

# Commonwealth Connectivity Agenda

Action Plan



The Commonwealth



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# 1. Background

In April 2018, leaders at the Commonwealth Heads of Government Meeting (CHOGM) adopted the Commonwealth Connectivity Agenda for Trade and Investment (CCA). The CCA provides a new approach for Commonwealth members to engage on trade and investment with a view to boosting trade and investment across the Commonwealth, in the process grow intra-Commonwealth trade to US\$2 trillion by 2030, and expand investment. Through a bottom-up, member-led approach, the CCA is expected to play an important role in leveraging the strength of the Commonwealth to support growth, create employment, share best practices and learning, provide capacity-building and promote development among its 53 member countries.

Commonwealth members are already closely linked through familiar administrative and legal systems, similarities in business, commercial and legislative practices, and large and dynamic diasporas spread across the Commonwealth. In many cases, these linkages provide tangible commercial benefits for traders and investors in Commonwealth countries.

The CCA builds on these advantages by providing a platform to support structured dialogue, networking and collaboration on trade and investment between Commonwealth member countries. Engagement across institutions, regulators, policy-makers and businesses in the Commonwealth will facilitate learning from other member countries' experiences, the sharing of knowledge and ideas, and, ultimately, the realisation of common goals.

This is to be achieved through the work of five interconnected CCA clusters (or working groups) on business to business, digital, physical, regulatory and

supply-side connectivity, alongside a commitment to mainstreaming inclusive and sustainable trade (addressing women's economic empowerment, youth unemployment and sustainable development of the blue and green economies), to harness the Commonwealth advantage and leverage the benefits of greater connectivity.

The CCA is to follow a three-phased approach as shown in Figure 1. The first phase focuses on building an evidence base, which feeds into the work of collaborative open platforms in the second phase. The third phase involves action at scale.

## Figure 1: Connectivity Approach

The Action Plan set out in this document contextualises and operationalises the work of the CCA. It gives practical expression to the Agenda by translating the Declaration on the Commonwealth Connectivity Agenda for Trade and Investment (see Annex I) into ambitions, outputs and specific activities for action.



## 2. Global Megatrends and the Commonwealth in 2030

A number of megatrends are shaping the future of societies, economies and the environment, and changing the nature of business activities and human interactions across the world. Long-term changes in demographics, urbanisation patterns, technological advances, levels of economic interconnectedness and the distribution of global power, together with mounting climate change concerns and growing pressure on natural resources are affecting individuals, the global economy and physical environments, often in interrelated ways. The impacts of these megatrends may be mutually reinforcing and, collectively, they have important consequences for future economic and social development in Commonwealth countries.

### Demographics are changing

The world population has grown at unprecedented rates in recent decades. National populations in many countries, including some Commonwealth members, have grown rapidly as a result of high birth rates. The pace of population growth has led to bulging populations of young people in the Commonwealth. This creates opportunities for a considerable demographic dividend, but only if a sufficient number of jobs can be created to employ the large volume of young workers entering the labour market each year. This task is becoming increasingly challenging as digitalisation and technological advances (discussed further below) threaten to cause significant job losses in labour-intensive industries. In contrast, some countries – primarily in Europe and North America

– are facing ageing populations and workforces, with potentially damaging effects on workplace productivity. As a result, the pool of available labour is shrinking in these countries and, on average, individuals of working age are having to support increasing numbers of elderly dependents. The rising proportions of elderly citizens are also placing greater pressure on social welfare systems.

### Urbanisation is occurring rapidly, although urbanisation rates are uneven

Some estimates suggest that two-thirds of the world's population will reside in cities by 2030. Much of the present growth in urban populations is concentrated in the developing world, with especially high urban growth rates in Africa and Asia. The process of rapid urbanisation is generating opportunities for inclusive social and economic development, reflected in new business models and growing consumer classes to support commerce, employment and trade in cities and urban environments. This is improving prospects for an urban dividend – characterised by growth in urban jobs and productivity increases – in Commonwealth countries. However, rapid urbanisation is also exerting considerable pressure on infrastructure and services, resources and the environment in urban areas. This is placing new demands – both in terms of financing and capacity – on national and local governments in Commonwealth countries to develop, maintain and provide urban infrastructure (hard and soft) and services effectively, create jobs in urban areas and address challenges related to rural and urban

poverty. To counter these challenges, smart cities are emerging, backed by technologies that aid the efficient operation of infrastructure and services.

