ISSUE 155

The Commonwealth

Trade Hot Topics

Natural Disasters, Trade and LDCs

Brendan Vickers and Hilary Enos-Edu*

1. Background

Many Commonwealth member countries, especially small island developing states (SIDS) and least developed countries (LDCs), are extremely vulnerable to natural disasters and climate change. Natural disasters are defined as events of natural causes that lead to damage, dislocation or loss of life. These events can be weather-related (flood, drought, storm), geophysical (earthquake, volcano) or biological (epidemic). Over the past five years, Commonwealth LDCs have experienced just over 90 such disasters, which are predicted to grow in frequency and severity as a result of climate change, population growth and urbanisation. The economic destruction, human tragedy and loss of life in the wake of these disasters are truly catastrophic: 32 million people have been affected in total since 2015, with more than 4,300 deaths, 75,000 injuries and 236,000 people left homeless in Commonwealth LDCs.[1]

Bangladesh has been the most affected by natural disasters, especially by floods, storms and landslides, with 22 emergency events recorded since 2015, followed by Mozambique with 13, Malawi with 12 and Tanzania with 10. Mozambique's improving economic situation was recently dealt a harsh blow by Tropical Cyclones Idai and Kenneth in March and April, respectively, with the subsequent flooding and landslides affecting neighbouring Malawi and Zimbabwe too. The result has been significant asset and production losses in Mozambique, notably destruction or damage to roads, homes, warehouses and the port of Beira, and regional effects through disruptions to the Beira trade corridor, disease outbreaks and rising outmigration (World Bank, 2019a). In the wake of Cyclone Idai, the Mozambican government estimated emergency assistance needs and reconstruction costs at around US$1.5 billion (10 per cent of gross domestic product, GDP) (IMF, 2019). The World Bank's regional post-cyclone

* Brendan Vickers is Adviser and Head of Section and Hilary Enos-Edu is Assistant Research Officer in the International Trade Policy Section, Commonwealth Secretariat, London. Any views expressed are those of the authors and do not necessarily represent those of the Commonwealth Secretariat.

1 EM-DAT: The Emergency Events Database – Universite Catholique de Louvain (UCL) Centre for Research on the Epidemiology of Disasters (CRED), at www.emdat.be

recovery package has allocated some US$700 million to support cyclone response in Malawi, Mozambique and Zimbabwe (World Bank, 2019b).

For LDCs, such disaster-induced economic losses can wipe out the small development gains achieved in recent years. In 2015, Tropical Cyclone Pam caused such devastation in the Pacific that Vanuatu's graduation from LDC status was delayed to December 2020.[2] Many SIDS are severely affected too. The devastation wrought by Hurricanes Irma and Maria in the Caribbean in 2017 inflicted a 200 per cent GDP loss on Barbuda, leaving the levelled island completely evacuated, while Dominica and other small islands were also hit hard. Tropical Cyclones Idai and Kenneth are projected to affect the short-term growth of Mozambique and Malawi, as well as their trading capacities.

Commonwealth LDCs account for around one-third of all natural disasters affecting this category of poorest countries over the past five years. This is happening at a time when the UN's Sustainable Development Goals (SDGs) and the Istanbul Programme of Action for LDCs (IPoA) are calling for more concerted action to use trade to help trigger greater growth, development and poverty reduction in the world's poorest countries. The SDGs and IPoA share a specific target – namely, doubling the share of LDC trade in global trade by 2020. However, the impact of natural disasters on the trade and development prospects of LDCs and SIDS, and how trade policies could assist with disaster response, recovery and resilience, are only now starting to receive proper attention. For example, at the 11th World Trade Organization (WTO) Ministerial Conference in December 2017, eastern Caribbean countries had formally proposed 'full flexibility' of the multilateral trading system to support reconstruction and recovery from disaster damage (WTO, 2017). The WTO now spearheads dialogue and research on the nexus between trade and natural disasters, in addition to assessing the trade implications of disasters in some members' Trade Policy Reviews.

This issue of *Commonwealth Trade Hot Topics* provides a brief overview of how such disasters can exacerbate the trade and development challenges of LDCs. In the aftermath of Tropical Cyclones Idai and Kenneth, the focus is on Mozambique, a coastal LDC, and Malawi, a landlocked LDC surrounded by two other LDCs: Zambia to the west and Mozambique to the east.

