

18 March 2019

37th session of the ACP-EU Joint Parliamentary Assembly

Notes for remarks by The Rt Hon Patricia Scotland QC, Secretary-General of the Commonwealth

Commissioner for International Cooperation and Development, Neven Mimica

Co-Presidents of the ACP-EU Joint Parliamentary Assembly, Louis Michel and Hon Joseph Owona Kono

ACP Secretary-General, Dr Patrick Gomes

Parliamentarians, friends and colleagues...

- **Significance of the ACP Parliamentary Assembly**

I am grateful for the valuable opportunity of addressing this gathering of elected representatives from countries of the African, Caribbean and Pacific regions, and countries of

the European Community - Members of the European Parliament.

I pay tribute to the extraordinary contribution of the Joint Parliamentary Assembly in promoting greater dialogue, cooperation and partnership among ACP and EU countries under the Cotonou Agreement.

As work proceeds towards renewing collaboration post-2020, it is important that such a broad and diverse range of voices, views and vision should continue to be brought together as new partnerships are forged to deliver peace, prosperity and sustainability for our people and planet, and towards achieving the Sustainable Development Goals.

I acknowledge too the exemplary work of this Joint Parliamentary Assembly in upholding democracy, the rule of law and human rights - values that are also central to our Commonwealth

Charter - which, I should add, prefigures the 2030 Sustainable Development Agenda and inculcates the Paris Agreement on Climate Change - and that our member countries work towards collectively and through mutual support.

Supported by organisations such as the Commonwealth Parliamentary Association and Commonwealth Women Parliamentarians, the nations and territories of the Commonwealth collaborate to strengthen parliamentary democracy; and to enhance active political participation by all our citizens, especially women and young people.

- **Commonwealth-ACP cooperation**

The Commonwealth and ACP have worked in fruitful partnership over several decades, and indeed 40 ACP members are also members of the Commonwealth, so we share many priorities and concerns.

This has led to cooperation on socio-economic issues, and joint programmes to accelerate sustainable economic development in our member countries.

We look forward to building on this collaboration, and indeed to intensifying it, as we continue to address contemporary and emerging challenges.

- **Brexit and trade implications**

One such challenge is the withdrawal by United Kingdom from EU membership.

I have been invited today to share some thoughts and perspectives on the implications of Brexit, especially insofar as it might affect future EU-ACP cooperation with the Commonwealth - and indeed I had the honour of addressing ACP Trade Ministers on this same subject at their ministerial meeting in Brussels last October.

There is no doubt that the EU and the United Kingdom are important trade, investment and development cooperation partners for many ACP members - especially for smaller, poorer and more vulnerable countries - and this will continue to be the case post-Brexit.

Trade with the EU remains very significant for many ACP countries. On average, the ACP Group sends just under **23% of its total goods exports to the EU.**

It is encouraging that ACP trade with the EU was growing steadily prior to the impact of an unprecedented slowdown in world trade growth between 2012 and 2015.

Since that setback there has been some recovery, with **ACP exports up around 20% in 2017 on 2016, to around US\$74 billion.**

Among the major drivers of that were those countries which invested in their human capital.

However, ACP countries still tend to import more goods from the EU than they export: **imports from the EU were around US\$92 billion in 2017, compared to exports of about US\$74 billion.**

So finding ways of expanding and diversifying trade continues to be of great importance in building more robust economies; and, in that regard, the Commonwealth is providing valuable assistance to our member countries.

Given these trade patterns, the implications of Brexit will vary among ACP countries, depending on their individual trade relations and broad-based development partnerships with the EU and the United Kingdom.

The full implications will depend on the nature of the United Kingdom's withdrawal from the EU

and the subsequent arrangements for a future EU-UK economic partnership.

However, that is a matter for the United Kingdom and the EU and I shall not dwell on those possibilities.

I will say that the Commonwealth Secretariat stands ready to assist our member countries to address any challenges, and take advantage of any opportunities, arising from the final Brexit deal.