### **Digitalisation and technological advances are changing the nature of production and trade**

Rapid advances towards digitalisation, driven by an exponential growth in technologies such as advanced robotics, artificial intelligence, the internet of things, 3D printing and nanotechnology, mean economies are becoming increasingly digitalised. Concurrently, there has been enormous growth in both the volume and speed of digital data flows. These trends are transforming traditional manufacturing and production methods, generating significant improvements in productivity and efficiency, and shifting manufacturing opportunities and patterns of specialisation within and between countries. Digital technologies and cross-border data flows are supporting the expansion of global value chains (GVCs), while advances in digital infrastructure and enabling technologies are creating opportunities for new business models and service platforms and supporting the rise of the sharing economy. The expansion of the digital economy is facilitating digital trade, thereby creating new opportunities to expand intra- and extra-Commonwealth trade. However, there is evidence to suggest the impact of digitalisation is uneven across countries and sectors. A lack of technological diffusion, structural barriers to the utilisation of new technologies, deficiencies in the availability of, or access to, digital infrastructure, digital divides within and between countries, and skills gaps can stifle the potentially positive effects of digital transformation in the Commonwealth. Moreover, the massive increase in data flows and the interconnected nature of

digital infrastructure systems poses new security challenges (such as cybercrime and cybersecurity risks) and privacy concerns.

### **New and emerging technologies are transforming jobs and altering the future of work**

Digitalisation is transforming traditional economic activities in agriculture, manufacturing and services, posing a threat to jobs as automation and other technologies replace workers and reduce the need for labour. The speed of digital transformation means there is a real threat that job displacement resulting from automation will outpace job replacement and the creation of new jobs through digitalisation. This may result in job losses and/or a rise in the prevalence of precarious work in Commonwealth countries.

### **Globalisation is entering a new phase**

The digital transformations underway are also supporting growing levels of economic interconnectedness within and between countries. Advances in logistics and communications infrastructure and technologies are reducing transaction costs and improving the speed and efficiency of cross-border flows of information, goods and services. This is supporting increasingly globalised production networks and more complex trade and investment relationships, leading to sustained increases in international trade and capital flows. While this process is expected to bring many benefits, it also poses risks to Commonwealth countries. Stronger competition and the increasing ease with which labour and capital can move across borders means certain individuals or population groups may be marginalised from participating in value-generating economic activities. In addition, higher levels of interconnectedness also raise the risk of exposure to external shocks – both

economic and financial – either at the economy-wide or sectoral level. These risks may be magnified in small states within the Commonwealth.

### **Economic and political power is shifting to emerging economies**

Emerging economies, some of whom are Commonwealth members, are exerting a growing influence on the global economy both through participation in international trade and in terms of international finance flows. As a result, a 'multi-polar' world order is emerging, characterised by increasing diffusion of global power. These trends have important implications for Commonwealth countries in relation to attracting, managing and regulating financial flows and investments and in terms of diversifying trade beyond traditional markets.

### **Climate change is accelerating**

Expanding greenhouse gas emissions resulting from the burning of fossil fuels to meet rising demands for electricity generation, heating and transportation, unsustainable agricultural activities, deforestation and environmental degradation are contributing to irreversible climate change. This, in turn, is raising the frequency and magnitude of unpredictable changes to the environment, abnormal weather patterns and extreme weather events. These adverse environmental effects have potentially wide-ranging implications for agricultural production and productivity, food security, migration and human health in the future. The pace of climate change is raising the importance of adaptation and mitigation policies and highlighting the need to improve climate resilience, especially for small island states in the Commonwealth. Multilateral cooperation between Commonwealth members can help to combat climate change and promote sustainable production and supply chains within and between Commonwealth countries.