2. Trade and natural disasters nexus

The World Bank estimates that natural disasters cost the global economy around US$520 billion annually.[3] While these asset and production losses are hugely significant, the harshest impact is on the socioeconomic wellbeing of the poor and marginalised, where assets and savings are few and consumption is close to subsistence levels. Indeed, when natural disasters strike, such losses in wellbeing can surpass the aggregate economic impact of disasters, which tend to measure the value of damages inflicted on buildings, infrastructure, equipment and agricultural production. It is estimated that natural disasters push around 26 million people back into extreme poverty each year (Hallegatte et al., 2017); this is especially invidious for LDCs struggling to overcome the poverty trap.

Natural disasters have immediate effects on an economy and can, in broad terms, have impacts on trade and development in several ways. First, disasters will, in general, affect a country's economic growth (Lee et al., 2018). There will also be implications for fiscal policy. For example, tax collections may be lower in disaster-hit areas, disruptions to food supplies may trigger inflation and there will be higher spending related to emergency relief and reconstruction. Post-disaster reconstruction activities can provide an economic stimulus. However, for highly indebted LDCs and SIDS, there may be implications for debt sustainability if external aid or domestic reserves for such contingencies are insufficient.

Second, natural disasters inflict huge damage to physical and human capital. The complete destruction or temporary closure of critical connectivity infrastructure – ports, roads, bridges, railways, electricity and telecoms – as well as buildings used to facilitate trade, such as warehouses, will affect business and communication and impair the ability to trade.[4] This may even hamper post-disaster

2 For example, Cyclone Pam destroyed about 60 per cent of Vanuatu's GDP, decreased GDP by about 2 per cent, increased the fiscal deficit by 9.6 per cent and increase the trade deficit to 34.8 per cent (Lee et al., 2018).

3 Based on estimates of socioeconomic resilience in 117 countries, and including in the analysis how poverty and lack of capacity to cope with disasters magnify losses in wellbeing, the effects of disasters on wellbeing are equivalent to a US$520 billion drop in consumption, which is 60 per cent more than the widely reported asset losses (Hallegatte et al., 2017).

4 This not only affects existing infrastructure but also has rippling implications on future costs (Satterthwaite, 2007; Koetse and Rietveld, 2009; Keener et al. 2013; Hambly et al. 2013).

humanitarian and recovery efforts, where food, emergency relief and construction materials must be imported from abroad. One study finds that the destruction of trade-related infrastructure reduces exports by 5.52 per cent at the mean (Felbermayr et al., 2017).

Third, natural disasters will affect a country's productive capacity, already limited in many LDCs, and thus reduce goods and services exports. For example, damage to land, crops and livestock and the destruction of transport and hotels can disrupt exports, especially tourism in SIDS, weakening external balances and reducing foreign exchange (Lee et al., 2018). The longer-term implications of natural disasters on trade will vary across countries and sectors. For countries dependent on agricultural exports, disasters such as flooding and droughts can have severe impacts on export-oriented industries and the spatial distribution of economic activity (Desmet and Rossi-Hansberg, 2015).

Fourth, there may be implications for a country's trade balance as a result of increased imports and a disruption of exports. Imports can increase in the aftermath of natural disasters as construction materials from abroad are imported; and some donor support (grants and concessional loans) could be spent on the purchase of foreign products.

3. Trade and development challenges of LDCs

Natural disasters have immediate adverse effects on the economy and can exacerbate the trade and development challenges of LDCs. For countries like Bangladesh, Mozambique, Malawi and Tanzania, the cumulative effects of preceding shocks compound existing challenges and could even chill their development prospects. Frequent devastation caused by natural disasters disrupts countries' long-term investments and diverts resources away from development to reconstruction.

With low per capita incomes, poor levels of human capital development, low export and economic diversification and high economic and structural vulnerability, LDCs account for some of the world's poorest and most vulnerable nations. The current 47 countries are disproportionately affected by climate change and natural disasters and more susceptible to global economic shocks, as their adaptive capacities tend to be lower and are less resilient (Razzaque and Ehsan, 2019). For landlocked LDCs (LLDCs), there are additional structural constraints and the cost factor of geography.

Two of the five IPoA 2011–2020 targets focus on economic and environmental sustainability:

- Achieving sustained, equitable and inclusive economic growth to at least 7 per cent per annum;
- Reducing vulnerability to economic, natural and environmental shocks and disasters, as well as climate change, and strengthening resilience to meet these and other challenges.

To help achieve the above targets, the SDGs and IPoA call for doubling the share of LDC trade in global trade by 2020. This would imply increasing the share of LDCs from 1.05 per cent to 2.1 per cent by the end of next year. This means this target will likely be missed, since it would require LDCs exports to increase by nearly 20 per cent from current levels.