In considering Brexit, I will focus on how the Commonwealth and the ACP might work together in this time of flux, and would suggest four strands for our collaboration.

First, we can work together on engagement with the EU27.

Post-Brexit, the Commonwealth will still have two members within the European Union - Malta and Cyprus.

Both have expressed strong interest in working together on behalf of the Commonwealth in this context.

Cyprus currently chairs the Board of Governors of the Commonwealth Secretariat, and Malta is a member of the Troika of Commonwealth Chairs-in-Office, as the immediate past-Chair having hosted CHOGM in 2015.

Malta also hosts our Commonwealth Small State Centre of Excellence and the Commonwealth Trade Finance Facility.

These voices can support and augment bilateral engagement members will undertake with the EU.

Second, we can work together on examining the impact of the final Brexit deal as it becomes clearer - and whatever form it takes.

Over the past three years we have worked with CARICOM, Kenya, Nigeria and South Africa to examine how Brexit could impact them, and we would be open to collaboration with the ACP Secretariat in order to broaden this analysis.

Third, we can work together on south-south engagement.

In an increasingly multipolar world, fostering south-south relationships will be even more critical.

Within the Commonwealth we have a strong contingent of rapidly industrialising Asian members, and facilitating greater interface between the ACP and this region, which continues to be an important source of growth, is

an area which we should explore in greater detail.

Finally, we can strengthen existing areas of collaboration and explore new ways to help strengthen the capacity of ACP countries to deepen - and to benefit from - their special relationships with the EU and with the United Kingdom.

The Hub and Spokes programme, jointly implemented for the ACP by the Commonwealth and the Organisation internationale de la Francophonie (OIF) with support from the European Commission, has supported trade development in all ACP countries and regions, and is widely acknowledged to have been successful and of real value.

However, the current programme comes to an end next month.

I have received numerous requests for it to be extended, however this would require external budgetary support.

It is therefore encouraging that last October, ACP Ministers of Trade further validated the contribution of the Hub and Spokes programme and supported its continuation, in whatever form.

So my team is working closely with the ACP, the OIF and the EC and exploring the possibilities for a successor programme.

In 2018, we launched the Commonwealth SME network. SMEs are predominant in ACP countries and they present opportunities for the economic empowerment of women and young people to derive meaningful benefits from trade.

I am also pleased that we have strengthened our **Commonwealth Small States Office in Geneva.**

We have deployed two trade advisers to support participation by small states and other Commonwealth delegations in Geneva, and to assist with making their WTO engagement more fruitful - whether in negotiations or with implementing trade agreements, such as the Trade Facilitation Agreement, which aims to bring down the costs of trading.

We are also working closely with the regions on emerging trade issues likely to affect the future of ACP trade such as e-commerce, services trade, and the development of regional and global value chains.

- **The Commonwealth**

So let me now share some forward-looking thoughts about the Commonwealth.

The Commonwealth is home to a third of the world's population (60 per cent under 30 years of

age), many of its fastest growing economies, and half of the globe's top 20 emerging cities.

While the ACP is engaged in the negotiations for a renewed partnership with the EU post-Cotonou, we in the Commonwealth are adopting new approaches to governance, delivery and the way in which we work in order to deepen impact and build stronger partnerships through innovative approaches.

Such matters were high on our agenda at the Commonwealth Heads of Government Meeting hosted by the United Kingdom last April in London and at Windsor.

There was an ambitious and far-reaching array of outcomes - the Commonwealth Connectivity Agenda for Trade and Investment, a Commonwealth Blue Charter to protect the ocean, a Commonwealth Cybersecurity

Declaration, and Revised Commonwealth Guidelines for Monitoring Elections.

- **Commonwealth Trade and Investment**

Some commentators have suggested that the Commonwealth presents an alternative trading bloc for the United Kingdom once it leaves the EU.

This tends to create a misleading impression, since the United Kingdom will continue to trade, invest and cooperate with countries in both the EU27 and the Commonwealth, as it currently does.

