limited relevance to participants and had no clear application for their day-to-day work.

In response to this challenge, technical support should rather be structured around developing a smarter system with the capacity to deliver effective, evidence-based policy in an efficient and sustainable manner (see Figure 2). To achieve this, TMEA /Imani Development support has focused not only on the capacity of policy makers within MINICOM's External Trade Department but also on strengthening the capacity of the system for trade policy development. This included (i) analysing the capacity of the broader network of stakeholders who are responsible for contributing to trade policy and clearly defining their respective roles, and (ii) developing systems for key and repeated areas of analysis, including briefings (see Box 1).

Figure 2: System smart – effective, efficient and sustainable



Effective

Effective trade policy should be aligned with, and prioritised according to national development priorities. To achieve this, a comprehensive roadmap for negotiations (negotiation timetable) is first drawn up. Upcoming negotiations are initially prioritised according to their relevance to national priorities and their anticipated level of impact. This roadmap is shared with stakeholders and includes their expected deliverables. This allows for advanced planning and preparation. Meetings among stakeholders are always linked to specific decisions that have to be made and are not called arbitrarily. TMEA is working toward the objective of demonstrating the use of this approach and embedding it as standard management practice within the appropriate departments in the Ministry. However, there is still some way to go to making this work.

An efficient system also appoints the most appropriate expertise within the system to undertake technical analysis. Dialogue with the private sector should be led through the key private sector representative organisations, in the case of Rwanda this includes the Private Sector Federation; revenue implications should be assessed by the Revenue Authority; issues related to product standards should be dealt with through the Bureau of Standards etc. In some cases capacity building is required, in other cases the stakeholders are more than capable of leading the process. From time to time, external experts will need to be brought in to undertake specific work (see Box 1).

Box 1: The Benefit of Outside Technical Assistance

Even the strongest systems require external technical assistance. Short-term technical assistance is important where specialised studies are required for distinct pieces of research, such as the development of strategy and policy papers, or undertaking detailed impact assessments. These studies are required periodically and it is very costly to carry the skills necessary for undertaking this work within a Ministry. Technical assistance can therefore be brought in to boost the system in the short run.

There are also benefits to long-term technical assistants to build the capacity of a system. Additionally there are efficiency gains from long-term technical assistants who have developed core pieces of policy or strategy as they can amplify their original work to rapidly and effectively design “spin off” projects. In the case of TMEA long-term support to MINICOM, this has been achieved on numerous occasions, for example with a Cross-Border Trade Strategy. The strategy was developed side by side with MINICOM and other stakeholders over a six-month period. Since then the technical assistants have helped to develop several follow-on projects to support its implementation, including detailed strategy action plans, a programme for access to finance for small traders, and a programme for development of Cross-Border Trade market infrastructure at the borders. This amplifier effect has resulted in over US\$3 million in new projects.

Efficient

An **efficient** system (i) standardises and strengthens the process for regular and key deliverables, and (ii) leverages existing research, avoids duplication of activities and uses the most appropriate individuals in the network to conduct analysis.

Part of our approach to capacity building for efficiency has been very simple. We have worked with our counterparts in MINCOM to identify key and regular deliverables that the external trade department is responsible for and required by the Minister and Cabinet. We have then developed, with officials, “templates” for standardisation and speeding up the business of government. Examples of the templates developed include the Quarterly Trade Reports for the Industrial Development and Economic Council (IDEC) that bring together Ministers from Trade and Industry, Finance, Agriculture, Education, Infrastructure, amongst others, as well as the Governor of the Central Bank on issues that cut across Ministries. Another example is the template for Ministerial country visits, where we have developed the key issues to address, key analysis required and main sources that officials can access. Crucially this allows us to train to task (see Box 2).