Economic and population growth is placing increasing stress on natural resources

The excessive level of demand for raw materials to support economic development and expanding populations is leading to the rapid depletion of scarce natural resources such as water and arable land. In this context, sustainable management of natural resources must be a key priority for Commonwealth member countries. At the same time, the need to shift to renewable alternatives to reduce demands on natural resources has become increasingly urgent. Sharing best practices and developing common principles, rules and protocols can help to manage the utilisation and sharing of natural resources, and ensure security of supply, within and between Commonwealth countries.



# 3. Responding to Future Trends Through a Connected Commonwealth

The Commonwealth is responding to these trends in a variety of ways through the CCA. The CCA brings together Commonwealth members to facilitate the sharing of knowledge, best practices and experiences and to undertake capacity building and voluntary mutual support to help harness the opportunities presented by these trends and find the most effective ways to deal with the challenges they pose. In doing so, the CCA provides practical impetus to efforts to boost Commonwealth trade and investment.

## 3.1 CCA Target and Objectives

By emphasising connectivity, the CCA adopts a progressive approach to achieve closer trade and investment ties across the Commonwealth. This is envisaged to provide the foundation for reaching the CCA's target, as established in the CHOGM Communiqué, of US\$ 2 trillion in intra-Commonwealth trade, and expanded investment by 2030.

Beyond raising trade and investment within the Commonwealth, the Declaration on the Commonwealth Connectivity Agenda for Trade and Investment establishes a set of broader objectives for the CCA. These are to:

- Support global growth;
- Create employment;
- Share best practices and learning; and
- Promote development.

## 3.2 CCA Guiding Principles for Action

The Declaration on the Commonwealth Connectivity Agenda for Trade and Investment also establishes a set of guiding principles for implementation of the CCA. These principles provide a foundation for the activities set out in this Action Plan. The principles centre on practicality and pragmatism as the cornerstone of the CCA. The emphasis on practicality means that Commonwealth member countries and their knowledge partners will set bold and ambitious targets, and give priority to what is achievable through practical and discrete actions that lead to credible and concrete results.

The element of pragmatism emphasises the importance of adopting a progressive approach towards a long-term vision for growing trade and investment ties across the Commonwealth. This is intended to allow the plans and actions of Commonwealth countries to evolve as they learn from their own experiences and those shared by fellow members. Consequently, this CCA Action Plan should be viewed as a dynamic document, with member countries free to adapt their plans and actions, both individually and collectively, as they gain insight into what is working and can be scaled up, what is not achieving the desired results, and

where resources can be redirected to maximise impacts in driving inclusive and sustainable trade and investment within the Commonwealth.

Priority in all CCA activities and areas of engagement will be accorded to adding value. At a practical level, this can be done by focusing on the mega-trends (changing demographics, rapid urbanisation, accelerating digitalisation and technological advances, growing levels of economic interconnectedness, global power shifts, climate change and increasing stress on natural resources) confronting all members and devising common principles, effective solutions and areas of mutual support to cope with these trends. More generally, CCA activities will focus on existing issues where Commonwealth member countries and their knowledge partners can share their expertise and past experiences (either nationally or regionally) with other members to help support the work of implementers, regulators and policymakers. Special emphasis will be placed on taking into account the needs of small and vulnerable economies and least developed countries in the Commonwealth.

The CCA also recognises the vital role played by the private sector as a partner in the delivery of key activities and the attainment of the CCA objectives. The private sector plays an integral role as a creator of employment and a driver of growth, as well as a promoter of inclusive and sustainable trade and development. Regular engagement and dialogue with the private sector will be facilitated through the various CCA fora and clusters, and the Business

to Business Connectivity Cluster in particular. This will help to ensure the actions agreed at the cluster level are fit for purpose and effectively harness the contribution of the private sector to the achievement of the overall goals of the CCA.

Finally, activities under this CCA Action Plan take into account the degree of connectivity already achieved and existing connectivity activities already underway. This is critically important to avoid duplication of existing initiatives and inefficient allocation of resources. The platform approach of the CCA, which brings together knowledge partners, member countries and users, plays an important role in ensuring members avoid duplication with other initiatives.

