“Trade Policy Governance through Inter−Ministerial Coordination”

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www.csend.org
Importance of IMC

- The increase of the international and regional dimensions of trade makes trade policy coordination necessary.
- Effective IMC helps eliminate policy programmes that duplicate actions and regulations.
- Coordination is a necessary element to deal with ‘cross-cutting issues.
- Deficient policy coordination at the inter-ministerial level decreases a country’s ability to improve their trade negotiation performance.
Features of a Good Trade Policy:

(CUTS, GRC, 2009)

- Based on national development policy
- Linked with other governmental policies
- Linked with international commitments
- Guides future positions on international negotiations
- Balances the interests of all key stakeholders
- Has a clear implementation plan with adequate resources
# Country Commodity Development Strategy Map

**COUNTRY: BENIN**


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<tr>
<th>CRITERION</th>
<th>POLICY</th>
<th>INSTITUTION</th>
<th>ENTERPRISE</th>
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<td>Warehousing and storage</td>
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<td>IT and Telecom</td>
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<td>Transportation</td>
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<td>Standard setting</td>
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<td>Quality infrastructure</td>
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<td>Business linkages</td>
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<td>Social and environmental sustainability</td>
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**Key:**
Shaded cells indicate correspondence of DTIS text with criterion
Blank cells indicate absence of DTIS text with respect to the criterion
Total no. of cells (No. of criteria x Levels of intervention x No. of commodities) =14 x 3 x 4 = 168
Correspondence of DTIS to the criteria = 26 (15%)
Levels of Governmental Coordination
(CSEND, 2009)

Decentralised Governance

High

Centralised Governance

Low

Increased extent of coordination

1) Quasi Autonomous Decision Making by Ministries
2) Ad-hoc Communications between Ministries
3) Punctual Consultations between Ministries
4) Voluntary Alignment of Ministries
5) Negotiation among Ministries
6) Mediation between Ministries by admin. third party
7) Setting Limits for Ministries by central government procedure
8) Delete competence from Ministry by Central government
Trade Policy IMC:
Type A: Trade Coordinating Committee

(Based on Boyer, p. 2)
Trade Policy IMC:

Type B: Trade Ministry in Dominant Position

(adapted from Nathan, p. 2)
Trade Policy IMC:
Type C: Balance of Power vs Trade Policy Paralysis

Committee on Trade

Committee on Trade + Eco Planning

Trade Ministry (coordination)
Planning Ministry (coordination)

Line Ministry A
Line Ministry B
Line Ministry C
Line Ministry D

Trade Cell
Trade Cell
Trade Cell
Trade Policy IMC: Consultation Process & Risk of Bypass for Trade Ministry

Ministry of Trade & Industry

National Trade Policy Advisory Council

Subgroup (e.g., Services) - Subgroup (e.g., Agriculture) - Subgroup (e.g., Standards)

High-Level Consultation Group

Cabinet Subcommittee on Trade Policy (Ministers)

Interdepartmental Trade Policy Committees (Officials)

Delegations to trade negotiations

Industry Bodies - Chambers of Commerce - Trader and Producer Association - Consumer and Labor Groups - NGOs and Think Tanks - Universities and academia

(based on Nathan, p. 15)
Figure 1. Regulatory Impact Analysis. Federal Council and Inter-ministerial Consultation of Trade Policy-making
Chile´s Split-Level System
The IMC is crucial to help country:

1. identify coherent trade & economic development strategy based on supply & value chain analysis

2. design and manage consistent inter-ministerial trade policy cooperation based on IMC consultation mechanisms

3. ensure effective trade negotiations and efficient implementation of trade agreements with adequate monitoring for constant trade policy updating and fine-tuning

4. improves credibility and competence of DC/LDC government in their dialogue with donors and regional IOs
Levels of Governmental Coordination
(CSEND, 2009)

Decentralised Governance

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Centralised Governance

Increased extent of coordination

High

Low

High

Low
“Lewin’s Law”

Unfreezing → Moving → Refreezing
Resistance Management

R. Beckhard & R. Harris, 1987

\[ C = [ ABD ] > X \]

C = Change
A = Level of dissatisfaction with the status quo
B = Desirability of the proposed change or end state
D = Practicality of the change (minimal risk and disruption)

Factors A, B and D must outweigh the perceived costs (X) for change to occur
Thank You!!!