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# BRIDGES AFRICA

Trade and Sustainable Development News and Analysis on Africa

VOLUME 6, ISSUE 3 – MAY 2017


# Reflections on the implementation of the WTO's Trade Facilitation Agreement

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International Centre for Trade and Sustainable Development

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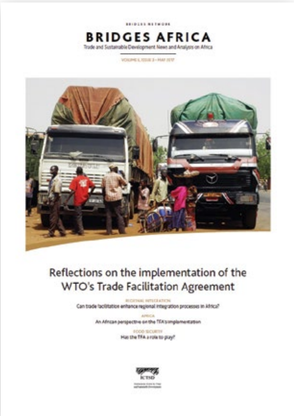
# Reflections on the implementation of the WTO's Trade Facilitation Agreement




*More than three years after its adoption at the Bali ministerial conference, the WTO's Trade Facilitation Agreement (TFA) entered into force in February 2017. The time has now come for the multilateral trade body's African member states to set in motion their implementation efforts. According to WTO estimates, Africa is the region that may benefit most from the TFA, with trade costs expected to decrease by over 16 percent on average. Least developed countries in particular could experience a significant fall in trade costs as they progress towards implementation of the agreement. For a continent impaired by limited intraregional trade and also seeking to better integrate the world economy, easing the flow of goods across borders could constitute an important step towards economic transformation.*

*Although the potential benefits are large, the scale of the task at hand should not be underestimated. Despite the well-established presence of trade facilitation on most national and regional policy agendas throughout Africa, progress in this area has been fragmentary. According to the Trading Across Borders indicators from the World Bank's Doing Business database, Africa is by far the region where exporting is the most onerous and affected by time delays. Although these indicators have their limitations, they offer a telling glimpse at why burdensome customs procedures constitute one of the biggest constraints weighing on African businesses' international competitiveness.*

*Against this backdrop, why is it that only 19 of the continent's 44 WTO members have ratified the TFA so far? How does the agreement interact with Africa's own regional trade-related processes and priorities? In what ways can the agreement support African countries' development aspirations, and how can these opportunities be realised? This issue aims at shedding light on those questions.*

*In the first article, Memory Dube and Patrick Kanyimbo offer insights on how African countries could make the most of trade facilitation to bolster their regional integration agenda, suggesting that looking beyond the TFA might be necessary. This piece is complemented by another article in which Stephen Karingi and Robert Tama Lisinge reflect on the interplay between the TFA and existing efforts deployed by African countries in the area of trade facilitation. The third contribution to this issue, written by Paul Batibonak, underlines the opportunities and challenges associated with the implementation of the TFA and insists on the importance of turning the agreement into a development tool for the continent.*

*Finally, two additional articles approach the trade facilitation issue through a more specific angle. While Ahmad Mukthar shows how the TFA could contribute to ensuring food security across Africa, Ben Shepherd emphasises the importance of trade facilitation in enhancing African businesses' capacity to join and benefit from global value chains.*

*As usual, we welcome your substantive feedback and contributions. Write to us at bridgesafrica@ictsd.ch.*

TRADE FACILITATION

# Leveraging Trade Facilitation to Drive Africa's Regional Integration Agenda

**Memory Dube and Patrick Kanyimbo**

*As regional economic integration gathers pace in Africa, how can trade facilitation be leveraged to spur the economic growth and development necessary for its implementation? Is the TFA the answer?*

Have you ever considered how competitive a country would be if donkeys and camels were the primary mode of transport for its cross-border trade? Over long distances, a donkey can trot at a leisurely 9 km/hour but it can notch up a top speed of 43 km/hour. That is approximately how efficient trade would have been for our forefathers in Africa's ancient trading kingdoms around Timbuktu and similar cities. It took a trade caravan 40 days to cross the Sahara Desert in those medieval times. Fast forward to the twenty-first century and you would think that things must be totally different and that Africa would have considerably accelerated. Not quite, when you consider that the estimated effective speed of road transport within the Southern African Development Community, for example, is between 6 km/hour and 12 km/hour.[1] The road infrastructure has substantially improved since the medieval era and trucks can move as fast as anywhere else in the world. But when drivers have to be stopped at numerous checkpoints and are forced to spend days at borders, the average speed of an entire journey reduces to donkey pace.

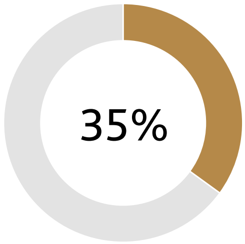
It is therefore unsurprising that Africa faces the largest trade costs of any region in the world. And many of the challenges are man-made. Granted, geographic constraints, such as having more landlocked countries (16) than any other region in the world, put Africa at a disadvantage. But such geographic barriers have not prevented Switzerland or Austria from participating effectively in international trade. In fact, the landlock barrier needs to be qualified. In *The Bottom Billion*, Paul Collier pins it down to being "landlocked with bad neighbours."[2] Since exports and imports have to pass through one or more borders to reach their intended destinations, bad neighbours make trade especially problematic for landlocked countries.

One of the solutions proffered by development practitioners is for African countries to adopt trade facilitation measures in order to reduce trade costs and enhance economic competitiveness. Essentially, the Trade Facilitation Agreement (TFA) concluded under the WTO at Bali, Indonesia, in December 2013 is all about reducing trade costs. The TFA was a major milestone for the multilateral trade talks, as the Doha Development Agenda had lost momentum since its launch in 2001. The agreement contains provisions for expediting the movement, release, and clearance of goods, including goods in transit. Many of these measures were already being implemented to varying extents by some African countries as part of the Revised Kyoto Convention (RKC) under the World Customs Organization.

However, unlike the RKC, which provides good practices on trade facilitation for countries to adopt on a voluntary basis, the TFA entails binding commitments.[3] By 22 February 2017, 87 countries, including 18 African countries, had ratified the TFA, triggering its entry into force. The beginning of the implementation phase again spotlights the importance of trade facilitation to the continent. This article seeks to address the role of trade facilitation in regional economic integration in Africa. It draws lessons from recent experiences and their implications to make the TFA a success.

**The WTO's TFA and intra-African trade**

A number of studies have attempted to quantify the benefits of the TFA. For instance, a 2015 WTO study argued that least developed countries (LDCs), the majority of which




According to WTO estimates, least developed countries would experience a 35 percent increase in exports as a result of the Trade Facilitation Agreement's full implementation.

are in Africa, would experience a 35 percent increase in exports courtesy of the TFA if the agreement is fully implemented. It added that the TFA could boost economic growth in developing countries by increasing exports by 3.5 percent annually, increasing annual economic output by 0.9 percent, while also expanding and diversifying the export basket by as much as 20 percent.[4] Given that Africa is wholly made up of developing countries and LDCs, such estimates suggest that Africa would reap substantial benefits by implementing the TFA. Moreover, since intra-African trade comprises a larger share of products which are more sensitive to transport costs and border delays, it is reasonable to expect that the TFA would help to boost intra-African trade in particular. Simulations by the United Nations Economic Commission for Africa demonstrated that implementation of the Continental Free Trade Area, accompanied by trade facilitation measures, would double the share of intra-African trade in the continent's total trade in a decade, from circa 12 percent in 2012 to 22 percent by 2022, compared to an increase up to 15.5 percent in a scenario without trade facilitation measures.[5]

*Since intra-African trade comprises a larger share of products which are more sensitive to transport costs and border delays, it is reasonable to expect that the TFA would help to boost intra African trade in particular.*

Therefore, the coming into force of the TFA bodes well for Africa's reinvigorated agenda on regional integration, complemented and underpinned by an industrialisation as well as an infrastructure development drive. This agenda includes the official launch, in June 2015, of the Tripartite Free Trade Area (TFTA) involving 26 countries that form the Common Market for Eastern and Southern Africa, the East African Community, and the Southern African Development Community. These 26 countries account for over half of the continent's gross domestic product and population. Beyond the TFTA, African countries are pursuing negotiations towards the establishment of the Continental Free Trade Area.