### **3.3 Delivering on Our Ambitions: Objectives and Initiatives of the Commonwealth Connectivity Action Plan**

The broad CCA targets and objectives are complemented by a number of specific objectives and initiatives for each of the Business to Business, Digital, Physical, Regulatory and Supply Side Connectivity Clusters (outlined in Figure 2). Across the work of all clusters, and the CCA more generally, priority will be given to promoting inclusive and sustainable trade. To this end, CCA activities will provide practical solutions to make Commonwealth trade more inclusive for women and youth, and more sustainable, focusing on the green and blue economies.

Figure 2: Connectivity Objectives and Initiatives

## BUSINESS TO BUSINESS CONNECTIVITY

Support public-private dialogue on connectivity			
DIGITAL CONNECTIVITY	PHYSICAL CONNECTIVITY	REGULATORY CONNECTIVITY	SUPPLY SIDE CONNECTIVITY
<p>Objective: Supporting the development of national digital economies</p> <p><i>Initial Initiatives:</i></p> <ol style="list-style-type: none"> <li>Promote understanding of the impact of digital transformation</li> <li>Support capacity-constrained members to create a strong environment for digital trade and industry</li> <li>Develop the evidence base on policies that enable digital skills development, digital trade and digital industrial development</li> <li>Develop principles to support digital connectivity in the Commonwealth</li> </ol>	<p>Objective: Supporting best practice in digital infrastructure development</p> <p><i>Initial Initiatives:</i></p> <ol style="list-style-type: none"> <li>Share experiences on how digital technologies can enhance the operation and capacity of infrastructure</li> <li>Engage on how countries can develop digital infrastructure</li> <li>Develop principles of sustainable investment in digital infrastructure for Commonwealth members</li> <li>Explore how countries can improve access to digital infrastructure to bridge digital divides and promote inclusive growth</li> </ol>	<p>Objective: Improving regulatory regimes across the Commonwealth</p> <p><i>Initial Initiatives:</i></p> <ol style="list-style-type: none"> <li>Facilitate and exchange views and experiences to enhance international regulatory cooperation</li> <li>Establish common understanding of regulatory practices and how to go about developing Commonwealth Good Regulatory Practices</li> <li>Develop best practice for good regulatory practice and regulatory impact assessments</li> <li>Build capacity for Commonwealth members to design and implement good regulatory practices</li> </ol>	<p>Objective: Encouraging the participation of all members in global value chains</p> <p><i>Initial Initiatives:</i></p> <ol style="list-style-type: none"> <li>Facilitate and exchange views and experiences on the agriculture and fisheries sector, with a particular focus on smart agriculture and smart fisheries</li> <li>Explore how countries can enhance the role of MSMEs through specific policies</li> <li>Explore how the Commonwealth can promote inclusive and sustainable growth</li> <li>Seek technical assistance to support members' agriculture and fisheries exports</li> </ol>

### INCLUSIVE & SUSTAINABLE TRADE

Mainstream gender, youth, green and blue economy considerations into Commonwealth cooperation

At an operational level, the five CCA cluster working groups serve as platforms for structured dialogue and sharing of best practices and experiences between Commonwealth members by bringing together sectoral policy-makers, implementers and users from across the Commonwealth. The ambitions, actions and outputs of each of the clusters are outlined in the pages that follow.

The actions and outputs are drawn from the respective Terms of Reference agreed by the participating member countries of each CCA cluster. In delivering the actions and outputs set out below, care will be taken not to duplicate existing connectivity initiatives already being undertaken by other relevant regional and sub-regional institutions and fora. Instead, where there are instances of potential duplication or cross-over, the intention will be to complement or add value to other inter-governmental initiatives, by focusing on under-performing areas or on issues where Commonwealth member countries can share their expertise and regional experience with others.