Box 2: Training to task

The templates that we have developed embody technical expertise and are focused on key tasks for the department. We make our training specific to the issues set out in the templates. Officials are immediately able to contextualise the use of the tools they are being trained in, and have a clear incentive to develop skills that will make their day-to-day work quicker and easier. Through this approach, a 50% reduction in the amount of time required to produce certain reports has already been achieved within the external trade department.²

The development of the templates has also involved providing summary benchmarking documents to ensure that analysts have ready access to key policies, strategies and studies. This avoids starting from scratch at the outset of each. A key challenge here is to ensure that there is a system in place to update these documents – this has yet to be achieved.

There is a wealth of information in existing strategies, policies and nationally validated studies. High quality studies are too often left on the shelf and largely forgotten by all except the consultant who undertook the work. The reason for this is, in part, because the studies are not readily accessible. Knowledge sharing platforms are often created but are more appropriately defined as a reference “library”. However, knowledge management is much more than a collection of studies and the challenge is to create tools that will lead to knowledge sharing.

Our approach had been to distil previous studies and strategies in new areas of work. Older, but still relevant, research is distilled in terms of information, direction and analysis, making it easy for the officials to see what these studies and strategies provide. In our experience to date, it has been important to frame

² Trade Performance reports are now produced within 7-8 working days, down from approximately 15 working days when the reports were first introduced.

previous work in the context of the key policy questions that officials have to answer in the course of their on-going work.

For example, we have reviewed available strategies and studies relating to exporting goods from Rwanda, and made the review a handbook for the use of officials dealing with several areas of work, including; (1) trade negotiations (what products should be the priority on the basis of government strategy and on the basis of studies); (2) working on private sector development (which sectors should be considered from the perspective of trade) and; (3) investment and trade promotion (what are the latest studies saying? Where are the knowledge gaps?). We are currently undertaking the same review for trade in services.

Our next step is to ensure that the process of update and review is owned and implemented by the Ministry, and widely disseminated. This helps ensure that the process remains valid and contributes to much greater efficiency in the use of current studies and ensuring future studies contribute to knowledge development rather than duplicate what is already available. Getting this process established and embedded is an important task in the coming months.

Sustainability

Sustainability ensures that, once the technical assistance is removed, the system continues to function effectively. It is a key challenge and one that capacity building in trade policy seems to only rarely meet. We have attempted to build sustainability into our entire approach.

Developing templates for key tasks and training on the tools used to complete and update them aims to ensure that the department will still be able to provide its key deliverables more efficiently, without outside assistance. In addition, creating an evolving benchmark of policies, strategies and studies undertaken in trade policy will help to ensure institutional memory and that what has been done will be used. Sustainability within the External Trade Department has been bolstered through the introduction of a two year Young Professional Programme. Two local, junior economists have been employed by TMEA to work directly under TMEA's/Imani Development's senior technical support team with the aim of transitioning them into full time Ministry positions at the end of their post.

Importantly, our approach to sustainability rests upon the assumption that the External Trade Department does not require the capacity to develop all aspects of a particular policy, but rather requires the capacity to leverage capacity across a network of Ministries, National Agencies and Non-State Actors. This reduces the risk associated with relying on a few high capacity individuals within a single department. It also reduces the risk by allowing the decision making process to harness resources in other departments with higher salary premiums where staff turnover is lower.

Conclusion

The focus of capacity building in the Ministry of Commerce must be around building and strengthening the system required to deliver trade policy, drawing on both short-term and long-term technical assistance. The benefit of this approach is that it does not rest upon the capacity of a few individuals, but rather leverages capacity and knowledge across a number of institutions. This minimises the risks associated with high levels of staff turnover, particularly amongst more senior staff.

In the case of Rwanda, embryonic systems have also been introduced in the form of templates, benchmarks and roadmaps. This allows for greater efficiency and reduces the technical expertise required for the production of key deliverables. The use of roadmaps helps make specific the questions at hand, and helps clarify roles and responsibilities in the decision making process. This approach has an important advantage of allowing training to task, rather than generic sensitisation work. It also enhances institutional memory. Sustainability has involved the development of systems, but also through the Young Professional Programme we aim to ensure that once TMEA withdraws its long-term support to MINCOM, there are individuals in place to offset the reduction in capacity.

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