The TFA also brings with it the certainty that binding legal commitments will be implemented by all the countries involved, including developing countries. This will positively impact on the overall business environment. African countries can also benefit from the goodwill generated by the TFA, which will help unlock developmental assistance to support developing countries in their implementation efforts and respond to their specific needs. International goodwill is evident in the establishment of the TFA Facility, launched by the WTO in July 2014, which offers a range of activities designed to enable developing countries and least developed countries to implement the agreement and reap its full rewards. The African Development Bank also aims to expand its Africa Trade Fund, which African countries can call on.

African countries can therefore ride this tide of trade facilitation enthusiasm and goodwill from development partners and launch measures aimed at fulfilling the provisions of the WTO's TFA.

**Challenges**

Although trade facilitation, per TFA definition, is necessary for enhancing intra-African trade, it is by no means sufficient to realise Africa's integration goals. Inadequate infrastructure (energy, information and communication technologies (ICTs), roads, water) and supply-side constraints associated with low levels of economic diversification, low productivity, low investment, and an underdeveloped and unregulated services sector pose fundamental challenges for regional integration.

Moreover, many studies seem to ignore the cost of implementing trade facilitation reforms. Implementing a single window system, for example, requires substantial upfront investment in hardware and software, process re-engineering, and legislative changes, plus recurring maintenance and upgrading costs and training of personnel. These costs must be passed on to economic operators and ultimately to consumers. Ultimately, answers to these questions will provide a more comprehensive picture of what the adoption of trade facilitation measures, and the TFA in particular, really means for Africa. Yet studies analysing such issues in Africa are scanty.

Further, the adoption of trade facilitation measures may be hampered by political economy issues as certain categories of stakeholders may feel that their interests are threatened. There is also a degree of apprehension among some African countries over a binding trade facilitation agreement, which may be seen to impose restrictions on their exercise of their development space.

In addition, the limited scope of the TFA minimises its impact. For Africa, in particular, achieving its integration aspirations requires a more comprehensive understanding of the concept of trade facilitation which goes beyond the narrow TFA definition, which is about freeing trade by unlocking border and transit measures. A broader definition includes dealing with hard infrastructure development, behind-the-border policies that impact on trade, policies regulating markets in backbone services (including issues affecting the market structure and pricing of marine and road freight), services trade, and trade finance, among many others. The trade facilitation agenda goes way beyond the TFA agreement. Viewed from a wider perspective, there are therefore many ways in which trade facilitation can help address some of the challenges that constrain regional integration on the continent.

**Towards a more holistic approach to supporting Africa's integration**

Beyond the TFA, development institutions such as the African Development Bank need to provide holistic support to deliver on this broader mandate. A few considerations will be vital to success in economic integration in terms of movement of goods, services, and people. These include the following.

*Pursuing a regional approach*

Trade facilitation measures are best implemented through a regional approach, since they need to be harmonised across countries. In the absence of such an approach, efficiency gains at one point along a corridor may be easily offset by chokepoints at a converging crossing point. Addressing facilitation along the entire length of a corridor and across many countries and regional blocs is imperative if Africa is to achieve integration on the scale of Cape to Cairo and east to west connectivity, as envisaged by its leaders. In other words, corridors and borders should be looked at in terms of "spaces of flows," rather than "spaces of places." This entails unbundling an approach to border control concentrating on territory towards one focusing on facilitation

However, a regional approach requires levelling up capacities in terms of human resources, ICTs, and other infrastructure, and addressing coordination weaknesses.

*Leveraging the hard–soft infrastructure nexus*

Implementing trade facilitation reforms tends to have less visible outcomes and may not be the best vote-catcher for political leaders compared to investment in hard infrastructure (roads, airports, railways, internet broadband, irrigation systems, potable water, schools, hospitals, etc.). Pushing for trade facilitation reforms may therefore be challenging if it is not accompanied by bigger and tangible investments in hard infrastructure. The solution is to leverage the hard–soft infrastructure nexus by combining physical infrastructure with soft infrastructure interventions in projects. At the African Development Bank, for instance, 10 percent of the budget for regional projects funded from the regional operations envelope must be carved out for soft interventions. This approach also enhances inclusiveness. A 2012 study by the World Bank on the economic geography of the East Africa Community, found that "border improvements save more time for the most number of people than infrastructure improvements alone."[6] Given the relative costs involved, a dollar invested in trade facilitation measures is a quick win over new infrastructure.

*Scaling up funding and effective policy dialogue to bridge the implementation gap*

Africa tends to lag behind in the implementation of regional integration commitments – rhetoric has not always been matched with action. This seems to be no different in the case of the TFA. The lethargy demonstrated by African countries in accepting the TFA may be indicative of slow donor support in helping countries to fully assess the benefits, define their commitments under the three commitment categories, expand their implementation capacity, and make the requisite investments among many competing priorities. Although the TFA contains promises of technical assistance for implementation, these provisions are not binding and support so far has been minimal, with demand by far outweighing the resources committed. Therefore, development institutions and donors need to scale up support in order to make a dent in the trade facilitation needs of developing countries, including those in Africa.

## Conclusion

To sum up, for Africa to achieve its goal of boosting trade within its own region and globally, it needs to make a leap from the current inefficient trade logistics. The TFA offers a platform to realise that goal, but it has its own limitations. Therefore, efforts should go beyond the narrow definition of trade facilitation under the TFA to embrace a broader approach that encompasses dealing with hard infrastructure development, behind-the-border policies that impact on trade, regulating backbone services, enhancing competition in logistics value chains on both land and sea, leveraging the hard–soft infrastructure nexus, and embracing a regional approach.

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❶ UKAID (2014) quoted in Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH and South African Institute of International Affairs (SAIIA). *Regional Business Barriers: Unlocking Economic Potential in Southern Africa*. 2014.

❷ Collier, Paul. *The Bottom Billion: Why the Poorest Countries Are Failing and What Can Be Done about It.* Oxford: Oxford University Press, 2007.

❸ For more on this, see Kanyimbo, Patrick. "Trade Facilitation in the Bali Package: What's In It for Africa?" Briefing Note No. 61, European Centre for Development Policy Management, December 2013.

❹ WTO. *World Trade Report 2015.* Geneva: WTO, 2015.

❺ Mevel, Simon, and Stephen Karingi. "Deepening Regional Integration in Africa: A Computable General Equilibrium Assessment of the Establishment of a Continental Free Trade Area followed by a Continental Customs Union." Paper presented at the 7th African Economic Conference, 2012.

❻ World Bank. *Reshaping Economic Geography of East Africa: From Regional to Global Integration, Vol. 1 of 2.* Washington, DC: World Bank, 2012.



