

AID-FOR-TRADE CASE STORY

Sudan: The SENIS Project

The Sudan EPA Negotiations and Implementation Support (SENIS) Project

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EXECUTIVE SUMMARY

This paper presents the Sudan EPA Negotiation and Implementation Support (SENIS) project executed by the Ministry of Foreign Trade with technical assistance through one long-term and numerous short term experts for policy advice, priority studies, and training of ministry staff and stakeholders. The paper presents the design of the project, its implementation and then discusses problems and success vs. failure factors, before concluding with lessons learned.

Abbreviations

EPA	Economic Partnership Agreement
ESA	Eastern and Southern Africa
LTTA	Long-Term Technical Advisor
MoFT	Ministry of Foreign Trade
NDTPF	National Development and Trade Policy Forum
SENIS	Sudan EPA Negotiation and Implementation Support
SPS	Sanitary and Phytosanitary measures
STE	Short Term Expert
TA	technical assistance
TBT	Technical Barriers to Trade

ISSUES ADDRESSED

This case story presents an ongoing technical assistance project – the Sudan EPA Negotiations and Implementation Support (SENIS) Project - that started in 2008 and is currently at its last stage (to end in January 2011). After presenting the design and its implementation, the paper discusses the problems encountered and the balance of success and failure. The paper will conclude by drawing some lessons that can be learnt.

OBJECTIVES PURSUED

Sudan is currently, as part of Eastern and Southern Africa (ESA), engaged in negotiations with the European Union for an Economic Partnership Agreement (EPA). If agreed, the EPA would establish a Free Trade Area (FTA) between the 27 member countries of the European Union and the ESA group that has 11 members: Comoros, Djibouti, Eritrea, Ethiopia, Madagascar, Malawi, Mauritius, Seychelles, Sudan, Zambia and Zimbabwe. Although negotiations started in 2003, they are still not concluded and it is currently unclear if an EPA will be concluded at all, as a number of contentious issues between the EU and the ESA group remain unresolved.

This project with a value of €1.8 million aims to contribute to the establishment of an EPA that maximises Sudan's benefits thereby furthering economic development and poverty alleviation. Project purpose is to strengthen national machinery responsible for negotiations of EPA and its implementation and monitoring post-2008.

The project is financed by the European Union, supervised by the Ministry of International Cooperation and directly executed by the MoFT. Technical assistance is provided by a Long-Term Technical Advisor (LTTA) who is leading a team of short term experts (STE), national and international, who provide research studies and/or training. The Moft allocated a director to whom the LTTA is counterpart and a team of four middle level trade officials full-time to the project.

The 4 objectives of the projects are:

1. Capacity building and training for effective EPA participation
2. Stakeholder sensitisation and awareness raising
3. Enhancing profile of trade policy issues in Sudan
4. Coordination and monitoring EPA implementation

DESIGN AND IMPLEMENTATION

The following summarises what was planned and implemented, grouped by project objective. Obviously these are highly interrelated and overlapping. Most of the activities can be grouped under the first heading: Capacity building and training for effective EPA participation.

The project aims to transfer requisite knowledge and skills to the Ministry of Foreign Trade (MoFT), other government institutions, the private sector and other non-state actors. Capacity is built through regular training sessions at the MoFT, specialised courses for staff and the involvement of staff in executing all research and training activities. Sustainability is to be attained by training of trainers.

The project is also supporting the National Development and Trade Policy Forum (NDTPF), a stakeholder forum. Its members include the ministries of agriculture, industry, and other trade related ministries and public agencies, the private sector and the consumer organizations. In addition to briefings given to the NDTPF before and after negotiation rounds, the NDTPF is supported through short term experts in developing draft trade in goods and trade in services offers for the EPA negotiations as well as preparations of a list of sensitive goods and a national development matrix.

Research focused on export diversification, trade in services (awareness training and preparation of a trade in services offer), the import and export environment (needs assessment and technical assistance identification on Technical Barriers to Trade [TBT] and Sanitary and Phytosanitary [SPS] measures), and trade facilitation. Further, a trade data base was established that allows impact assessments of the EPA. A review of Sudan's institutional framework of trade policy implementation was carried out and on this basis an integrated trade policy was formulated. A legal expert team reviewed five new trade laws and advised on its

implementation. As a second step, the regulatory and institutional framework for the implementation of Sudan's competition law was formulated.

All of the research projects provide training both through an involvement of a SENIS team member and through provision of training concerning the research methodology of the studies as well as their results. The MoFT staff also built their capacity by participating both as students and as trainers in the seminar series provided by the LTTA. In addition, a number of tailored training courses were provided by national training institutes and experts, complemented by international STE. Topics included English language, trade data analysis, trade negotiation and trade policy making.

The LTTA provided support to Sudan's trade negotiators through negotiation briefs and ad-hoc advice before, during and after trade negotiations.

The second project objective concerns stakeholder sensitisation and awareness raising. The project sensitised the public sector on the importance of trade and trade policy in general and the EPA negotiations in particular. It further raises national awareness of the private sector and other non state actors. The project is institutionalising public consultation processes. It has established a website (<http://sudan-moft-senis.org/en/>), undertakes public seminars in the capital and in various regions, publish press releases and interacts with the press through interviews briefing meetings and seminars to raise the levels of economic and trade literacy.

The third project objective aims to enhance the profile of trade policy issues in Sudan. Currently trade policy does not have a prominent place in Sudan's policy setting. The project aims to enhance the understanding of linkages between trade, the economy, and poverty reduction. It strives to contribute to national consensus building, and specifically mainstreaming of trade strategies in Sudan's overall economic policy strategies and policy making. The project is designed to build capacity for the formulation and implementation of pro-poor trade policies.