The trade challenges facing LDCs mainly concern export diversification and infrastructure (Razzaque and Selvakumar, 2017). Most of their exports are concentrated in a narrow range of products – agriculture, minerals, commodities – while some have specialised in consumer goods such as garments. The export diversification index for LDCs averages 0.69, compared with 0.19 for developing countries and 0.17 for developed countries.

Poor economic infrastructure in LDCs raises transport and logistics costs and further impairs their productive and trade capacities and competitiveness. For LLDCs like Lesotho, Malawi and Rwanda in Sub-Saharan Africa, the reliance on transit trade and ports in neighbouring countries means that cross-border infrastructure development is critical to reducing costs. The average score of LDCs on the 2018 Logistics Performance Index (LPI) was 2.40, with an infrastructure score of 2.13, compared with 2.77 for developing countries and 3.58 for developed countries.

Underinvestment in the production sectors and economic infrastructure further exacerbates many of these trade and development challenges. In Malawi and Mozambique, 60 and 67 per cent, respectively, of investment is in social infrastructure and services. Investment in economic infrastructure is substantially less: 2 per cent in Malawi and 10 per cent in Mozambique. Investment in production sectors is less than 10 per cent in both countries.

Another challenge for many LDCs is food insecurity, and natural disasters can exacerbate this situation. Floods, droughts or storms destroy crops and livestock, food stored in homes is lost and prices rise as food supplies are disrupted. The IPoA calls for substantial progress towards eradicating hunger by 2020; substantially increasing investment in rural infrastructure; and ensuring access to safe food and emergency food assistance in all LDCs. In Malawi, 5.1 million people representing 27 per cent of the population are classified as food-insecure, with 64,800 suffering from severe acute malnutrition as a result of natural disasters (FSIN, 2018). In Mozambique, an estimated 3.1 million people are food-insecure, 80 per cent of whom cannot afford an adequate diet, with chronic food insecurity at 24 per cent and malnutrition at 25 per cent as a result of natural disasters and low agricultural output. Mozambique achieved significant progress for Millennium Development Goal 1, halving the proportion of individuals suffering from hunger by 2015.

4. Assessing the impact: Malawi and Mozambique

Since the accession of Malawi and Mozambique in 1971 and 1988, respectively, to the LDC category, both have struggled to meet the gross national income (GNI), economic vulnerability and human assets index graduation thresholds.

Malawi has a GNI per capita of US$331 and a population of 18 million, of whom 6.74 per cent are classified as victims of natural disasters. The country is prone to natural disasters, with one of the most erratic rainfall patterns in Africa and susceptibility to droughts. Between 1967 and 2019, the country experienced 70 natural disasters: 8 droughts, 41 floods, 3 storms and 15 epidemics; this affected over 32 million people and incurred over US$450 million in economic damage.[5]

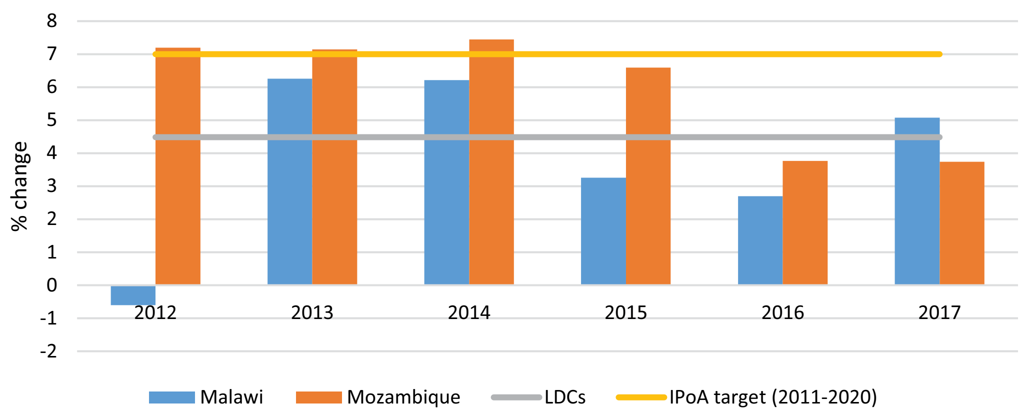
Compared with Malawi, Mozambique has a higher GNI per capita – US$554 – and a bigger population of 29 million people, of whom 5.3 per cent live in low elevated coastal zones and 3.35 per cent are classified as victims of natural disasters. Mozambique is one of the most disaster-prone countries in the world owing to tropical cyclones and droughts, which occur every three to four years, and storm surge flooding. Between 1967 and 2019, the country experienced 109 natural disasters: 13 droughts, 38 floods, 24 storms (including tropical cyclones) and 29 epidemics; this affected over 35 million people and incurred over US$1.15 billion in economic damage.[6]

Economic growth

The IPoA calls for LDCs to achieve sustained economic growth of at least 7 per cent per annum. However, the average growth of LDCs has underperformed this target, at 4.5 per cent from 2012 to 2017. Mozambique met the target during 2012–2015 but experienced a sharp decline post-2015. Malawi has remained well below the target (Figure 1).