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AFRICA

# Africa and the Implementation of the Trade Facilitation Agreement

**Paul Batibonak**

*For Africa, the Trade Facilitation Agreement (TFA) brings potential benefits but also significant challenges. How can we ensure that the TFA is a development tool for the continent?*

Since the Trade Facilitation Agreement (TFA) on 7 December 2013 in Bali, some have insisted on the new obligations it entails for developing countries, others have been focusing on the potential benefits of the agreement, and still others on the second-generation special and differential treatment measures contained in Section II of the agreement, which grant them flexibilities. On 22 February 2017, the TFA came into effect, bringing all the members of the WTO back to their responsibilities and commitments. Taking into account the new obligations contained in the agreement, what are the challenges for Africa and its 44 WTO member states?

According to the provisions of Section II, developed countries, which are considered donors, have committed to provide aid and support to developing countries when it comes to building the capacity to implement this agreement. What will African countries – most of which belong to the group of least developed countries (LDCs) – do if this commitment, which is non-binding for developed countries, is not fulfilled by them? Furthermore, as the entry into force of the TFA coincides with significant efforts to establish the Continental Free Trade Area, how can Africa benefit from this agreement in a way that encourages and increases intra-regional trade? This article analyses the progress of the agreement's implementation, a mere two months following its entry into force, as well as the opportunities and challenges it provides for the continent, before discussing the way forward to securing optimal benefits from this process.

**A moderate level of commitment**

On 30 April 2017, 115 instruments of acceptance of the Protocol Amending the WTO Agreement had been received by the WTO, including 19 from African countries. This data is currently insufficient to draw specific conclusions. Indeed, in accordance with Article 15.2 of the TFA, LDCs have an additional period of one year to deposit their instrument of ratification following the entry into force of the TFA. However, the notification of measures under different categories is a relevant indicator. As a reminder, Article 13 of the TFA sets out three categories of measures: category A for measures that developing countries must apply from the date the agreement is concluded; category B for measures that developing countries will implement following a period to be set by each country; and category C for measures that must be implemented once technical and financial aid has been provided to help build the implementation capacity.

Based on the 96 notifications received by the WTO Secretariat to date, 27 of which are from African countries, 40.4 percent of the measures were notified under category A, 2.6 percent under category B, 2.1 percent under category C, and 54.9 percent have not yet been notified. For African countries in particular, 18.9 percent of measures were notified under category A, 2.7 percent under category B, and 3.6 percent under category C, which means that 74.8 percent of measures have yet to be notified. To date, the African average has therefore not reached 50 percent, whereas the share of measures notified under category A remains below 20 percent.

Aside from South Africa, which has already implemented most of the measures, the African developing countries that are not LDCs[1] have already categorised measures under category A – Mauritius being the only one of these countries to have also notified measures under categories B and C. However, they have not done enough to lead the way, given the key role they play in their respective regions when it comes to regional integration. The share of measures notified under category A is approximately 27 percent. Only Morocco had over 91 percent. If we add category B commitments, assuming that they are implemented by the set deadline, Mauritius could reach a similar level of commitment.

According to the WTO database, the five measures that were notified the most under category C by Sub-Saharan African countries were related to the single window (Article 10.4), average release times (Article 7.6), risk management (Article 7.4), enquiry points (Article 1.3) and border agency cooperation (Article 8). It might therefore be reasonable to suppose that there could be a link between the provision of aid and support by developed countries and the level of commitment of African countries. Furthermore, the current level of commitment could reflect a degree of caution that could be explained by the deterrent effect of implementation costs. This is somewhat reminiscent of the position of African trade ministers who demanded binding financial commitments from developed countries for technical assistance. Were the minimalist assumptions of WTO analysts – who, when the time came to calculate the potential benefits of the agreement, estimated that the level of commitment of members would not fall below 75 percent – too optimistic?

**Irresistible opportunities**

Long before the TFA was concluded, African ministers had already recognised the potential benefits it could bring to Africa. In October 2013, they reaffirmed "the importance of Trade Facilitation where our priorities include enhancing infrastructure and boosting productive and trade capacities, in addition to reducing transaction costs, barriers, incentivising the undertaking of reforms and improvements to the customs regulatory systems as well as boosting intra-African trade." According to WTO computable general equilibrium simulations presented in the World Trade Report 2015, export gains from the TFA would be between US$ 750 billion and over US$ 1 trillion dollars per annum. The gravity model estimations show even higher figures, ranging from US$ 1.1 trillion to US$ 3.6 trillion. According to the same source, developing countries and LDCs would be the main beneficiaries of the "full" implementation of the agreement. LDCs in particular could see their exports increase by 36 percent, much more than for other categories of WTO members. The WTO also predicts that, if the TFA is fully implemented, access to foreign markets will increase by 39 percent for developing countries and 60 percent for LDCs, with potential gains of up to US$ 50 trillion per annum for African exports. In summary, according to the WTO, "the poor have a lot to gain from trade facilitation."

**The challenges of implementing the TFA**

Despite the benefits identified, African regional communities and their member states will have to face significant challenges to make this agreement serve regional integration. To date, only half of the members of ECOWAS and SADC have ratified the agreement. Furthermore, the lack of consultation before notifying commitments or depositing instruments of approval poses a specific challenge. From a general point of view, although developed countries all have the capacity to implement this agreement, developing countries are showing themselves to be more cautious. India and China, for example, have only committed to implementing, respectively, 75.4 and 70.1 percent of the TFA's measures at the time of its entry into force. African countries seem – and rightly so – to expect developed countries to provide aid and support when it comes to building the capacity to implement this agreement. The WTO itself states that "available information on the cost of implementing trade facilitation reforms is quite limited." In this regard, the organisation surprisingly concludes that "the anticipated costs of implementing the TFA appear modest relative to the expected benefits."

Despite the absence of figures, the cost categories are known. In its studies on the topic, the OECD examines institutional costs, regulatory costs, infrastructure costs and, finally, training costs, which it considers to be the most essential.[2] Implementation costs may have been underestimated, which could be all the more problematic given that the WTO's mechanism for implementing the agreement has been given anecdotal funds compared to the needs of developing countries. This mechanism is not intended to finance infrastructure. Members only turn to it as a last resort. The African trade ministers were already wary of such developments when they demanded that developed countries commit to "delivering binding, new and long-term technical and financial assistance and capacity building necessary for African countries to achieve full implementation capacity." They were hoping to avoid having to permanently implement their commitments with only a one-off offer of aid.

For similar reasons, the agreement had been met with criticism from civil society. After the Bali Ministerial Conference, for example, the Africa Trade Network emphasised in a statement that the TFA requires "massive legislative, policy and infrastructural changes", while considering that the need "to provide commensurate policy, technical, institutional and financial space and support for African countries to meet these changes was not adequately addressed in the text." The statement also added: "the text introduces new processes which stand to give foreign corporations undue influence in the customs of African countries and diminish the role of domestic customs operators, further undermining African agenda of boosting intra-African trade and regional integration."

While this criticism may seem excessive, it reveals the problems posed by the Western strategy to conquer developing-country markets through the notions of trade facilitation and transparency, which do not always guarantee benefits for all. What benefits could be guaranteed for a country with a chronic trade deficit and a lack of export capabilities? Therefore, the implementation of the TFA has real costs and potential gains. Although African countries are not starting from scratch when it comes to implementing the TFA, it should be pointed out that the commitments made are an unnecessary burden.