## DIGITAL CONNECTIVITY CLUSTER

**The Digital Connectivity Cluster will work towards realising the following ambitions.**

Focus	Objectives	Actions and outputs
<p>Supporting the development of national digital economies, improving regulatory frameworks and best practice on digital infrastructure in order to enable all Commonwealth member countries to take advantage of the opportunities presented by digital trade.</p>	<ul style="list-style-type: none"> <li>• Facilitate an exchange of views and experiences among Commonwealth countries to enhance digital connectivity and promote sharing of experiences on the enabling environment for digital trade</li> <li>• Engage on how countries can take advantage of the opportunities presented by digital trade and digitalisation</li> <li>• Explore how digital trade can promote inclusive growth, including the promotion of gender equality</li> <li>• Explore how countries can address the disruptive effects of digital trade</li> <li>• Explore how countries can develop digital industrial policies and the role of governments in enabling the digital economy and value chains.</li> </ul>	<ul style="list-style-type: none"> <li>• Promote understanding of the impact of digital transformation on Commonwealth economies.</li> <li>• Support capacity-constrained members to create a strong enabling environment for digital trade.</li> <li>• Develop the evidence base to support policymakers to understand the potential and conditions for digitisation and digital trade to promote inclusive growth and sustainable development.</li> <li>• Develop the evidence base on Commonwealth best practice using case studies and lessons learnt.</li> <li>• Develop understanding and capacity in digital industrial policy.</li> <li>• Promote understanding of the role of Governments in enabling the digital economy and value chains.</li> </ul>

## PHYSICAL CONNECTIVITY CLUSTER

The Physical Connectivity Cluster will work towards realising the following ambitions.

Focus	Objectives	Actions and outputs
<p>Trade facilitation, best practices in infrastructure development and trade information to reduce physical barriers to trade.</p>	<ul style="list-style-type: none"> <li>• Facilitate an exchange of views and experiences among Commonwealth countries to improve physical connectivity across the Commonwealth.</li> <li>• Promote a sharing of experiences on how digital technologies can enhance the operation and capacity of infrastructure to create more efficient, connected, sustainable and inclusive cities.</li> <li>• Engage on how countries can develop digital infrastructure to take advantage of the opportunities presented by digital trade and digitalisation.</li> <li>• Explore how countries can improve access to digital infrastructure to bridge digital divides and promote inclusive growth.</li> <li>• Promote information and knowledge sharing among Commonwealth members on good regulatory practices for digital infrastructure development.</li> <li>• Develop general principles to guide the development of regulatory frameworks.</li> <li>• Explore innovative financing models for digital infrastructure.</li> </ul>	<ul style="list-style-type: none"> <li>• Improve understanding of measures and instruments for sustainable financing of digital infrastructure in the Commonwealth</li> <li>• Develop best practices for leveraging private sector investment in infrastructure.</li> <li>• Enhance access to digital infrastructure to address digital divides within and between Commonwealth countries.</li> <li>• Develop principles for good regulatory practice in digital infrastructure.</li> <li>• Promote greater understanding among Commonwealth countries of the privacy and cybersecurity risks associated with digital infrastructure.</li> </ul>

## REGULATORY CONNECTIVITY CLUSTER

The Regulatory Connectivity Cluster will work towards realising the following ambitions.

Focus	Objectives	Actions and outputs
<p>Improving understanding of regulatory regimes across the Commonwealth, promoting good regulatory practice and mutual recognition in order to reduce regulatory barriers to trade</p>	<ul style="list-style-type: none"> <li>• Facilitate and exchange views and experiences to enhance international regulatory cooperation.</li> <li>• Establish a common understanding of regulatory practices including, but not limited to, regulatory transparency, predictability and regulatory barriers to trade and investment.</li> <li>• Develop best practice for good regulatory practices (GRPs) and regulatory impact assessments.</li> <li>• Engage in knowledge sharing and exchange experiences on ease of doing business reforms and ways to address the challenges for MSME development posed by regulation.</li> <li>• Share experiences with using trade promotion organisations to support MSMEs.</li> <li>• Explore the role of governments in enhancing the regulatory environment, particularly for MSMEs.</li> <li>• Provide the evidence base to quantify regulatory reform.</li> </ul>	<ul style="list-style-type: none"> <li>• Undertake regulatory stocktakes in specific areas or sectors to facilitate engagement.</li> <li>• Develop case studies on stakeholder consultation mechanisms, tools to ease the regulatory environment for MSMEs, and ways to embed and institutionalise GRPs in government processes and national strategies.</li> <li>• Establish a GRP Academy for sharing expertise, case studies and best practices on GRPs.</li> <li>• Develop guidelines for regulatory impact assessments.</li> <li>• Explore options for a programme, based on the Commonwealth Hub and Spokes model, of national advisers in ministries to provide advice on regulatory reform in areas such as GRPs and ease of doing business.</li> </ul>

## SUPPLY SIDE CONNECTIVITY CLUSTER

The Supply Side Connectivity Cluster will work towards realising the following ambitions.