The last project objective concerns coordination and monitoring EPA implementation. If and when an EPA has been signed, there is a need to implement a variety of measures in different policy fields and institutions. Further, it will be essential to continuously monitor and evaluate the agreement, once it is signed. The project was also meant to assist the MoFT to design and operationalise mechanisms for monitoring and coordinating implementation of EPA. Because of the unforeseen delays in the negotiations and the uncertainty if an agreement will be reached at all, not much could be done here. However, concept notes were developed how to go about implementation and monitoring of an EPA.

PROBLEMS ENCOUNTERED

One obvious constraint to project implementation has been time inconsistency between the EPA negotiations and the technical assistance (TA) provision. While the EPA negotiations started in 2003, the TA only started in August 2007 with a 6 month start-up project meant to prepare the fully fledged TA project that only started in May 2008. The budget for local activities was only released in September. As a result, Sudan could not play a strong role in the first phase of negotiations. Even more significantly, the TA is likely to end before the decisive final phase of negotiations will happen.

But the more substantial constraint of the MoFT is its general level of overall training and capacity. The MoFT has not received systematic technical assistance since more than 10 years, except for occasional opportunities for staff to participate in training or at conferences. The second constraining factor is the declining role and importance of the MoFT in the overall policy making process. While it played a key regulatory role in the 1960s-1980s, when Sudan pursued a strategy of import substitution, its role declined in the process of liberalisation and market opening.

In terms of capacity, the result has been severe. To start with, the abilities in English language have decayed. Other basic elements for the capacity to effectively participate in trade negotiations, EPA or otherwise, are also very deficient, including data analysis, trade policy formulation and trade negotiation. As a result, the project directed major efforts to basic training and capacity building, limiting specific attention to EPA negotiations.

Another problem encountered was competition for time. Wisely, the MoFT decided to allocate its best staff

to the project, so as to maximise benefits. However, exactly this staff is at the same time in high demand for other concurring tasks.

Last not least, in the peace and reconstruction phase of Sudan, starting in 2005, little emphasis and attention is given to trade policy, also by Sudan's international supporting partners. This is unfortunate because in this phase the widespread creation of employment and incomes throughout the country would be vital, and for this process the strengthening of Sudan's capacity to engage in international trade is indispensable. While SENIS has been able

FACTORS FOR SUCCESS / FAILURE

The key success factor of the project is its firm integration into the MoFT and its focus on capacity building. That means working of the experts, long or short term, with and through the staff, rather than providing a separate product.

The work of the LTTA started with a training needs assessment at the MoFT as well as the NDTPF. On this basis, the work programme for year one was designed. For the second year, the programme was formulated on the basis of lessons from year one and an updated needs assessment. Further, the Director of the project and the LTTA liaise very closely to ensure that the project activities are implemented in an inclusive way.

During the process of implementation, it has also been possible to create and strengthen a network of middle and senior level technical staff and policy makers which is a good basis for a continuing basis for strengthening Sudan's trade policy making capacity.

RESULTS ACHIEVED

The project can only be part of a process of capacity building. In terms of capacity building, it remains to be seen what will be left behind once the expert team is left. The project has established a basis for more active participation in trade policy negotiations, but the MoFT will need to mobilise funds and policy attention to continue this process. Three libraries with key texts on trade policy and trade negotiations as well as the EPA process as well as a website have been established. Eleven priority studies have been executed with a multitude of recommendations. Overall recommendations have also been provided by the LTTA concerning implementation and institutional reform at the MoFT.

Staff of the MoFT and NDTPF have been trained and enabled to participate in the negotiation process. It is now up to the MoFT to continue and make increasingly use of this newly created and strengthened capacity.

LESSONS LEARNED

The initial analysis of the LTTA in May 2008 indicated very broad and basic needs of the MoFT and its professional staff, both in terms of training and institutional capacity building. The need for overall, comprehensive and broad capacity building – as in other ministries – is apparent. The ministry is not only in dire need of building rehabilitation and new equipment; it also needs a reform of institutional structure, including clarification and simplification of functions of divisions, coordination between them and a move towards systematic transparency, as well as individual job descriptions. The level of demand from all divisions for a basic assistance in training and hardware support is very high.

The support given to the NDTPF has managed to revitalise this important stakeholder forum. In particular the consumers have taken this opportunity. Also the press is more active in reporting on trade issues. But as importantly, SENIS has shown that more support will be needed to enable the private sector and the consumers to play an active role in formulating Sudan's trade policy and in its trade negotiations. Also the press will need to be further trained to strengthen their skills in economic and trade literacy. Last not least, it will be important to continue and deepen the communication and coordination between the federal and the regional (Southern Sudan) trade ministries, as both have authorities for trade policy making.

CONCLUSIONS

With its duration of 30 months, the international technical assistance has been along term project. The Ministry has now a basis of computers, printers and copy machines, electricity generator, wireless internet connection, accumulated knowledge and established processes that will allow it to continue engaging in an informed and active way in the EPA process, and in other trade negotiations. Nevertheless, it remains a specific and time-limited external intervention. Its longer term success and impact (maximal benefits of an EPA for Sudan and in a wider sense Sudan's international trade integration) will depend on numerous factors external to the project (Sudan's political and economic relationships to the EU, the US, China, the Middle East and others). As importantly and crucially it will also depend on the active leadership of the MoFT in order to continue playing an active role in trade negotiations and developing further its skills and competences.