**Turning the TFA into a development tool for Africa**

On the whole, Africa wants to turn the TFA into a key instrument for strengthening its intra-regional trade and integration process. However, as it clearly sees the costs and weight of the implementation, it has expressed its fear that the significant commitments in the agreement might impact negatively on its efforts to pursue its development goals. With the entry into force of the TFA, it would be to its advantage to show some creativity in freeing the provisions of Section II – relating to special and differential treatment – from their legal isolation and turning them into the main springboard of the agreement's implementation. This is all the more desirable since regionally-coordinated implementation would beneficial, in particular as regards customs cooperation, the financing of cross-border infrastructure, as well as the implementation of a regional platform on this matter.[3] These are all opportunities to explore to strengthen infra-African trade and speed up the regional integration process. Without underestimating their capabilities, African countries would do well to set their commitments at levels that do not hinder their development goals. Failing that, they would lose all the benefits stemming from flexibilities granted during the negotiations.

Nevertheless, this informed, coordinated approach to the implementation of the TFA by African countries will not compensate for what is expected from developed countries, which make haste slowly. Without any evidence of financial commitments from industrialised countries, the TFA will essentially represent a series of obligations for developing countries, specifically African ones. This agreement will only represent a win-win outcome for all parties once developed countries fulfil their obligations to provide technical and financial aid to help developing countries.

**Paul Batibonak**
Focal point of the African Group at the WTO for trade facilitation and Coordinator of the CREDIS

1. South Africa, Botswana, Cameroon, Congo, Cote d'Ivoire, Egypt, Gabon, Ghana, Kenya, Morocco, Mauritius, Nigeria, Tunisia, Zimbabwe.

2. Evdoka Moïsé, "The Costs and Challenges of Implementing Trade Facilitation Measures", OECD Trade Policy Papers, No. 157, OECD Publishing, Paris, 2013.

3. See Batibonak, Paul, "Perspective africaine de la mise en œuvre de l'accord sur la facilitation des échanges", Speech at the International Organisation of La Francophonie, Antananarivo workshop, 2016.

REGIONAL INTEGRATION

# A Look at the Interplay between the WTO's Trade Facilitation Agreement and Regional Integration in Africa

**Stephen Karingi and Robert Tama Lisinge**

*What is the value addition of the WTO's Trade Facilitation Agreement to ongoing trade facilitation processes in Africa, and how could it contribute to regional integration on the continent?*

Regional integration has been part of Africa's development strategy for many decades – indeed for more than a century in the case of the Southern African Customs Union that was established in 1910. Regional integration is expected to help countries on the continent to overcome constraints arising from small domestic markets, allowing them to reap the benefits of scale economies, stronger competition, and more domestic and foreign investment. Such benefits can raise productivity and diversify production and exports.[1]

Regional integration is multi-faceted, encompassing trade, money and finance, infrastructure, natural resources and production, as well as human resources and labour mobility, among others. While progress has been made to varying extents across the different facets and regional economic communities (RECs), several challenges continue to plague Africa's integration process. These include the multiple and overlapping memberships of RECs; concerns about uneven gains and losses; barriers to the free flow of goods, services, and people across borders; divergent and unstable national macroeconomic policies; and the inadequate capacity of countries and RECs to spearhead the integration process.

Trade is central to Africa's regional integration agenda. This is reflected in the decision of the African Union Assembly of Heads of State and Government in 2012 to fast-track the establishment of the Continental Free Trade Area (CFTA), with 2017 as an indicative deadline, and its approval of the Action Plan for Boosting Intra-African Trade (BIAT). Trade facilitation is one of the priority areas of the BIAT action plan, the others being trade policy, productive capacity, trade-related infrastructure, trade finance, trade information, and factor market integration. Most RECs also have trade facilitation programmes aimed at enhancing intra-regional trade. The WTO's Trade Facilitation Agreement (TFA) has thus entered into force at a time when trade facilitation is well embraced in Africa in the context of deepening regional integration.

One would, therefore, wonder if the TFA adds value to ongoing trade facilitation processes in Africa, and how it would contribute to regional integration on the continent. Furthermore, it is important to understand whether the African countries see the importance of the TFA the way they see the RECs-driven trade facilitation efforts. The same question can be framed differently and that is, why is it that only 19 African countries have so far ratified the TFA? Does it mean that RECs are not able to demonstrate how the ratification of the TFA would support the efforts to enhance trade facilitation? This article aims to shed light on these questions. To that end, it examines the extent to which ongoing trade facilitation measures boost trade flows and regional integration in Africa and how this could be enhanced by the TFA.

**Enhancing regional integration and trade**

Regional integration impacts on trade in several ways and vice-versa. Trade facilitation, to the extent that it boosts intra-regional trade also deepens regional integration given that intra-regional trade is an indicator of regional integration. Strengthening regional integration and trade is particularly crucial for three reasons: it can foster economic diversification and transformation, increase resilience to global economic shocks, and generate significant economies of scale through the widening of markets.

First, with regard to economic diversification and transformation, intra-African intermediate exports have displayed a stronger dynamism over the last decade than the continent's intermediate exports to the rest of the world. This is partly because intra-African trade is more diversified than the continent's trade with the rest of the world and offers broader scope for trading manufacturing intermediates. In 2010-2012, Africa absorbed 20 percent of its intermediate exports in manufacturing, against 10 percent in agriculture and only 6 percent in mining and quarrying. Countries such as Egypt, Ghana, Kenya, Nigeria, South Africa, Tanzania, and Zambia have recorded gains in their exports of manufacturing inputs within Africa, building to some extent forward linkages with manufacturing firms within the continent. If regional integration records decisive progress, intra-African trade could be a springboard to wider economic diversification and industrialisation.[2]

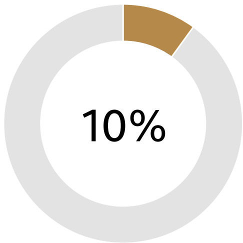
*Strengthening regional integration and trade is particularly crucial for three reasons: it can foster economic diversification and transformation, increase resilience to global economic shocks, and generate significant economies of scale.*

Second, there is evidence that regional integration could serve as a buffer to global economic shocks. The 2008 global financial crisis reiterated the need for Africa to build resilience to such shocks through deepened regional integration. Owing to the relatively weak integration of African financial markets to the global market, the direct effects of the crisis were moderate on the continent.[3] Research shows that the East African Community (EAC) was able to absorb the global economic shocks partly because of deeper intra-regional and intra-African trade ties. The Southern African Customs Union (SACU) region is less resilient to global shocks, notably as a result of weaker regional integration – the small SACU members trade mostly with South Africa and the EU. In general, Africa's capacity to absorb global shocks can be enhanced by a combination of intra-regional and intra-African trade, fast-growing economies, and diversified trade linkages.[4]

Third, regional integration widens markets, generates economies of scale, and attracts foreign direct investment. Regional infrastructure is important in this context as it links Africa to the global economy and promotes economic integration within the continent. However, gaps in infrastructure and infrastructure services across RECs and Africa raise the cost of doing business and impede factor mobility, investment, and competitiveness. To the extent that it reduces transport costs and delays, infrastructure is an important facilitator of trade. The Southern African Development Community (SADC) has better transport connectivity than the Economic Community for Central African States (ECCAS), leading to stronger intra-regional trade in the former than the latter.

**The role of trade facilitation**

Trade facilitation enhances trade, and hence contributes directly to regional integration. Importantly, for trade to take place, there must be production. As such, it is sometimes important to also start discussions on the link between trade facilitation and regional integration at a more granular level. Recent literature on agriculture in Uganda shows that there is a link between high transport costs, low productivity, and the size of the agricultural sector.[5] This is a clear evidence that transport costs start affecting a country's potential to produce, and by extension trade, at the farm level.




Research shows that complementing the CFTA with trade facilitation reforms would boost Africa's exports by over 10 percentage points, compared to four percentage points in the presence of CFTA alone.

