



Terms of Reference

Formulation of Cook Islands Trade Policy Framework

Summary of Project

This project will assist the Government of Cook Islands to formulate a comprehensive Trade Policy Framework (TPF) that will assist the country to promote and facilitate increased exports and strengthen the country as an effective partner in a globalised trading environment. The Trade Policy Framework will comprise a concise Trade Policy Statement and an Implementation Matrix. A Trade Policy Statement will summarise the key findings and trade policy recommendations. It will also provide strategic vision and direction on how to assist the private sector to enhance their productive capacity and develop competitiveness in the production of niche goods and services that can be traded domestically, regionally and globally and enable Cook Islands to benefit from the global supply chain. The Trade Policy Statement will play a vital role in articulating Cook Islands key trade interests and ensuring these interests are reflected in trade agreements and domestic processes. It will also contribute to strengthening the capacity of Cook Islands to participate effectively in, and benefit from bilateral, regional and international trade. The Trade Policy Statement will be a practical document that provides stakeholders with key information on the domestic and international trading environment, including key ignition points and stops. It will, in a sensible way, promote, strengthen and support trade aspirations, taking into account the Cook Islands National Sustainable Development Plan 2011-2015 (“Te Kaveinga Nui”). Most importantly, the Trade Policy Statement and an Implementation Matrix will be key documents that will be used to secure Aid for Trade (AfT), which is required to implement and develop the Trade Policy and assist Cook Islands to fully exploit the opportunities offered by trade agreements and development partners.

A short Trade Policy Statement of 5-10 pages will be prepared to reflect the vision, key trade policy recommendations, key inputs and outputs of the Trade Policy for general awareness, acknowledgement and providing strategic guidance. An Implementation Matrix will be the key practical document that will be used to assist Cook Islands to implement the Trade Policy Framework.

Relevance of the Project

2. Cook Islands does not have a concise Trade Policy Framework to govern and guide the nation on domestic and international trade. For the most part, it has been progressing on an ad

hoc basis with mixed results, in particular, uncertainty from the private sector over existing trade rules and regulations. Despite this, the Cook Islands Government has sent positive signals to the international community of its openness with its progress in Customs modernisation and the implementation of HS 2012 and furthermore, full tariff liberalisation except only on a few sin products. There is a need to clearly articulate the national development interests of Cook Islands so that its trade and development priorities are clearly promoted and addressed in a coordinated manner with relevant Government Ministries, foreign governments and international organisations, including non-state actors.

3. The existing rules and regulations should facilitate trade. Unfortunately, co-ordination amongst the private sector, public service and non state actors is disjointed and this has hindered the development of trade and its contribution to economic growth and sustainable development. A Trade Policy Framework will assist in building the capacity of the Government to formulate, negotiate and implement trade policies with the objective of identifying the supply-side constraints or the key binding constraints that are inhibiting trade and recommending pragmatic solutions on how these constraints can be addressed taking into account Cook Islands level of development and absorption capacity.

Detailed description of the Project

Objectives

4. The broader objectives of the project is to develop a sound, practical Trade Policy Framework which consists of a concise Trade Policy Statement and an Implementation Matrix that will drive Cook Islands trade development and assist with the implementation of supportive domestic policies to enhance and facilitate trade and guide the nation in trade negotiations.

Outputs-short Term

5. The Consultant(s) is required to produce a report outlining the current situation in Cook Islands with recommendations to the Government on the following:

- a Trade Policy Framework for Cook Islands that takes into account Cook Islands current and future trade interests, consistent with Cook Islands National Sustainable Development Plan to reflect both domestic and external trade and is also in line with existing regional and international trade agreements;
- a Trade Policy Statement that provides strategic vision and direction on how to assist the private sector to enhance their productive capacity and develop competitiveness in the production of niche goods and services that can be traded domestically, regionally and globally and enable Cook Islands to benefit from the global supply chain. It should also provide practical guidance and direction to Government officials and stakeholders of the relevant trade rules and regulations,

developments and restrictions that are easily understood and where appropriate, referenced for additional guidance and depth.