Focus	Objectives	Actions and outputs
<p>Encouraging the participation of all members in global value chains</p>	<ul style="list-style-type: none"> <li>• Facilitate an exchange of views and experiences on the agriculture and fisheries sectors among Commonwealth countries and promote the sharing of experiences.</li> <li>• Explore how countries can enhance the role of MSMEs through specific policies and the role of governments in supporting MSME participation in agrifood and fisheries value chains.</li> <li>• Explore ways to support Commonwealth governments to engage on standard-setting and support MSMEs to comply with quality and process standards.</li> <li>• Explore how the Commonwealth can promote inclusive and sustainable growth.</li> </ul>	<ul style="list-style-type: none"> <li>• Identify opportunities and constraints for Commonwealth MSMEs to participate in global value chains for plantation crops, specifically coconut, palm oil and soya.</li> <li>• Share country experiences of the most effective MSMEs funds and financing instruments to support agribusiness and fisheries MSMEs.</li> <li>• Identify potential disruptive effects of technology on the plantation crop value chains and identify ways to harness technology to effectively support MSME participation in these value chains.</li> <li>• Promote understanding of the role of Governments, in partnership with industry associations, businesses and other stakeholders, in assisting MSMEs to participate in plantation crop value chains and support vertical integration of producers into upstream and downstream activities.</li> <li>• Promote understanding of the role of agribusiness and fisheries MSMEs in the Green Economy, including identification of the impact of climate change on these sectors.</li> </ul>



## BUSINESS TO BUSINESS CONNECTIVITY CLUSTER

The Business to Business Connectivity Cluster will work towards realising the following ambitions.

Focus	Objectives	Actions and outputs
<p>Supporting greater interface and dialogue between the public and private sectors, as well as between Commonwealth businesses, especially MSMEs, and assisting member countries to attract investment, particularly with the aim of enhancing the private sector's role in promoting the blue and green economy</p>	<p>Ensure that the work of the CCA clusters is responsive to the views and needs of businesses in the Commonwealth.</p> <p>Facilitate direct Ministerial engagement with the Commonwealth private sector.</p> <p>Develop Commonwealth business networks.</p>	<p>Consider the establishment of a dedicated digital platform in the Commonwealth Secretariat to engage business organisations within Commonwealth member countries.</p> <p>Provide an inclusive platform to bring together Commonwealth Accredited Organisations and apex regional private sector bodies.</p> <p>Conduct a survey of the issues under the Connectivity Agenda with Pan-Commonwealth private sector appeal, separating low hanging fruit and longer-term deliverables.</p>

### 3.4 From Action to Tangible Impacts: Capacity-building and Hard and Soft Connectivity

The CCA will support the achievement of tangible impacts by facilitating cooperation between member countries and, in the process, bringing together a range of stakeholders including trade officials, sectoral policymakers, regulators, implementers and the private sector to explore ways to increase inclusive and sustainable trade and expand investment across the Commonwealth through peer-to-peer learning, capacity building, voluntary mutual support and the promotion of investment.

#### Hard infrastructure

The CCA will support the development of hard connectivity by providing a forum for cooperation, engagement and knowledge sharing – between Commonwealth member countries and in association with knowledge partners – to support the development of hard infrastructure. This will include the exchange of knowledge, expertise and experiences on best practices for preparing, financing and implementing hard infrastructure projects, either nationally or at the regional level.

Through the work of the Digital and Physical Connectivity Clusters, Commonwealth member countries will identify innovative models for attracting investment in infrastructure, especially digital infrastructure, and share knowledge and develop best practices for leveraging private sector investment in hard infrastructure. This will help to generate an improved understanding in Commonwealth member countries of the measures and instruments available for sustainable investment in infrastructure in the Commonwealth.