At the continental level, research shows that complementing the CFTA with trade facilitation reforms would boost Africa's exports by over 10 percentage points, compared to four percentage points in the presence of CFTA alone.[6] Trade facilitation reforms, in this case, refer to measures that double the efficiency of customs procedures and port handling capacity for imports and exports by 2017 compared to 2010. This suggests that Africa's non-tariff barriers to trade constitute a more important source of trade cost than trade policy and may dampen the impact of trade liberalisation on the continent.

Trade facilitation is therefore a preoccupation of Africa's trade stakeholders, who recognise that reaping the full benefits of the CFTA hinges on a diligent and steadfast implementation of trade facilitation measures. To that end, trade documents, standards, and customs procedures have to be simplified and harmonised and should conform to international and regional regulations. The logistics of moving goods through ports and the movement of documentation associated with cross-border trade also have to be more efficient. In addition, the environment in which trade transactions take place, including the transparency and professionalism of customs and regulatory environments, needs improvement.

Regional economic communities have made significant strides in addressing the above issues. Moreover, most of their efforts are consistent with the provisions of the TFA. For instance, articles 1-6 of the TFA deal with publication and availability of information; other measures to enhance impartiality, non-discrimination, and transparency; and disciplines on fees and charges imposed on or in connection with importation and exportation. In that regard, the EAC, for instance, has relevant trade-related documents such as its Treaty, Customs Management Act and list of tariffs freely available on its website.

In line with Article 7 of the TFA, which addresses the release and clearance of goods, countries such as Uganda have introduced facilities for authorised economic operators. Similarly, the Common Market for Eastern and Southern Africa (COMESA) introduced the Regional Payment and Settlement System (REPSS) in 2012, resulting in a faster and cost-effective transfer of funds. Regarding border agency cooperation which is the focus of Article 8 of the TFA, several one-stop border posts (OSBPs) are operational in Africa, including at Chirundu between Zambia and Zimbabwe, and Cinkase between Burkina Faso and Ghana. Several OSBPs also exist under the framework of the EAC at various locations between Kenya, Rwanda, Tanzania, and Uganda.

African countries and RECs are also addressing issues related to Article 9 of the TFA, which has provisions on the movement of goods intended for import under control, as well as Article 10, which addresses formalities connected with import, export, and transit. For instance, 11 countries on the continent reduced the number of documents required for import and export between 2007 and 2013, and many of them are moving to electronic submission of documents.[7] Several countries have introduced single window systems including Cameroon, Ghana, Kenya, Mauritius, Senegal, and Tunisia, among others. Electronic cargo management has also gained ground, including the use of cargo tracking systems and electronic management of customs warehouse, with Uganda introducing an online tracking process.

Articles 11, 12, and 13 of the TFA cover transit of goods, customs cooperation and exchanges of information, and institutional arrangements respectively. In this regard, most RECs have regulatory frameworks for the movement of goods on transit. They have harmonised or introduced vehicle load and dimension controls, road transit charges, carrier license and transit plates, third party motor insurance schemes, road transport customs transit declaration documents, and regional customs bond guarantee schemes. Most of these measures exceed the scope of the TFA, which does not explicitly deal with transport infrastructure issues. Concerning institutional arrangements, the RECs' Transport Coordination Committee (REC-TTC) and the African Corridor Management Alliance play important coordination roles at the regional level. Several countries also have national committees on trade facilitation.[8]

**Can the TFA help strengthen Africa's regional integration?**
In principle, the TFA could stimulate regional integration by widening markets through improvements in the efficiency of customs and other border agencies in expediting cargo clearance, the ability of relevant actors to track and trace international shipments, and the timelines of shipments in reaching destination. In essence, it could help address the proximity gap observed in Africa, where in many instances it is more costly for a country to trade within its own REC than with countries in other regions of the world.[9] Overall, the TFA could reduce the time and cost required to export and import, including for obtaining all documents, inland transport and handling, customs clearance and inspections, and port and terminal handling.

The TFA fills neither a policy nor programme vacuum in Africa, as the continent already had a well-developed trade facilitation policy landscape prior to its entry into force. This partly explains the initial reluctance of African countries to support a multilateral framework. It may also be the reason why only 19 African countries have ratified the TFA. It is not that trade facilitation issues are not important, but rather that the regional initiatives have been addressing some of the challenges that the TFA is meant to address. However, the multilateral process of developing the TFA raised awareness among African countries and RECs and reiterated the importance of trade facilitation in boosting international trade. It also stimulated action from African countries and RECs that lacked momentum in implementing existing trade facilitation policies. This is because the TFA negotiations confirmed that these countries and RECs were on the right track, given the consistency between the TFA provisions and their trade facilitation programmes. Emphasising this point of consistency would go a long way in demonstrating to African members of the WTO who have not ratified the TFA the merits of doing so.

> *It is fair to say that the biggest contribution of the Trade Facilitation Agreement to regional integration in Africa could be in terms of capacity strengthening, a point that African WTO members have emphasised continuously.*

It is however fair to say that the biggest contribution of the TFA to regional integration in Africa could be in terms of capacity strengthening, a point that African WTO members have emphasised continuously. The TFA promises developing countries, especially the least developed among them, technical assistance and capacity building towards meeting their commitments under the agreement. Specifically, countries have the option of scheduling the implementation of the agreement under three categories (A, B and C). Under category C, developing countries require technical assistance and capacity strengthening.

This will go a long way to contribute in enhancing the capacity of African countries and RECs to spearhead the regional integration process through the implementation of trade facilitation measures. An underlying assumption from a regional cooperation perspective is that the African countries that share borders, or use common port or transport facilities, will coordinate how they implement the trade facilitation measures. In so doing, the coordinated implementation will also strengthen the effectiveness of mechanisms to manage the regional integration process, and the ability of countries to integrate regional integration (in this case, trade facilitation measures) into national development plans.

**Conclusion**
This article has shown that trade facilitation, to the extent that it boosts intra-regional trade, deepens regional integration – given that intra-regional trade is an indicator of regional integration. It also underlined why strengthening regional integration and trade is crucial, including in terms of economic diversification and transformation, resilience to global economic shocks, and widening of markets.

Trade facilitation is an imperative for boosting intra-African trade and avoiding a sluggish response to trade liberalisation in the context of the CFTA. Therefore, African countries were already implementing measures to tackle barriers to the free flow of goods, services, and people across borders before the TFA entered into force. The TFA could enhance ongoing efforts in Africa, as its provisions are consistent with the continent's trade facilitation objectives. It could strengthen the capacity of African countries and RECs to spearhead the implementation of trade facilitation measures. Capacity building was the cornerstone of Africa's position during the TFA negotiations. Going forward, the continent should take full advantage of the capacity building opportunities offered by the TFA, identifying areas where capacity building is required and mobilising resources to close the capacity gap.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GLOBAL VALUE CHAINS

# How Can Africa Better Participate in Global Value Chains? A Focus on Trade Facilitation

**Ben Shepherd**

*How does the entry into force of the WTO's Trade Facilitation Agreement (TFA) in February 2017 affect African countries' efforts to join and move up global value chains (GVCs)?*

The WTO's Trade Facilitation Agreement (TFA) provides a new global benchmark for customs and border procedures. Its objective is to provide countries with a framework for helping firms move goods more quickly, reliably, and cost-effectively across borders. Trade facilitation is particularly important in the context of global value chains (GVCs), as this business model requires producers to move intermediate inputs from one country to another multiple times during production. World Bank research shows that trade flows in intermediate goods of the type traded within GVCs are more sensitive to improvements in trade facilitation than flows of final goods. So the stakes are high for Africa: joining GVCs, which are still in the early stages of development across the continent, provides a new incentive for governments to move forward on trade facilitation.