Tropical Cyclone Idai is projected to adversely affect Mozambique's economic growth.[7] The International Monetary Fund's (IMF's) preliminary projections suggest Mozambique's real GDP growth in 2019 will decelerate to 1.8 per cent owing mainly to losses to agricultural production and disruptions to transport, communications and services. There is also the likelihood of an inflationary spike because of disruptions to the supply of food in Beira and neighbouring districts. Economic activity should rebound to pre-cyclone levels by 2020 (IMF, 2019).

Figure 1: LDC annual growth rate, 2012–2017.



5 EM-DAT database.
6 Ibid.
7 There is currently no preliminary estimate of the potential economic impact and reconstruction costs resulting from Tropical Cyclone Kenneth.

Table 1: Estimate of capital damages by sector (US$ millions).

Modelled			Reported and modelled	Total
Residential buildings	Non-residential buildings	Infrastructure	Agriculture	
US$178	US$149	US$188	US$141–258	US$656–773

Source: World Bank (2019c).

Infrastructure and production losses

The World Bank (2019c) estimates the direct economic losses from Cyclone Idai to range from US$656 million to US$773 million, covering damage to buildings, infrastructure and agriculture (Table 1). It is estimated that the flooding has destroyed around 800 thousand hectares of crops in Mozambique, including for local consumption and exports (IMF, 2019). In Malawi, there was also huge destruction of agricultural crops and livestock; by one estimate, 50 per cent of the flooded area's crops, chiefly maize and rice, may have been lost (Reliefweb, 2019).

It is reported that cyclone winds and floods damaged or destroyed '90 per cent' of Beira (Business Day, 2019), especially critical infrastructure like roads, bridges, houses and warehouse and storage facilities. However, the port of Beira, Mozambique's second largest after Maputo, sustained only limited damage, as preparations were made in advance to protect all the machinery and cargo. It is reported that none of the full containers was damaged because they were stacked low or in a pyramid shape. The gantry cranes withstood the storm thanks to extensive tie-down efforts before the cyclone's landfall (Njoroge, 2019). However, short-term closure of the port will be costly to Mozambique and its landlocked neighbours, which depend on the Beira trade corridor for their trade. Principal exports passing through Beira are ores, tobacco, food products, cotton and hides and skins. The main imports are liquid fuels, fertilisers, wheat, heavy equipment, textiles and beverages.

Improving logistics and infrastructure has the potential to increase trade by 16 per cent (World Bank, 2018). In measuring infrastructure, the IPoA target is for LDCs to allocate and disburse annually an adequate percentage of the budget for the development and maintenance of infrastructure. Malawi and Mozambique average 2.59 and 2.68 on the LPI and 2.18 and 2.24 on the quality of infrastructure. While this average is close to that of LDCs, Malawi ranks 97 globally and Mozambique ranks 84. Since the flooding of 2015 had already reduced the quality of infrastructure, especially for Malawi, the effects of Cyclone Idai are cumulative. Importantly, government spending in infrastructure focused solely on the rehabilitation and expansion of railway lines and no provisions were made on other transport and ICT infrastructure.