Through the cluster working groups, Commonwealth member countries will share experiences on how digital technologies, including smart infrastructure technologies, can be harnessed to improve the operation and capacity of existing infrastructure. In addition, members will cooperate to develop ways to enhance access to digital infrastructure and, in the process, address digital divides between countries or urban and rural areas and across individuals, genders, communities and firms. The work of the clusters will also contribute to improving the understanding among Commonwealth countries of the privacy and cybersecurity risks associated with digital infrastructure and effective ways to mitigate these risks.

These interventions related to hard connectivity will be complemented by actions to create more effective regulation of the development and operation of hard infrastructure. The CCA clusters provide a forum to promote exchanges of knowledge and information on appropriate and transparent regulatory frameworks and good regulatory practices and principles for infrastructure development, both in relation to digital infrastructure and more traditional forms of infrastructure. This will help to build investor confidence and remove barriers to investment in hard infrastructure.

More generally, the closer integration between Commonwealth member countries generated by the CCA is expected to provide a basis for leveraging investment in infrastructure development, both from public and private sources.

#### Soft infrastructure

There are generally clear and important complementarities between hard and soft infrastructure. Consequently, in order to ensure the positive connectivity effects of

hard infrastructure are felt by economic actors, complementary investments in soft infrastructure are usually required. For example, improvements to customs procedures or logistics services can ensure investments in road infrastructure or hard infrastructure at border crossings have the necessary impact in reducing transit times and costs associated with cross-border trade.

The CCA clusters provide a platform for Commonwealth members to share knowledge and develop best practices for leveraging public and private sector investment in soft infrastructure. Similarly, they serve as forums for member countries to exchange views and experiences and engage on ways to improve business environments, enhance regulatory cooperation, improve regulatory practices and address bottlenecks to trade and investment. These efforts will help to facilitate intra-Commonwealth trade and investment.

### **Capacity-building**

The CCA, operationalised through the cluster working groups, provides a structure for organising engagement in a way that allows members to provide capacity- building on a voluntary basis. In tandem with the other knowledge exchange and experience sharing activities facilitated through the CCA, targeted capacity building interventions can play a crucial role in addressing the capacity deficit in the Commonwealth.

## 4. Monitoring Progress

Effective monitoring and evaluation of the results of initiatives pursued under the CCA are essential given the need for demonstrable progress towards the trade and investment targets at the Mid-Point Review and by CHOGM 2030. At the same time, monitoring, evaluation and reporting processes should not be unduly resource-intensive for the Commonwealth Secretariat nor onerous for Commonwealth member countries.

### 4.1 Action Matrix

A streamlined Monitoring Framework has been devised with the need to balance these requirements in mind. The Monitoring Framework, which is structured as a constantly evolving Action Matrix, links directly to the actions set out at the cluster level. The monitoring mechanism: tracks the decisions and actions agreed by members in the various CCA fora and set out in the Action Matrix; lists activities for action and allocates primary responsibilities to members, senior trade officials or Commonwealth Trade Ministers, or the Commonwealth Secretariat as applicable; records agreed on deadlines for delivery; provides a simple traffic light system to track the status of individual deliverables and decisions for action as either 'on track', 'delayed' or 'past due'; and documents which deliverables and decisions for action have been completed or remain in progress.

This mechanism provides a clear way for the Commonwealth Secretariat to provide regular updates to members on activities undertaken through the CCA. This is designed to ensure that the activities being pursued are working towards the targets and objectives set by Heads and are on track to be delivered as agreed.

### 4.2 Connectivity Dashboard

At the same time, an online Connectivity Dashboard will provide a practical tool for tracking and evaluating progress towards the CCA's core trade and investment targets. The interactive tool will present up-to-date data on (i) intra-Commonwealth trade volumes and partners, (ii) relevant indicators in areas of specific importance to promote digital, physical, regulatory, supply-side and business to business connectivity across the Commonwealth and (iii) indicators of progress towards more inclusive (empowerment of women and youths) and sustainable (blue and green economies) trade. The Connectivity Dashboard will be updated regularly and will be accessible to all Commonwealth member countries, their knowledge partners and the wider public.