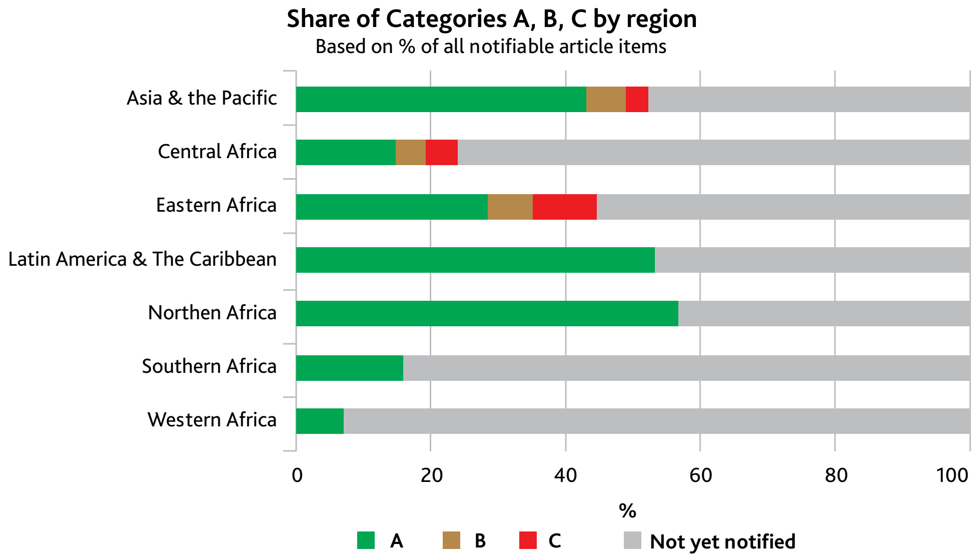
**The TFA: Benchmark or goal?**

To date, 19 African countries have ratified the TFA. This relatively low figure is surprising given the innovative structure of the TFA. For developing countries, including those in Africa, only those provisions notified by each country under "Category A" take force in the short term as legally binding obligations. Provisions that a member is not ready to implement can be included in "Category B" or "Category C", which gives access to extended implementation times, and provision of technical assistance, respectively. For African countries, this structure means that there is little disincentive for ratifying the TFA: any obligation not seen as being in the national interest can be included in categories B or C, with application delayed, perhaps for a long period.

Of course, from an economic standpoint, there is every incentive for African countries to be ambitious in their Category A notifications. However, of the total number of notifiable provisions, only 17 percent have to date been included under that heading; the largest proportion, 76 percent, is not yet notified. Although Figure 1 shows that performance varies by sub-region, there is a clear lag in Category A notifications in Africa with respect to other developing regions – with the exception of Northern Africa, which includes some higher income countries.

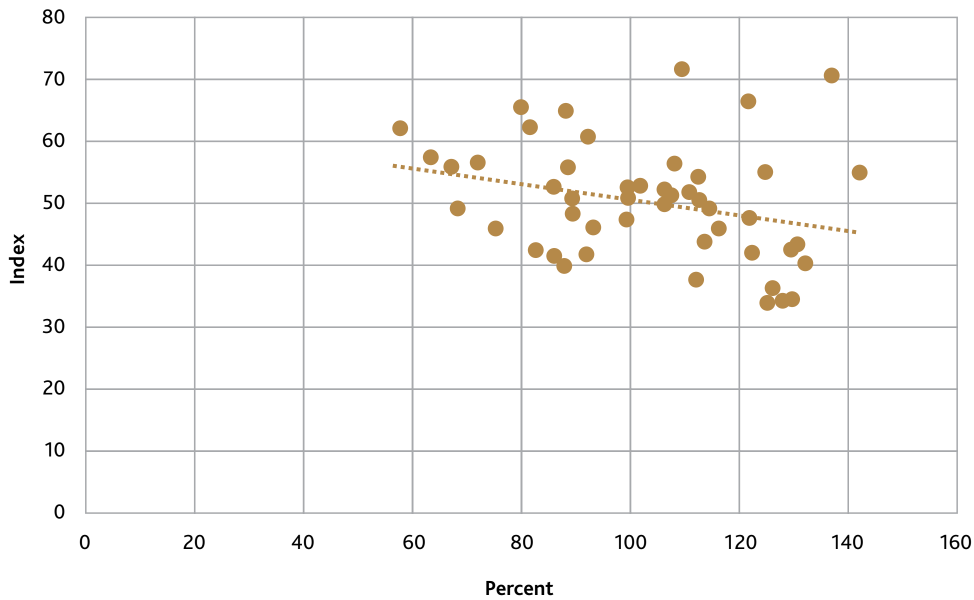
The difficulties some African governments are experiencing in getting fully on board with the TFA is even more concerning since the agreement represents a set of basic standards for trade facilitation, not the frontier of current practice. World leaders like Singapore and South Korea are far ahead of the TFA's disciplines. Competition among firms in the developing world to join light manufacturing value chains is fierce. As a result, it is more important than ever to move forward on trade facilitation in a comprehensive way by lowering trade costs at all points in the supply chain, not just customs and border procedures. High trade costs isolate African countries – particularly landlocked countries – from world markets, and make firms less competitive. The agenda for reducing them is far reaching, from infrastructure investment and maintenance, to connectivity, to policy reforms in backbone services markets like transport and telecommunications. Figure 2 shows that there is a clear association between lower trade costs (on the horizontal axis) and increased GVC participation (on the vertical axis) in the cross-country data.

**Figure 1: TFA Notifications by African sub-region and comparators**




*Source: WTO, Trade Facilitation Agreement Database.*

**Figure 2: Association between trade costs in manufacturing and GVC participation index, 2009.**




*Source: WTO and OECD, Aid for Trade at a Glance, 2015.*

## GVCs in Africa: What are the stakes?

But all of this begs the question of what is at stake for Africa in terms of the ability to join GVCs. Can GVCs help African countries move forward on their sustainable development objectives? The answer is a qualified yes: qualified because the linkages between value chain trade on the one hand, and economic, social, and environmental objectives on the other is complex and ambiguous. The answer becomes an unqualified yes, however, if opening to GVC trade and investment is accompanied by complementary policies to deal with environmental and social stresses that may result in an effective and efficient way.

From an economic standpoint, participation in GVCs has clear potential to boost employment and ultimately incomes in labour surplus economies. This point is true even if the entry point into GVC participation is a low value-added task, like assembly using largely imported components. As labour markets tighten and wages rise, there is scope for countries to move up to higher value-added activities – provided they have invested in a skilled workforce that can move from simple assembly tasks to component manufacture and high value added services. This kind of process is at work in leading exponents of the GVC model like China and Vietnam. African countries are still at the early stages of participation, but at the same time as facilitating international linkages for local firms, governments need to pay close attention to education and training policies to ensure the basis for moving up is in place.