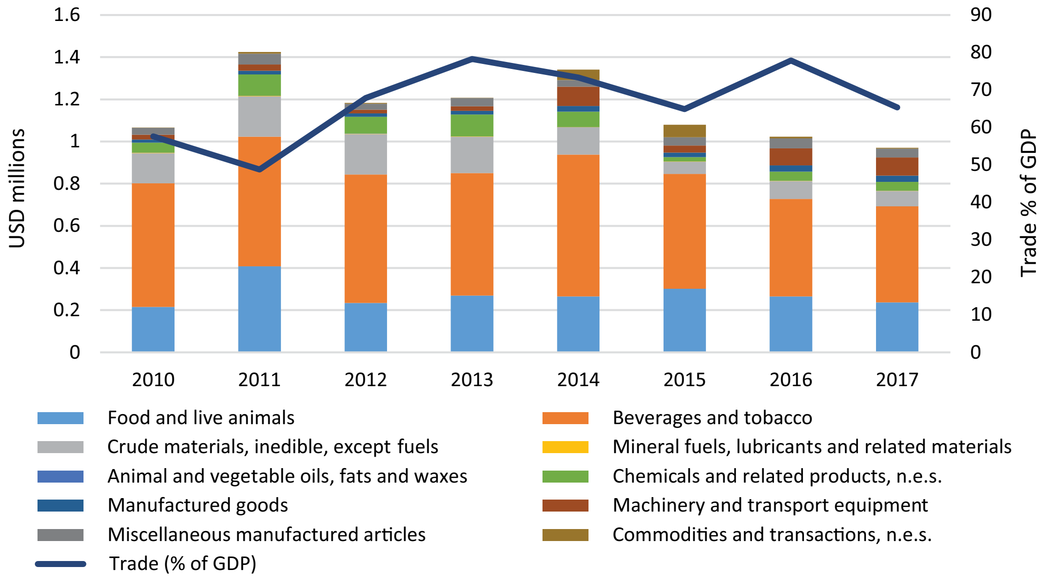
Trade and regional integration

The SDGs and IPoA call for doubling the share of LDC exports in global exports by 2020, including by broadening their export base. For LDCs to accomplish this, individual countries would need to increase their volume of trade, reduce the trade balance and diversify exports.

Malawi's exports have been declining since 2014, while Mozambique's export trajectory has been volatile (Figures 2 and 3). While this trade performance cannot be attributed to a simple correlation between the incidence of a natural disaster and exports, it can be understood that the recurrence of natural disasters does have implications for short- and long-term trade (IMF, 2019).

Limited economic diversification and high export concentration in a few sectors – the typical LDC trade profile – is another challenge for growing trade volumes after a natural disaster. For Mozambique, exports are concentrated mainly across the mineral fuels, lubricants and related materials sector. Approximately 60 per cent of Mozambique's exports are attributable to aluminium smelting, natural gas and coal production, and heavy sands mining. Agriculture, much of it rain-fed, comprises around 90 per cent of Malawi's exports, especially tobacco. In 2017, Malawi's exports were mainly destined for Germany (US$104 million), Belgium–Luxembourg (US$96 million), Russia (US$65 million), the USA (US$62.4 million) and South Africa (US$59.4). For Mozambique, the main markets for its exports were India (US$2.32 billion), South Africa (US$930 million), China (US$496 million), Italy (US$436 million) and Spain (US$242 million). There is therefore an incentive for both countries to economically diversify to take advantage of the

Figure 2: Sectoral composition of Malawi's exports.

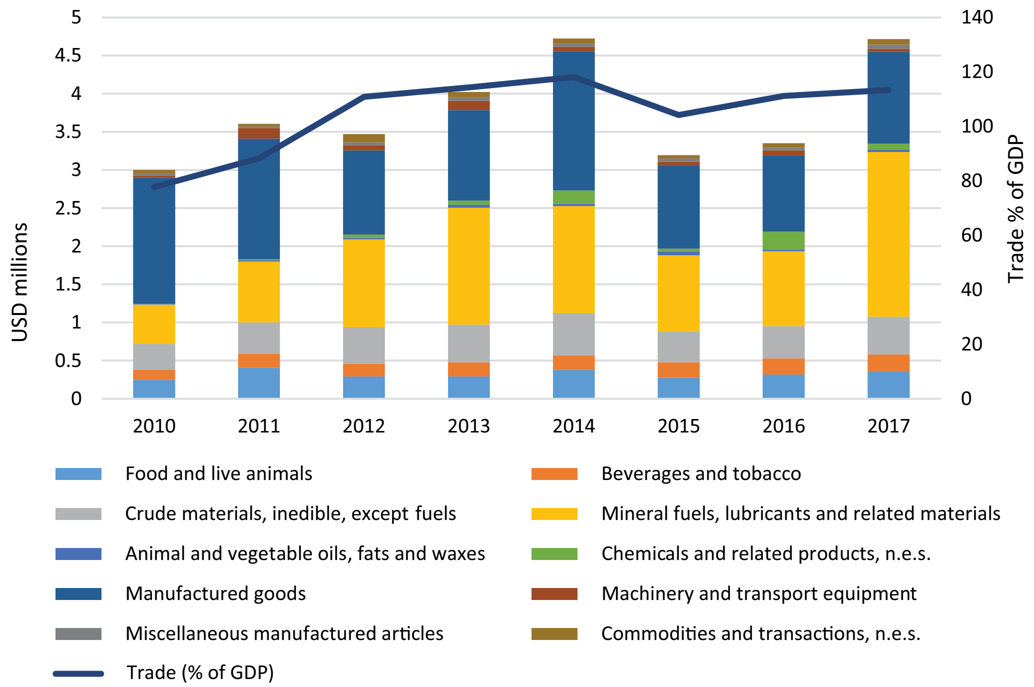


Source: UNCTADStat.

trade preference schemes for LDCs offered by the EU, the USA, China and India. To benefit from the African Continental Free Trade Area, which formally entered into force as a framework agreement on 30 May 2019, Malawi and Mozambique, which have yet to ratify the agreement, must significantly upgrade their production and supply capacities. There is also considerable informal trade in goods and services across the borders of the Southern African region. The presence of informal cross-border traders, mostly women, is especially prevalent in the Zambia–Malawi–Mozambique Growth Triangle.

