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BRIDGES AFRICA

Trade and Sustainable Development News and Analysis on Africa

VOLUME 3, ISSUE 3 – APRIL 2015



Can global issues have a regional solution?

TISA

How Mauritius is using its EPA offer in services to join the TISA negotiations

INTERVIEW

Talking African trade competitiveness with ITC's Executive Director

LDC SERVICES WAIVER

Behind the scenes of the LDC services waiver operationalisation



International Centre for Trade
and Sustainable Development

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TRADE

- 4 **The EPA, TISA and the LDC services waiver:
How the regions are influencing Geneva**
Sacha Silva

WTO

- 7 **Gearing up for results on the LDC services waiver:
The LDC Group strategy**
Michael Wamai and Alicia D. Greenidge

INTERVIEW

- 10 **Talking African trade competitiveness
with ITC's Executive Director**

GENDER

- 14 **Trade policy through a gender lens:
The fish trade and women in the Gambia**
Irene Musselli and Simonetta Zarrilli

TRADE REMEDIES

- 16 **Trade remedies in Africa: Experiences, challenges and prospects**
Ousseni Illy

WTO

- 19 **ACP group outlines elements for a WTO
post Bali work program; push for deal in fisheries**

TRIPARTITE FTA

- 21 **Launch of African Tripartite FTA now set for June**

- 23 **The newsroom**

- 24 **Publications and resources**

Can global issues have a regional solution?



The Mauritian government agreed to join the Trade in Services Agreement, better known as TISA, negotiations according to a decision published last month by the Prime Minister's Cabinet. On joining the TISA, Mauritius will offer the same market access conditions to the World Trade Organisation Members, as those proposed to the European Union in the context of the Economic Partnership Agreement.

The group of countries involved in TISA, known as the "Real Good Friends" of services, began discussions on a possible plurilateral services pact back in 2012, given that multilateral negotiations on the subject within the WTO have long been stalled. Together, these countries account for 70 percent of world trade in services. In this issue we feature a pioneering analysis which explores how Mauritius' intent to join TISA and the EU's position on the LDC Services Waiver suggest a rare instance where regional negotiations – in this case, the Economic Partnership Agreements – are directly influencing discussions at the multilateral level.

Also following up on the results of the WTO High Level Meeting related to the LDC services waiver in February, we feature a detailed analysis of what happened in that meeting and how it was received by the LDC Group.

At a time when there is growing attention on Africa's economic potential, the continent continues to face challenges to connect effectively to global trade. The heaviest burdens on Africa's competitiveness are related to a variety of interconnected issues, such as the low level of regional integration, the lack of economic infrastructure and productive capacity, as well as insufficient export diversification to name a few. African least-developed countries (LDCs), in particular, face structural handicaps that make their integration into the global economy even harder.

It is crucial for the poorer countries in particular – many of which are in Africa still – to understand the role that trade can play in delivering sustainable development. Building capacity to export and trade is the key to unlocking the economic potential of many African countries.

However, building strengths in trade requires policy shifts that are not always obvious. In an exclusive interview, Arancha Gonzalez, the Executive Director of the International Trade Centre, tells us more about African competitiveness and how to take it to the next level.

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

TRADE

The EPA, TISA and the LDC services waiver: How the regions are influencing Geneva

Sacha Silva

Mauritius' intent to join TISA and the EU's position on the LDC Services Waiver suggest a rare instance where regional negotiations – in this case, the Economic Partnership Agreements – are directly influencing discussions at the multilateral level. But bringing EPA ambitions into Geneva means bringing its lessons as well.

On the 5th February 2015, at a High-Level Meeting of the WTO Services Council, WTO Members outlined how they intended to support the growth of services trade for Least Developed Countries (LDCs), through operationalising the LDC Services Waiver agreed in 2011 at the 8th Ministerial Conference in Geneva. One month later, Mauritius announced its intention to join the plurilateral Trade in Services Agreement (TISA) negotiations.

These two events, while seemingly only tangentially related, mark a watershed moment for both Africa and the multilateral trading system. They reverse the normal dynamic whereby the WTO sets the framework for discussions at the regional and bilateral level: in this instance, regional negotiations appear to have directly shaped negotiating ambitions in Geneva.