# Annex I: Declaration on the Commonwealth Connectivity Agenda for Trade and Investment

We, the Heads of Government representing member countries of the Commonwealth and one third of the world's population recognise international trade and investment as an engine for generating inclusive and participative economic growth and a means to deliver the 2030 Agenda for Sustainable Development.

Recalling our previous statement issued in Kotte in 2013 and the Malta Communique in 2015, and mindful of the intra-Commonwealth trade and investment potential as demonstrated in the 2015 and 2018 Commonwealth Trade Reviews, we stress the importance of international trade and investment in boosting employment and income in our countries and helping them achieve the Sustainable Development Goals (SDGs).

We take note of the statement delivered by Malta at the 11th WTO Ministerial Conference and we affirm our commitment to free trade in a transparent, inclusive, fair, and open rules-based multilateral trading system as a foundation for economic development and growth. We encourage member countries to work collectively towards strengthening the system and on trade issues which will lead to more prosperity in the world economy.

In particular, we recognise the importance of the multilateral trading system in ensuring the integration of small, vulnerable and least developed countries and countries in sub-Saharan Africa, the Caribbean and the Pacific into the world economy, and welcome initiatives which will support greater and more effective participation of these countries in international trade.

With members drawn from every geographic region and every level of development, we affirm the role the Commonwealth can play in supporting global growth, creating employment, the sharing of best practices and learning and promoting development among its members.

To promote the realisation of these goals, we hereby launch the Commonwealth Connectivity Agenda for Trade and Investment.

This Agenda will be guided by the principles that: co-operation should be pragmatic and practical, leading to credible results; take into account regional integration initiatives; take into account the needs of small and vulnerable economies and least developed countries; avoid duplication with initiatives where other organisations are already working; add value in areas of engagement; and adopt a progressive approach towards a long term vision for closer trade and investment ties. It should

also recognise the vital role of the private sector in delivering the 2030 Agenda and facilitating the promotion of the blue and green economy.

In pursuing the Agenda, member countries will structure dialogue around the following clusters:

1. Physical Connectivity, engaging on trade facilitation, identifying and facilitating implementation issues, infrastructure development including multi-sectoral connectivity and the sharing of trade information, in order to reduce the physical barriers to trade;
2. Digital Connectivity, assisting member countries in expanding ICT capabilities, identifying areas for developing their national digital economies, improving their regulatory framework and building digital infrastructure, inter alia through capacity building and promoting investments, to enable all members to take advantage of the opportunities presented by digital trade;
3. Regulatory Connectivity, improving understanding of various regulatory regimes, increasing the ease of doing business, promoting good regulatory practice including regulatory cooperation among member countries to reduce non-tariff barriers, improving services data collection, and mutual recognition, in order to reduce regulatory barriers, address the capacity deficit and improve the regulatory environment for business, especially micro, small and medium enterprises and consumers;
4. Business-to-Business Connectivity, supporting dialogue between the public and private sectors and between businesses, assisting member countries to attract investment through capacity building, facilitating the needs of the micro, small and medium enterprises to access finance, and reflecting on how domestic regimes could facilitate business-to-business connectivity, particularly with the aim of enhancing the private sector's role in promoting the blue and green economy;
5. Supply Side Connectivity, encouraging the participation of all members in global value chains, fostering global value chains (GVC) linkages and sharing knowledge among members and harnessing them for economic growth, as well as the creation of export diversification opportunities for micro, small and medium enterprises, and exploring possibilities to collaborate on national trade portals, and
6. In engaging in these areas, member countries will mainstream inclusive and sustainable trade as a cross-cutting issue. The Commonwealth will deepen collaboration with other organisations in identifying issues affecting the sustainability of economies. We affirm our commitment to making trade and investment truly inclusive by encouraging the participation of women and youth in business activities, by taking a gender responsive approach to the development of trade policy, increasing opportunities for women to trade internationally, and breaking down gender barriers in all sectors. We undertake to invest in programmes to tackle youth unemployment and give young people access to meaningful opportunities.

United Kingdom  
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