Cyclone Idai also had regional effects through disruptions to the Beira trade corridor, disease outbreaks and rising outmigration. The Beira corridor – one of Southern Africa's main transport routes linking Zambia, Zimbabwe, Malawi, Democratic Republic of Congo and Mozambique to the port of Beira on the Indian Ocean – was temporarily shut down, which significantly affected trade flows within the region. The flooding of roads and a two-week blockade movement interrupted supplies of essential goods such as fuel, wheat and fertilisers, which affected already volatile prices and exchange rates (particularly in Zimbabwe) and had impacts on

Figure 3: Sectoral composition of Mozambique's exports.



Source: UNCTADStat.

trade revenue (World Bank, 2019a). Following extensive emergency road works, the corridor's road and rail networks are functioning again, although best standards are yet to be reached.

Given recurrent natural disasters in Southern Africa, another possible challenge is rising outmigration. For example, it is reported that about 0.5 million Zimbabweans migrated to neighbouring countries as a direct consequence of the droughts in 2002 and 2004, and historical evidence suggests this is likely to cause severe socioeconomic strain in receiving countries. On 27 March, the Mozambican government reported a cholera outbreak, with over 4,000 cases recorded along the Beira corridor as of 1 May 2019. A coordinated regional effort to control the spread of diseases is critical (World Bank, 2019a).

5. Conclusion

Cyclone Idai was one of the worst tropical cyclones on record to hit Southern Africa and triggered a massive humanitarian disaster, with around 3 million people in Mozambique, Malawi and Zimbabwe affected by flooding. The cumulative impact of recurrent natural catastrophes on an already vulnerable region like Southern Africa, and especially LDCs like Malawi and Mozambique, can exacerbate underlying structural trends and chill prospects for achieving the SDG and IPoA targets. There is, however, some evidence of better preparation and response by Malawi and Mozambique to the tropical cyclones, suggesting that efforts at building greater resilience are taking effect, especially as part of the Sendai Framework for Disaster Risk Reduction (2015–2030).

The nexus between trade and natural disasters, and how the multilateral trading system can better support disaster response, recovery and resilience, is now gaining greater attention. LDCs already enjoy considerable flexibility under WTO Agreements and access to various international support measures, such as the WTO's Enhanced Integrated Framework. Aid for Trade should be used to build robust trade-related infrastructure and enhance productive capacity, which will contribute to greater resilience in the wake of disasters. Indeed, increasing a country's disaster resilience has benefits for a country's capacity to trade. However, by 2024, no fewer than 16 LDCs are expected to graduate out of this category, including countries highly vulnerable to natural disasters and climate change effects: Bangladesh, the Solomon Islands and Vanuatu. When LDCs graduate, they lose access to many support measures.

It is important to carefully and critically examine how existing provisions in the WTO Agreements could be used and improved to support disaster response, recovery and resilience; and what additional flexibilities and special and differential treatment – from market access to subsidies – could be provided to assist disaster-hit countries. For example, the WTO's Trade Facilitation Agreement contains measures related to advance rulings, release and clearance of goods, border agency cooperation, relief from stringent test procedure, freedom of transit, etc. The speedy implementation of such customs and border clearance measures is vital when natural disasters strike, especially to enable the entry of relief goods and essential supplies.

Article IX:3 of the Marrakesh Agreement Establishing the WTO also permits waivers, which have been used to support reconstruction efforts in disaster-hit countries. For example, the WTO's General Council approved waivers for trade preferences to Nepal in the wake of the April 2015 earthquake and package of tariff preferences for Pakistan after the 2010 floods.

These are just two ways the multilateral trading system can support countries hit by natural disasters. Given the growing incidence of such catastrophes as a result of climate change, population growth and urbanisation, further work is needed to promote a virtuous cycle between trade policies, social protection policies, resilience-building and disaster risk management, especially in LDCs.