- the reforms required for other trade-related policies and laws to support this policy; and
- an implementation plan for the policy and related reforms on a framework for the interim National Trade Facilitation Committee (NTFC) to drive and coordinate trade policy formulation, implementation, monitoring and review, and briefing and explanatory notes on the proposed Trade Policy Framework to facilitate submission to Cabinet.
- An implementation matrix that provides practical guidance on how to implement the Trade Policy Framework that essentially identifies lead agencies, timeframes involved, potential sources of funding from donor agencies/development partners, including outputs and outcomes that are measurable.

Outputs-long Term

6. The Trade Policy is expected to deliver the following outputs:
 - To put in place and strengthen the interim NTFC involving representatives from key Government ministries, the private sector and non-governmental organisations to drive and coordinate all the activities relating to the trade policy formulation and implementation;
 - To support Cook Islands effort to create an environment which is conducive for trade, investment and private sector development, to enable the business community to produce goods and services that can be exported competitively;
 - To mainstream trade into the National Sustainable Development Plan and use the Trade Policy to secure Aid for Trade (AfT) resources from Cook Island's trade and development partners; and
 - To assist Cook Islands to address production and supply-side constraints that are hindering trade in a holistic manner.

Specific Tasks

7. In developing the Trade Policy Framework, the consultant will undertake the following activities:

- (i) Consult all the key stakeholders in the government, private sector and other non-state actors in Cook Islands as well as outside Cook Islands on its current and future trade interests and policies. At least 3 visits and/or presentations to Cook Islands and the Forum Secretariat are anticipated. The first visit should focus on undertaking preliminary consultations in plenary and on one-on-one basis to brainstorm and identify the key elements of a Trade Policy Framework and to gather the relevant data. The second visit should be to present the first draft Trade Policy Framework, Trade Policy Statement and the Implementation Matrix to the stakeholders and to get feedback. The draft Trade Policy Framework documents should be circulated to all the stakeholders at least 1 month in advance of the visit. The third visit will be to present the final draft Trade Policy Framework documents to the relevant stakeholders including the Forum Secretariat, Cabinet or Parliament;
- (ii) Examine the legal framework for trade in Cook Islands and provide necessary recommendations. This will include an assessment of Cook Islands trade-related policies, laws, regulations and practices;
- (iii) Examine the macro-economic environment in which the Trade Policy is being formulated. This will include an update/summary on:
 - the socio-economic setting;
 - the national development plan, which sets the broader context in which the trade policy is being formulated;
 - the external factors affecting economic growth and trade;
 - the contribution of trade to GDP and employment; and
 - the impact of the tax system on trade including the contribution of import duties to total revenue and GDP.
- (iv) Examine the trade policy and domestic trade by sector including agriculture, fisheries, tourism and banking and financial services amongst other sectors. This will include an assessment of major challenges and supply-side constraints and all trade-related factors hindering production of competitive goods and services in these sectors;
- (v) An assessment of Cook Islands participation in international trade (goods and services). This will include:
 - Cook Islands balance of trade, major import and export products, major import and export markets over the past 10 years;
 - Cook Islands export performance over the past 10 years and the key challenges affecting exports as well as measures that can be taken to assist Cook Islands to produce goods and services that can be exported competitively on the regional or global market;
 - Diversification of Cook Islands export products and export markets;

- Cook Islands tariff structure, customs and trade facilitation including sanitary and phytosanitary measures and technical barriers to trade as well as other non-tariff barriers affecting trade; and
 - Participation of Cook Island in trade in services and the current laws, policies and regulations governing trade in services. Trends in import and export data on trade in services over the past 10 years.
- (vi) Assess the other trade-related issues including investment policy, competition policy, intellectual property, taxation, government procurement, trade and environment including climate change, trade and public health, and trade and women, and provide recommendations based on international best practices but also taking into account the relevance of these issues to Cook Islands;
 - (vii) Undertake an assessment of the existing market access arrangements including the domestic trade capacity to meet the demands of on-going trade negotiations and recommend the best strategy on how Cook Islands can fully utilise/exploit these market access opportunities;
 - (viii) Quantify and assess the effectiveness of Cook Islands Aid for Trade and whether it is mainstreamed into Cook Islands national development plan;
 - (ix) Assess Cook Islands Aid for Trade needs and priorities and identify possible sources of funding taking into account the Consolidated Pacific Aid for Trade Matrix, Pacific Aid for Trade Strategy and the Pacific Trade and Development Facility;
 - (x) Develop the draft Trade Policy Framework and provide clear justification for the proposed policy, identify trade-related domestic reforms required to support the policy, develop an implementation strategy for the policy and a national mechanism for implementing, reviewing and monitoring the Trade Policy;
 - (xi) Present the draft Trade Policy Framework to the interim NTFC Meeting and finalise the Trade Policy Framework taking into account the comments from all the stakeholders. The Trade Policy should consist of a short Trade Policy Statement (not more than 10 pages), a full Trade Policy Framework (not more than 100 pages), and an Implementation Matrix;
 - (xii) Prepare relevant briefing notes to facilitate Cabinet submission of the Trade Policy Framework; and
 - (xiii) Perform any other tasks that are relevant to the formulation of the Trade Policy Framework as determined by the Government of Cook Islands and the Forum Secretariat.