The EPA as a testing ground

The key link is the ACP-EU Economic Partnership Agreement (EPA) negotiations. At the High-Level Meeting on the Service Waiver, the EU has essentially offered to the LDCs the same treatment as that granted to CARIFORUM under the CARIFORUM-EU EPA. In the TISA context, Mauritius is planning to table a services offer that had been originally formulated in its own EPA negotiations with the European Union (EU).

This suggests, for the first time, that the EPA negotiations – despite having been strongly criticised over their much-delayed timespan – are having a significant (albeit perhaps unintentional) impact on global trade discussions. Both the EU's position at the High-Level Meeting and the Mauritius TISA announcement suggest that the EPA is turning into a testing ground for discussions in Geneva.

One hand, some developing countries are using the EPA to test how far they were willing to extend market access to their developed partners. On the other, developed countries can explore their own willingness to extend special and differential treatment to their developing country partners.

These developments are occurring in a highly sensitive area (i.e. services) where many African ACP countries are negotiating for the first time with a developed economy, and in a context where donors and beneficiaries are negotiating a new type of "trade and development" agreement: one where trade policy is not exclusively shaped by commercial and mercantilist considerations, but rather as an explicit complement to – and arguably a subsumed extension of – development policy.

Mauritius and TISA – The role of the EPA

For Mauritius, its stated intention to join the TISA negotiations are a clear extension of a wider policy vision. A series of targeted reforms have guided Mauritius from a mono-crop/preference-dependent economy, to light manufacturing based on export processing zones, to a tourism hotspot, to plans for a global services hub. Mauritius' plans to join TISA appear to be a natural means of attracting investment from the other TISA parties, in part as an entry-point into the wider pan-African market.

TISA members:

The participants of TISA currently include Australia, Canada, Chile, Chinese Taipei, Colombia, Costa Rica, the EU, Hong Kong, Iceland, Israel, Japan, Korea, Liechtenstein, Mexico, New Zealand, Norway, Pakistan, Panama, Paraguay, Peru, Switzerland, Turkey, the United States and Uruguay.

The very fact that Mauritius even has an EPA services offer to table is interesting in itself. Mauritius is negotiating as part of the Eastern and Southern African (ESA) regional configuration. The EPA negotiations between the EU and ESA have however been largely dormant for several years. While some progress has been achieved on a draft services text, little substantive exchanges had occurred with respect to offers and requests. In the meantime, Mauritius has been implementing its goods-only interim EPA.

Despite the impasse, Mauritius had already seized the opportunity of the EPA to prepare "back pocket" services offer. In the relative comfort zone of a North-South agreement where the EU was not likely to be the Mauritius' primary target (given its continental ambitions), Mauritian negotiators could expand on their relatively thin GATS offer and build on their reform agenda for the domestic services market, all with a view to eventually bringing the offer (as a whole, or in pieces) to a wider setting. In essence, Mauritius used a regional opportunity to craft a multilateral offer.

The EU and the LDC Services Waiver: The promise (and perils) of the CARIFORUM EPA experience

For the European Union, there were clear rationales for extending the many negotiating "firsts" contained in the CARIFORUM-EU EPA services and investment chapter to the LDC Group in Geneva. There are also clear cautionary tales for the LDC Group in pursuing the opportunities therein.

In recognition of the fact that CARIFORUM's small economies were unlikely to have significant Foreign Direct Investment (FDI) capacity into the EU, the EPA dispensed with the traditional Free Trade Area (FTA) linkage between Modes 3 (commercial presence) and Mode 4 (temporary movement). The EPA instead expanded and deepened traditional categories of temporary movement outside of Mode 3 contexts, particularly those for contractual service suppliers and independent professionals. The CARIFORUM EPA focused on categories of service suppliers such as fashion models, entertainers and chefs de cuisine, where CARIFORUM's small and developing service economies were likely to have a greater comparative advantage.