References

Business Day (2019) 'Cyclone Idai Leaves Beira "90% Destroyed', *Business Day*, 18 March: https://www.businesslive.co.za/bd/world/africa/2019-03-18-cyclone-idai-leaves-beira-90-destroyed/

Desmet, K. and E. Rossi-Hansberg (2015) 'On the Spatial Economic Impact of Global Warming', *Journal of Urban Economics* 88: 16–37.

Felbermayr, G., J. Groschl and B. Heid (2017) "Trade Disruptions from Natural Disasters: Evidence from Monthly Data". European Trade Study Group Presentation, 14–16 September.

FSIN (Food Security Information Network) (2018) *Global Report on Food Crisis 2018*. http://www.fsincop.net/global-network/global-report/en/

Hallegatte, S., A. Vogt-Schilb, M. Bangalore and J. Rozenberg (2017) *Unbreakable: Building the*

Resilience of the Poor in the Face of Natural Disasters. Climate Change and Development Series. Washington, DC: World Bank.

Hambly, D., J. Andrey, B. Mills and C. Fletcher (2013) 'Projected Implications of Climate Change for Road Safety'. *Climate Change* 116 (3-4): 613–629.

IMF (International Monetary Fund) (2019) 'Republic of Mozambique. Staff Report for the 2019 Article IV Consultation'. Washington, DC: IMF.

Keener, V. W., J. J. Marra, M. L. Finucane, D. Spooner and M. H. Smith (2013) 'Climate Change and Pacific Islands: Indicators and Impacts'. Report for the 2012 Pacific Islands Regional Climate Assessment. Washington, DC: Island Press.

Koetse, M. and P. Rietveld (2009) 'The Impact of Climate Change and Weather on Transport: An Overview of Empirical Findings'. *Transportation Research Part D. Transport and Environment* 14 (3): 205–221.

Lee, D., H. Zhang and C. Nguyen (2018) *The Economic Impact of Natural Disasters in Pacific Island Countries: Adaptation and Preparedness*. Working Paper WP/18/108. Washington, DC: IMF.

Njoroge, T. (2019) 'Damages on Port of Beira and Corridor in Mozambique Repaired', *Construction Review Online*, 15 April: https://constructionreviewonline.com/2019/04/damages-on-port-of-beira-and-corridor-in-mozambique-repaired/

Razzaque, M. A. and S. M. Ehsan (2019) *Global Trade Turmoil: Implications for LDCs, Small States and Sub-Saharan Africa*. International Trade Working Paper 2019/03. London: Commonwealth Secretariat.

Razzaque, M. A. and K. Selvakumar (2017) 'Putting LDCs Back on Track'. Commonwealth Trade Hot Topics 139. London: Commonwealth Secretariat.

Reliefweb (2019) 'Cyclone Idai and Malawi flooding: Crisis update', 27 March: https://reliefweb.int/report/mozambique/cyclone-idai-malawi-flooding-crisis-update-27-march-2019

Satterthwaite, D. (2007) 'Adaptation Options for Infrastructure in Developing Countries'. Report to the United Nations Framework Convention on Climate Change (UNFCCC) Financial and Technical Support Division. Bonn: UNFCCC.

World Bank (2018) *The 2018 Logistical Performance Index*. Washington, DC: World Bank.

World Bank (2019a) 'Proposed Additional Grant in the Amount of SDR 54.2 Million (US$75.0 Million Equivalent) from the IDA Crisis Response Window to the Republic of Mozambique for the Water Services and Institutional Support II Project'. IDA Project Paper. Washington, DC: World Bank.

World Bank (2019b) 'Mozambique Gets Further Support for Its Water Systems Following Damages Caused by Cyclones'. Press Release, 14 June: http://www.worldbank.org/en/news/press-release/2019/06/14/mozambique-gets-further-support-for-its-water-systems-following-demages-caused-by-cyclones

World Bank (2019c) 'Proposed Additional Grant in the Amount of SDR 82.9 Million (US$115.0 Million Equivalent) from the IDA Crisis Response Window to the Republic of Mozambique for the Mozambique Urban Sanitation Project'. Project Appraisal Document. Washington, DC: World Bank.

WTO (World Trade Organization) (WTO) (2017) 'Recognition of the Need for Flexibilities for Caribbean and Small and Vulnerable Economies Recovering from Natural Disasters'. Proposal by Antigua and Barbuda, Dominica, Grenada, St Kitts and Nevis, Saint Lucia and St. Vincent and the Grenadines. WT/MIN(17)/37, 10 December.

International Trade Policy Section at the Commonwealth Secretariat

This Trade Hot Topic is brought out by the International Trade Policy (ITP) Section of the Trade Division of the Commonwealth Secretariat, which is the main intergovernmental agency of the Commonwealth – an association of 53 independent countries, comprising large and small, developed and developing, landlocked and island economies – facilitating consultation and co-operation among member governments and countries in the common interest of their peoples and in the promotion of international consensus-building.