GVCs have a number of implications from a social point of view. On the one hand, light manufacturing activities – like apparel and clothing – are often an entry point for women into the formal labour market, which is positive from the point of view of social inclusion. The relationship between international linkages and inequality, however, is much more nuanced. The same is true of poverty: although most research shows that the net result of increased trade is decreased poverty, that does not mean that negative poverty impacts do not occur at a local level. The implication in both cases is that trade and investment policies are rarely the first-best instruments to pursue these important social objectives. Instead, tax policy, labour regulations, and social welfare need to be considered. This issue comes with its own complications in Africa, where government capacity is sometimes highly constrained. Addressing that problem is the starting point for reforms that can help leverage GVC participation to produce positive social outcomes.

*Can global value chains help African countries move forward on their sustainable development objectives? The answer is a qualified yes.*

By increasing productive activity, GVCs also have the potential to put additional strains on natural resources, both through use as inputs and through externalities like pollution. This problem is not unique to GVCs, but is associated with any economic activity. The solution here too lies in the area of complementary policies, typically regulations and taxes that promote sustainable resource use and limit pollution, including $CO_2$ emissions, to acceptable levels. As in the case of social policies, these solutions are not simple to implement in environments of weak governance. The potential of GVCs to promote rapid increases in resource utilisation and production makes it all the more urgent to address governance and institutions as a condition prior to the enactment of effective and efficient regulation.

**Conclusion**

Overall, GVCs provide important development perspectives for Africa. As wages rise in East and Southeast Asia, GVC lead firms will be keen to find new production platforms. If African countries can reduce trade costs and reform policies to facilitate trade and investment, they stand to benefit from that movement. Over the longer term, improving governance to support effective and efficient environmental and social regulation will be key to ensuring that GVC participation enables sustainable development. The ability to move up value chains over time requires large-scale investments in human capital through education and training policies. Trade facilitation is only one part of the GVC agenda for Africa. Comprehensive action requires ambition – and donor support.

**Ben Shepherd**
Principal, Developing Trade Consultants

FOOD SECURITY

# Enhancing Food Security in Africa through Implementing the Trade Facilitation Agreement

**Ahmad Mukhtar**

*Trade-related barriers constitute one of the major causes of food insecurity in Africa. How can the WTO's Trade Facilitation Agreement help facilitate agricultural trade and improve food security on the continent?*

Trade in agriculture is remarkably low in most African economies compared to the sector's contribution to their GDP. The less-developed-yet-complex agricultural supply chains in the region are also challenged by intricate and burdensome import and export procedures. This exacerbates food insecurity in Africa. By ensuring simple and efficient trade in agriculture, the WTO's Trade Facilitation Agreement (TFA) may provide a solution for enhanced food security on the continent.

As per the UN Food and Agriculture Organization's (FAO) definition, "food security exists when all people, at all times, have physical, social and economic access to sufficient, safe and nutritious food which meets their dietary needs and food preferences for an active and healthy life." This could be expressed through the four pillars of food security: (1) availability, (2) access, (3) utilisation, and (4) stability.

Food Security is a serious challenge in many African countries. According to the FAO-IFAD-WFP State of Food Insecurity in the World 2015 report, 232 million of Africans were still undernourished during the 2014-16 period, which corresponds to 20 percent of the continent's population, compared to the 10.9 percent global average and 12.9 average in developing countries.

**How can the TFA help improve food security in Africa?**

In Africa, one of the main causes of food insecurity, in addition to regional/domestic production constraints and resource scarcity, is the lack of cost-effective and timely availability of food products from international markets. Imports are costly due to the high cost of trade. Higher trade and transaction costs stem from cumbersome regulatory procedures, both at the export and import level, as well as from the uncertainty at destination border points due to a number of non-tariff measures (NTMs) that may require a last-minute application of various standards and, at times, be nearly impossible to comply with by the exporters and importers.

*In Africa, one of the main causes of food insecurity, in addition to regional/domestic production constraints and resource scarcity, is the lack of cost-effective and timely availability of food products from international markets.*

The 2030 Agenda for Sustainable Development clearly asserts a collective responsibility to fully achieve the Sustainable Development Goal 2, which aims to end hunger and all forms of malnutrition by the year 2030. It also commits to the provision of universal access to safe, nutritious and sufficient food all year round. This will require sustainable food production systems, resilient agricultural practices, equal access to land, technology and markets, and international cooperation on investments in infrastructure and technology to boost agricultural productivity. In doing so, the global community needs to focus on

Africa, where the prevalence of hunger is more acute, high in proportion, and the recovery potential is low due to a lack of resources and related endowments.

Most African countries do not have food self-sufficiency, thus imports are essential to feed their ever-growing populations. It should also be noted that intra-regional trade is very low in Africa, particularly in the agriculture sector, which is often attributed to the complexity of trading and logistics with neighbouring countries. Agricultural supply chains can be extremely complex and fragmented, particularly in African countries. This is due to multiple factors, most of which could be addressed through the implementation of the WTO's TFA. Following is a brief overview of the TFA could help tackle these various challenges.

| Challenges | TFA solutions |
|---|---|
| Difficult entry into regional and global markets for small-holder and less commercialised farmers. | By making international trade efficient and easier, the TFA provides an opportunity for small farmers/exporters/importers to enter into the global marketplace. |
| Lack of requisite information and knowledge for cross-border, and in certain cases, in-country trade. | By ensuring that all the requisite information is made available and published online, the TFA would reduce the knowledge gap in international trade and also help in-country traders to get the required information. |
| Ever-evolving and often last-minute/ arbitrary application of standards. | The TFA provides for the harmonisation of applied standards. This means that border and customs agencies would strengthen mutual cooperation and recognition, which would simplify compliance and approval requirements. Agricultural traders in Africa, who are often small, would find this helpful. Moreover, the TFA endeavours to avoid any surprises or last minute application of border requirements. |
| Complex regulatory infrastructure and customs procedures. | Under the TFA, the simplification of procedures and forms, including establishing single window operations will help address this challenge adequately. |
| Long waiting times at borders, which hinder trade in perishable products. | Expedited clearance of goods, in certain cases even before the consignment arrives at import destination (advance ruling), would address the challenge of dealing with perishable agriculture products, thus improving the consistency of supplies in Africa. TFA Article 7.9 takes care of perishable products, with the aim of expediting the clearance process. |
| Complex system of sanitary and phyto-sanitary (SPS) standards and related certifications. | The TFA aims at reducing the complexities related to standards and certifications. Certain tools such as e-certification for SPS and other standards would largely address this challenge for African traders of agricultural and food products. |

Addressing the challenges at borders and customs would greatly help in enhancing food security in Africa. In addition to the aforementioned specific results, there are certain systemic implications of implementing the TFA that would help enhance food security in Africa.

First and foremost, like in all other sectors, increasing the efficiency of logistics (which is a hallmark of the TFA) would result in gains for agriculture and food trade that, in turn, would contribute towards improving food security. Efficient transport and logistics systems, with improved ports and borders connectivity, increases the economic size of markets, which often result in competitive prices. As per estimates of the WTO Secretariat, full implementation of the TFA could result in a reduction of trade costs ranging from 9.6 to 23.1 percent. With an expected average drop of 16.5 percent, Africa is the region that would benefit the most from this reduction.[1]

Secondly, in the particular case of Africa, the access pillar of food security is jeopardised due to low income levels and prevailing poverty on the one hand, and food price volatility and stockpiling on the other. The rent-seeking behaviour of food traders in many countries would be mitigated through the increased availability and competitive prices of food items resulting from the implementation the TFA.

## 232 million people

According to the FAO-IFAD-WFP State of Food Insecurity in the World 2015 report, 232 million of Africans were still undernourished during the 2014-16 period, which corresponds to 20 percent of the continent's population.