Sustainability of the Project

8. Once the Trade Policy is completed, there will be a need to review and follow up on the activities and recommendations. The proposed Trade Policy Framework will be driven by the ministry responsible for trade as part of its core responsibilities and will be assisted in the implementation, review and monitoring by an interim NTFC. The Forum Secretariat will work with the relevant donors and Cook Islands to implement its Trade Policy.

Timeframe

9. The consultancy will commence no later than 10 February 2014. The first draft report is expected to be submitted to the Forum Secretariat and the Government of Cook Islands no later than 07 April, 2014 and the final report no later than 11 August 2014. The final presentation should be made no later than 06 October 2014. The following timeline of activities shall be adhered to:

- Initial trade policy consultation with the interim NTFC and conduct the first National Trade Policy Consultative Meeting no later than 10 February 2014;
- Submit the First Draft Report on the Trade Policy Framework including the Trade Policy Statement and the Implementation Matrix no later than 07 April 2014;
- Present the First Draft Trade Policy Framework including the Trade Policy Statement and the Implementation Matrix to the second NTFC Meeting no later than 09 June 2014;
- Finalise the Trade Policy Framework including the Trade Policy Statement and the Implementation Matrix taking into account feedback from all stakeholders and submit to the Government of Cook Islands and the Forum Secretariat no later than 11 August 2014; and
- The final presentation of the Trade Policy Framework including the Trade Policy Statement and the Implementation Matrix to Cook Islands and or the Forum Secretariat should be made no later than 06 October 2014.

Confidentiality

10. The Trade Policy Framework remains the property of the Government of Cook Islands and will not be circulated or shared with any other persons without written permission from the Government of Cook Islands. However, the draft report and the final report shall be submitted to the Forum Secretariat to fulfill contractual arrangements.

Fees

11. The Consultant(s) will be paid for a total of 90 working days for this consultancy.

12. Travel to Cook Islands that will be undertaken by the Consultant(s) for this consultancy shall be paid separately by PIFS in accordance with PIFS travel policy. The Consultant(s) is required to submit a detailed work plan and a proposed budget on how to undertake the project.

Required Expertise

13. The Consultant(s) must:

- have an advanced degree in international trade law and/or economics. Have at least 7 years experience in trade policy work at a senior level and have an understanding and appreciation of Trade Policy work including the WTO, especially the Trade Policy Review, the Diagnostics Trade Integration Studies (DTIS), and any other related trade policy work at the regional and multilateral level;
- have a clear understanding of Aid for Trade and the processes involved in implementing the Trade Policy;
- have a good knowledge of existing Trade Policies, especially those relevant to developing and Least Developed Countries (LDCs);
- demonstrate familiarity with the social and economic conditions of the Forum Island Countries (FICs) (first-hand experience in one or more FICs would be an advantage);
- have a proven ability to write in a clear and concise manner and to communicate orally;
- have experience in designing an implementation matrix of a Trade Policy to ensure that the document produced will be practical, easy to understand and implement; and
- be able to meet strict deadlines.

Further Information

14. For further information concerning this terms of reference, please contact Mr Gainmore Zanamwe, Regional Trade Adviser, on telephone 679 322 0355, fax 3220282 or email: gainmorez@forumsec.org.fj