The architecture of the EPA services chapter drew from the particular hurdles facing CARIFORUM services suppliers: their small size, the complexity of (and high cost of meeting) necessary EU requirements and regulations, and the development potential of the services sector in the Caribbean. The CARIFORUM EPA implicitly recognised that overcoming these hurdles needed commercially meaningful preferences to spur ACP exports, rather than simple market opening or binding of the status quo. The approach was, in a sense, in the same spirit as the Lomé and Cotonou preferences in traditional commodities such as bananas, sugar, rice and rum.

As an extension of this "market access is not enough" approach, the EPA also explicitly linked the temporary movement provisions with critical enabling measures (e.g. encouraging regulatory bodies to negotiate the terms of mutual recognition agreements), as well as a package of development cooperation funds aimed at the services sector.

Therein lies one probable rationale for the EU's importing of the CARIFORUM EPA architecture to the LDC Services Waiver. Apart from the obvious fact that many LDCs are also ACP countries, many LDC service suppliers also share some of the structural barriers that the EPA sought to overcome. Many face a lack of knowledge of their own current and future export potential in services; a lack of understanding of market barriers in the EU (and where they were known, the existence of prohibitive barriers, such as the imposition of onerous taxes and fees); and severe supply-side constraints on small services firms.

Other, perhaps less altruistic, motivations may have prompted the EU to import its regional CARIFORUM commitments into the multilateral setting. Under political pressure to "operationalise" the Service Waiver as the LDC Group tabled its collective request, the European Commission had a ready-made package on offer – one which did not

CARIFORUM

The CARIFORUM is a regional organisation of fifteen independent countries in the Caribbean region (Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, the Dominican Republic, Grenada, Guyana, Haiti, Jamaica, Saint Lucia, Saint Vincent and the Grenadines, Saint Christopher and Nevis, Surinam, and Trinidad and Tobago).

require significant additional analysis from the EU side, nor a new set of extensive and/or contentious negotiations with the EU Member States.

Yet the translation of the CARIFORUM EPA services package into the multilateral setting should also cause LDCs to pause and reflect carefully on the implementation of that very same package.

A recent EU-funded study reviewing the first five years (2008-2013) of the implementation of the CARIFORUM EPA² found, *inter alia*, that there was little visible evidence of EU Member States' actually having implemented the provisions on temporary movement. Some key EU markets (e.g. Germany) had yet to even ratify the EPA. Most efforts to craft mutual recognition agreements between relevant sector representatives had yet to materialise. Despite the Caribbean being a largely services-driven region, there was still a surprisingly small share of EU support dedicated to the services sector; many key projects had only recently (i.e. as of 2014) begun substantive operations.

Perhaps as a cause and consequence, the study team could not – after five years of implementation – identify a single Caribbean service supplier that had attempted to enter the EU services market using the EPA.

The CARIFORUM-EU struggle to operationalise its preferential services scheme over the (thus far) nearly seven-year life of the EPA should send clear signals to both LDCs and their potential preference-granting partners. It points to the significant practical and political difficulties in creating tangible, commercial valuable and development-oriented preferences in the services sector for small and developing economies. These difficulties in turn suggest the degree of realism over what can be achieved over the 15-year lifespan of the LDC Services Waiver.

Conclusions: The tail wagging the dog?

In a lecture in Riga in March 2015, the Director-General of the WTO seemed to downplay the importance of regional trade agreements, by stressing that “*there are many big issues which can only be tackled in an efficient manner in the multilateral context through the WTO,*” where the challenges facing global trade were “*global problems demanding global solutions*”.³ This article suggests however that some global problems require (or can at least draw from) regional solutions.

In regional trade agreements, WTO Members may feel more comfortable in testing difficult and uncharted waters between a smaller and better-known set of negotiating partners. Sometimes, non-trade linkages and processes (e.g. aid relationships between donor and beneficiary) can provide a comforting counterpoint to the sometimes-fraught dynamics between trade negotiating partners. This comfort zone is arguably most important for the WTO's smallest and least-developed Members who form a majority of WTO Members, and have often argued that their small and underdeveloped markets are ill-prepared and unsuited to reap the traditional gains from multilateral trade liberalisation

Yet these lessons and impacts of these regional experiments must be, in the end, clearly understood before being brought into discussions in Geneva. After all, if a services package has yet to fully deliver in a regional setting between a smaller set of countries, what measures are in place to guarantee its success in the much larger multilateral setting?



