

EU-Nepal Trade-Related Assistance: Facilitating Increased Trade and Participation in Coffee and Pashmina Value Chains Project

Building capacities in trade policies and negotiations

Trade Facilitation and Policy for Business (TFPB)



Background

The Covid-19 pandemic is expected to lead to major structural changes in the global economy with a shift in international trade patterns across the world. Many countries are expected to revive production of certain goods deemed essential to reduce dependence on foreign suppliers. Similarly, global value chains are also expected to restructure with the aim of reviving domestic production and/or diversifying suppliers and reducing risks.

Trade policy is expected to play a key role in the revival of any economy to adjust to the new global realities of the post-pandemic world. These include adjusting to demand shocks (e.g. increase in demand of agricultural products and decrease in some manufacturing such as textile and garments), addressing supply-side constraints such as access to inputs and labour, and handling changes in the dynamics in trade rules, transport and logistics. In Nepal, the negotiation and formulation of the post-Covid-19 trade policies will also coincide with the country's least developed country (LDC) graduation.

The capacity of the Ministry of Industry, Commerce and Supplies (MoICS) officers in Nepal in formulating, negotiating and implementing trade agreements and policies will be extremely important to ensure that the country overcomes and challenges and takes advantages of the opportunities presented by the structural changes to the global economy. This can only be achieved through enhanced understanding of international trade topics, laws and opportunities; improved coordination between various government agencies involved in international trade; and through active involvement and participation of the private sector.

ITC Approach

Through its trade policy initiatives under Output 1.1 of the project, the International Trade Centre (ITC) will seek to address capacity constraints highlighted in the NTIS 2016 and the Capacity Development Strategy 2017 – 2020 (CDS) of the MoICS. This will be done by the implementation of selected recommendations of the CDS across all pillars (strategic/institutional, organizational, individual and implementation), selected and prioritized with the stakeholders. At the individual capacity development level, a complete training curriculum will be developed covering international trade laws, regulations and procedures in great depth and will be offered to MoICS officers and the World Trade Organization (WTO) focal points in other ministries. Mechanisms to ensure knowledge-sharing and on-the-job training and coaching will be put in place to provide advisory services and address issues on demand during negotiating trade agreements and formulating trade policies.

Additionally, the project will also seek to strengthen public-private dialogue mechanisms to enhance inter-agency coordination and to include the private sector in development of trade policies and in negotiating trade agreements. Advisory services will also be provided to analyze Nepal's trade and industrial policies to not only align their objectives for each other but also to update them with the post-Covid19 economic situation.

Results

The following results can be expected after completion of the activities:

- Strengthened capacity of MoICS officers and WTO focal points on negotiating trade agreements and formulating trade policies including for gender issues
- Enhanced knowledge-sharing mechanisms to retain the training material and provide on-the-job training and coaching
- Improved inter-agency coordination on analysing, formulating and aligning policies and addressing trade issues;
- Strengthened public-private dialogue mechanisms to address trade issues through evidence-based research papers, policy notes;
- Enhanced advocacy capacity of private sector to form common positions and participate in public-private dialogue mechanisms.

OBJECTIVES:	Output 1.1: enhance capacities of MoICS in formulating trade policies, including gender sensitive trade policies, trade negotiations focusing on bilateral, regional and multilateral trade
TIME-FRAME:	3 years
KEY ELEMENTS OF THE NEPAL TIP TRADE POLICY COMPONENT:	<ol style="list-style-type: none"> 1. Analyse capacities and needs of MoICS and other relevant policy makers to formulate trade policies and negotiate trade agreements; 2. Design training and coaching programmes for capacity building of policy makers in line with the objectives and pillars of the National Capacity Building Strategy; 3. Conduct training and/or personalized coaching to policy makers to identify problems and take informed decisions on analysing trade issues, formulating trade policies and/or negotiating trade agreements; 4. Provide advisory services to align Nepal's trade and industrial (and possibly other) policies' objectives to address challenges and take advantage of post Covid-19 global economy; 5. Strengthen public private dialogue to enhance interagency coordination, build positions in trade negotiations and policies and capture perspectives of private sector
COUNTRY FOCAL POINT:	Ministry of Industry, Commerce and Supplies (MoICS), Multilateral Trade and Trade Aid Division.
COVERED ACTIVITIES	2.1 & 2.2.

ITC focal points

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