Thirdly, with the enhanced level of information sharing and transparency required by the TFA, there would be less opportunities for red-tape in regulatory and trade administrations. It would allow many new traders, particularly small-scale ones, to enter the international trade of agriculture products, thus contributing to regional food security. Fourthly, due to the establishment of national trade facilitation committees under the TFA, the public-private interaction would result in better collaboration, particularly in the area of agriculture, leading to a more enabling trading environment.

**The TFA's contribution to the four pillar of food security**

The link between trade and food security has been discussed in FAO's The State of Agriculture Commodity Markets 2015-16. It was observed that while the effect of trade on enhancing food security is contextual, there is a body of evidence that establishes positive contributions of trade in enhancing food security. The very core function of the TFA is to make trade simpler and easier, thus strengthening the ability of businesses and countries to trade and leading to increased volumes of trade. As a result, the TFA would also contribute to improved food security. As Africa ranks particularly low on food production and relies heavily on imports, these positive effects of the TFA would be proportionally higher on the continent than in other food-insecure regions and countries. Following is a summary of how the TFA could help strengthen the four pillars of the food security in Africa.

*By addressing trade inefficiencies and reducing bottlenecks, it is possible to significantly increase the sustainability and reliability of agricultural supply chains in Africa, which would help ensure sustainable food security.*

*Availability*

By expediting the import and export of goods, especially goods in transit, countries would ensure reliable options to source food from external markets whenever and wherever needed. In the case of Africa, most states are net food importing countries, with huge untapped potential for intra-regional agricultural trade. By promoting expedited and simple import and export, the TFA would enable the region to fully harness the potential of intra-African trade and ensure timely food procurement from external markets whenever required. This would also result in facilitating the establishment of regional agricultural supply and value chains.

*Access*

The implementation of the TFA would reduce transaction costs and, potentially, ensure consistent food supplies while avoiding supply gaps. This would result in relatively lower prices thus improving access and affordability.

*Utilisation*

Trade, in general, increases the variety of food products available in domestic markets by adding to the options offered by national production. By addressing bottlenecks at borders and harmonising the application of food-related standards, the implementation of the TFA would thus improve the nutrition mix available in African markets. Presently, a lot of food items may not be imported due to a lack of knowledge and the arbitrary application of sanitary and phyto-sanitary standards, which may result in the loss of perishable products at border check-points. The TFA provisions addresses such concerns through its provisions related to advance rulings, e-certifications, and the expedited clearance of perishable items.

*Stability*
The lack of stability in food supplies is a very serious concern in many African countries, particularly given the context of natural disasters, protracted crises, and situations of drought or famine in some of the continent's sub-regions. The stability dimension of food security depends on the availability of food in the first place, but more importantly it requires the ability to fill food gaps in a timely manner. By ensuring efficiency in international trade and reducing the time taken to export and import, the TFA would help ensure that food can be supplied constantly, efficiently, and in a timely manner whenever and wherever needed.

**One implementation: Two outcomes**
By addressing trade inefficiencies at various stages and reducing bottlenecks at borders, it is possible to significantly increase the sustainability and reliability of agricultural supply chains in Africa, which would help ensure sustainable food security on the continent.

After its ratification by the required number of member states, the WTO's TFA has come into force and the implementation efforts are in progress. Longer implementation timelines, coupled with the availability of technical assistance, will allow African countries to adopt and implement the required legislative, regulatory, and functional instruments in a way that is in-line with their specific needs. Implementing these commitments would, in turn, make agricultural trade easier and contribute to improving food security on the continent. For these positive results to materialise, it is essential for African countries to put measures that increase the efficiency and simplicity of at-the-border processes at the centre of their priorities, in order to expedite food and agriculture imports and exports. The importance of before and beyond-the-border regulatory infrastructure should not, however, be underestimated, as they also play a key role in providing an enabling environment for food trade.

It is perfectly legitimate to be cautious about agriculture trade, in particular as regards safety standards. Nonetheless, turning a blind eye and having a lacklustre attitude about the potential of trade to ensure reliable food supplies to vulnerable populations may fall short of jurisdictional and ethical legitimacy, despite the fact that maintaining a margin of policy space is also important. The implementation of the WTO's TFA is a significant opportunity to put in place measures that would improve food security at national and regional levels in Africa, while keeping the required policy space and applying legitimate safety standards.

*The views expressed in this article are of author's own and do not necessarily represent the views of the FAO or any of its Committees/Bodies.*

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1 WTO. *World Trade Report 2015.* Geneva: WTO, 2015.

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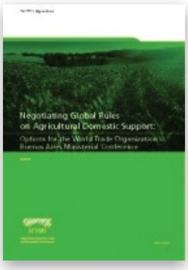
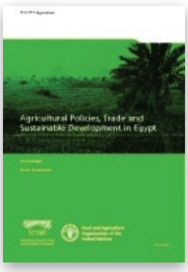
# Publications and resources

**Trade in Services Negotiations: A Southern African Perspective – ICTSD – May 2017**
This paper explores the regional and international services negotiating landscape that impacts on the countries of the COMESA-EAC-SADC region. It also delves into how services negotiations can be harnessed to drive sustainable development outcomes for the region's least developed and low income countries. After highlighting current trends, the structure of negotiations, and challenges and opportunities for Africa's least developed countries, the author recommends a set of strategic policy responses that could be applied to enhance the utilisation of the services sector for developmental purposes. http://bit.ly/2qnphse

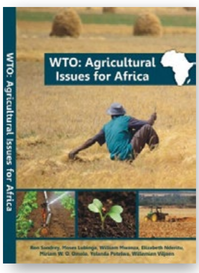
**Advancing Sustainable Development Through Services Regulation – ICTSD – May 2017**
This paper lays out the legitimate reasons for regulatory intervention in services sectors; examines the ways in which appropriate services regulation can facilitate the achievement of sustainable development objectives; discusses the interface between domestic regulation and services trade; and provides examples of the impact of competitiveness-enhancing regulatory frameworks. It concludes with a set of principles and tools that can be used to evaluate the impact of services regulations. http://bit.ly/2qMReeF



**Negotiating Global Rules on Agricultural Domestic Support: Options for the WTO's Buenos Aires Ministerial Conference – ICTSD – April 2017**
This paper analyses various options for negotiating agricultural domestic support, drawing on ideas that have been put forward at the WTO. It examines the implications of various approaches for countries' actual support levels as well as for their maximum permitted ceilings under WTO rules. Finally, the paper looks in particular at those products that are especially important to low-income countries to conclude its analysis. http://bit.ly/2plTWV2



**Agricultural Policies, Trade and Sustainable Development in Egypt – ICTSD – April 2017**
This country-specific study analyses Egypt's agricultural sector and its performance over time. It identifies various constraints to increasing production and exports, and examines the key role of trade in inclusive agricultural development. The paper also presents a number of recommendations for changes in trade policy that could help enhance food security, raise rural incomes and promote sustainability in the country's agricultural sector. http://bit.ly/2rmpGtK




**WTO: Agricultural Issues for Africa – TRALAC – April 2017**
This book focuses on the agriculture trade talks at the WTO. It examines the current proposals associated with the agricultural pillar of the Doha Development Agenda (DDA) and assesses what a successful agreement might mean for African agriculture. It focuses on the three keys themes that are core to agriculture in the WTO; those of domestic supports, market access, and export incentives. Recognising that the WTO is about more than just these core themes, it introduces many other aspects in different chapters to assess the WTO's relevance to African agriculture. http://bit.ly/2rbKrLi

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