Post-Brexit bilateral trade deals involving the United Kingdom and interested Commonwealth members are possible, and this would of course help to boost intra-Commonwealth trade.

However, it is important to bear in mind that the Commonwealth is not a formal trading bloc.

Even so, trade and investment among our members is strong and growing.

Research and analysis have shown that when both bilateral partners are Commonwealth members, they tend, on average, to trade **20 per cent more and generate 10 per cent more foreign direct investment flows than otherwise.**

And when Commonwealth countries trade with one another, there is also a **19 per cent cost advantage, on average.**

Factors such as historical ties, a shared language, the Common Law, and large and dynamic diasporas connect us and make it easier and more efficient to trade among ourselves.

Indeed, our theme this year is ‘A Connected Commonwealth’.

So the question now is, how do we draw on our Commonwealth connection and our networks of

relationship linking nations and territories in every continent and ocean to yield even greater trade gains for our members.

- **Commonwealth Connectivity Agenda**

At the 2018 Commonwealth Heads of Government Meeting - CHOGM as it is more generally known - our leaders adopted the Commonwealth Connectivity Agenda for Trade and Investment.

They set the goal of expanding investment and boosting trade among Commonwealth member countries to US\$2 trillion by 2030.

To work towards that objective, the Connectivity Agenda provides a forward-looking agenda and a platform for peer-to-peer knowledge exchange, review and support covering work on five clusters: Physical Connectivity; Digital Connectivity; Regulatory Connectivity; Business

to Business Connectivity; and Supply Side Connectivity.

Drawing these clusters together, there will be particular attention to the role of **inclusive trade** - focusing on involving women and youth - and to **sustainable trade**, focusing on the opportunities offered by the blue and green economies, which are extremely important to all of us.

There will be a lead country for each cluster, and the United Kingdom and several ACP members have already indicated their willingness to help in guiding our work in this way between now and the next Commonwealth Heads of Government Meeting, which is being held in Rwanda in 2020.

There are further trade and investment gains from more effective and efficient governance frameworks.

At the Commonwealth Secretariat, we have established an Office of Civil and Criminal Justice Reform to create and share best practice frameworks and implementation toolkits.

We have also created an Innovation Hub to boost trade by sharing best practice and lessons learned among our 53 member countries.

Altogether we have 43 implementation toolkits, and through our online law and climate change toolkit we are addressing the issue of resilience and disaster risk reduction from a legal perspective.

I encourage you to visit our new Commonwealth Innovation Hub which is packed full of tools and capabilities for mining data on trade and other economic statistics, environmental, social and governance analysis - including on gender equality, and other developing themes.

These are of particular value for small states, facilitating access and collaboration regardless of location, and provide unprecedented access to global data, insight and research.

In addition, we have established a multipurpose facility at our headquarters in London in partnership with Bloomberg Philanthropies. It is the physical manifestation of our Innovation Hub. A live Bloomberg terminal provides trends as well real time data on the financial markets, trade, energy, economy, and information about Commonwealth countries as well as our five regions. It can be used along with the Commonwealth's own data platforms to carry out swift research and analysis. The facility has been designed in a modular fashion. It can be used either as a training or a meeting room, which, if needed could be live-streamed across the globe. Also, in the near future this facility will be used

for virtual meetings with the Commonwealth member countries. It uses state of the art technology, has triple security layering, and enables the organisation function effectively in the digital age.

Within what is now truly ‘A Connected Commonwealth’ there is so much for us to give and so much to gain as we work together to strengthen links and cooperate to lift levels of Commonwealth trade ever higher.

We have now also started to implement the Commonwealth Blue Charter, which applies the 16 values and principles of the Commonwealth Charter to ocean governance and development.

Such positive developments and progress continue to add to the encouraging possibilities offered by multilateral cooperation - in the Commonwealth, with the ACP, and with the EU.

So I thank you again for the opportunity of addressing this assembly, and of sharing with you something of the products and prospects yielded through what I hope and trust will be ever more fruitful collaboration and partnership.