ITP is entrusted with the responsibilities of undertaking policy-oriented research and advocacy on trade and development issues and providing informed inputs into the related discourses involving Commonwealth members. The ITP approach is to scan the trade and development landscape for areas where orthodox approaches are ineffective or where there are public policy failures or gaps, and to seek heterodox approaches to address those. Its work plan is flexible to enable quick response to emerging issues in the international trading environment that impact particularly on highly vulnerable Commonwealth constituencies – least developed countries (LDCs), small states and sub-Saharan Africa.

Scope of ITP Work

ITP undertakes activities principally in three broad areas:

- It supports Commonwealth developing members in their negotiation of multilateral and regional trade agreements that promote development friendly outcomes, notably their economic growth through expanded trade.
- It conducts policy research, consultations and advocacy to increase understanding of the changing international trading environment and of policy options for successful adaptation.
- It contributes to the processes involving the multilateral and bilateral trade regimes that advance more beneficial participation of Commonwealth developing country members, particularly, small states and LDCs and sub-Saharan Africa.

ITP Recent Activities

ITPs activities focus on assisting member countries in their negotiations under the WTO's Doha Round and various regional trading arrangements, undertaking analytical research on a range of trade policy, emerging traderelated development issues, and supporting workshops/dialogues for facilitating exchange of ideas, disseminating informed inputs, and consensus-building on issues of interest to Commonwealth members.

Updates to Selected Events / Workshops Supported by ITP

28 May – 30 May 2019: Harnessing Trade Policy for Global Integration: Commonwealth Consultation for the Asia-Pacific Region held in Singapore in collaboration with the Institute of South Asian Studies, National University of Singapore.

4 April 2019: The Digital Economy: The Case of the Music Industry held in Geneva, Switzerland in collaboration with UNCTAD and the Government of Indonesia.

15–16 November 2018: Commonwealth Regional Consultation on Multilateral, Regional and Emerging Trade Issues for Africa held in Mahe, Seychelles.

14 November 2018: Commonwealth African Trade Negotiators Network Meeting held in Mahe, Seychelles.

30–31 October 2018: Commonwealth Consultation on Multilateral, Regional and Emerging Trade Issues for the Caribbean held in Georgetown, Guyana in collaboration with the CARICOM Secretariat.

4 October 2018: Sustainable Technology-enabled Trade and a More Inclusive Trading System – Small State, ACP States, LDC and SSA perspective (WTO Public Forum) held in Geneva, Switzerland, in collaboration with ACP Geneva office and DiploFoundation.

5–6 June 2018: Commonwealth-CII Regional Consultation on Multilateral, Regional and Emerging Trade Issues for Asia held in New Delhi, India.

24 May 2018: Presentation of the Commonwealth Trade Review held in Geneva, Switzerland.

11 April 2018: The Commonwealth Prosperity Agenda: Towards a Common Future held in London, United Kingdom.

Previous Ten Issues of the Commonwealth Trade Hot Topics Series

Issue 154:	Blockchain – A New Opportunity for Strengthening Trade in the Commonwealth
Issue 153:	Trade, Connectivity and Global Value Chains: An Asia-Pacific Perspective
Issue 152:	Emerging New Technologies: Implications for Services Commitments
Issue 151:	Trade in Services in the Pacific: Is it Possible to Use Data to Drive Better Policy?
Issue 150:	Investment Facilitation and the WTO: Points to Ponder
Issue 149:	Women's Economic Empowerment and WTO Trade Negotiations: Potential Implications for LDC, SVEs and SSA Countries
Issue 148:	Transitioning from Least Developed Country Status: Achieving Trade-Related Adjustment, Enhanced Diversification and Reduced Economic Vulnerability
Issue 147:	The Commonwealth Games: A role for economic diplomacy in the Commonwealth?
Issue 146:	Post-MC11: Charting a way forward for LDCs, SVEs and SSA
Issue 145:	Enhancing access for LDC services to the UK post-Brexit

The Commonwealth

Trade Hot Topics

ISSN: 2071-8527 (print) ISSN: 2071-9914 (online)

Commonwealth Trade Hot Topics is a peer-reviewed publication which provides concise and informative analyses on trade and related issues, prepared both by Commonwealth Secretariat and international experts.

Series editor: Brendan Vickers

Produced by Trade, Oceans and Natural Resources Directorate of the Commonwealth Secretariat.

For further information or to contribute to the Series, please email b.vickers@commonwealth.int