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¹ The author wishes to thank, without implication, Isabelle Ramdoo, Ramesh Chaitoo, Hadil Hijazi and Hannes Schloemann for their comments.

² B&S Europe and LINPICO (2014), “*Monitoring the Implementation & Results of the CARIFORUM-EU EPA Agreement*”, accessed online at <http://trade.ec.europa.eu/doclib/html/152824.htm>.

³ DG Roberto Azevedo, “*Regional initiatives cannot substitute for the multilateral trading system*”, speech to the Stockholm School of Economics in Riga, Latvia, 24 March 2015, accessed online at https://www.wto.org/english/news_e/spra_e/spra50_e.htm.

WTO

Gearing up for results on the LDC services waiver: The LDC Group strategy

Michael Wamai and Alicia D. Greenidge

Several WTO members indicated concrete sectors and modes of supply where they intend to provide preferential treatment to least developed countries' services and services suppliers at a WTO High-Level Meeting on 5 February. What strategy did the LDC Group follow to influence such notable results?

The outcome of the WTO High-Level Meeting (HLM) held on 5 February pursuant to the WTO Bali decision to "operationalise" the services waiver to provide preferential treatment for the services exports from Least Developed Countries (LDCs) was widely applauded by WTO Members.

The meeting took place, as envisaged under the terms of the 2013 Bali Ministerial Decision, six months after the LDC Group submitted its collective request in July 2014 regarding the preferential treatment it wanted to see for LDC services exports. In order to release the potential economic benefit of the LDC services waiver, the Council on Trade in Services (CTS) was instructed at the 2013 WTO Ministerial Conference to launch a process aimed at promoting "the expeditious and effective operationalisation" of the waiver. The LDC services waiver decision stems from the outcome of a previous WTO Ministerial Conference held in 2011.

After a long journey, LDCs in the WTO could finally begin to see their aspirations, as a group, come to fruition in the services area. LDCs worked persistently to prepare a collective request that would trigger the HLM and to arrive at remarkable results that represent the emergence of a new partnership between LDCs and preference-granting WTO Members.

Indications from the High-Level Meeting

At the HLM, 25 WTO delegations spoke about their intentions with 18 mentioning their intention to provide LDCs preferential treatment to their services exports pursuant to the MC9 decision. Most were linked to specific elements in the collective request in terms of sectors and modes of supply. The LDC Group wanted to ensure that the promises expressed would be converted into notifications. The Minister of Trade, Industry and Cooperatives of Uganda, Amelia Kyambadde, supported by the Minister of Commerce of Bangladesh, Tofail Ahmed, intervened at the HLM to request specific dates for providing an assessment of the HLM results to the WTO Council on Trade in Services and also for the notifications to be submitted. It was agreed that Members would aim to submit their notification by July this year and some WTO Members announced plans to notify their commitments earlier.

The LDC Group provided its assessment of the results of the HLM to the CTS on 18 March. The general view of the Group was that the results were positive, and when notified, the preferences should be a significant contribution for LDCs in the Doha Development Agenda (DDA). The LDC Group was of the view that more than 65 percent of services sectors and modes of supply included in the collective request were recognised in the interventions. The main sector categories covered in the pledges were those of professional services, transport and logistics services, entertainment and recreational services, and tourism and tourism-related services. Some Members indicated that additional sectors and measures would be notified.

The LDC strategy to launch a series of intervening bilateral meetings following the submission of the collective request was instrumental to assist WTO Members in assessing how to respond to the collective request. Notwithstanding the unilateral nature

Mode 4

The movement of natural persons is one of the four ways through which services can be supplied internationally. Otherwise known as "Mode 4", it covers natural persons who are either service suppliers (such as independent professionals) or who work for a service supplier and who are present in another WTO member to supply a service. (WTO)

of services preferences for LDCs, these discussions helped to shape Member responses. Another important ingredient resulting from the bilaterals was the establishment of good will and dialogue between potential Members in a position to grant preferences and the LDC negotiators. The LDC strategy to reach beyond Free Trade Area (FTA) and Regional Trade Area (RTA) regimes and to match DDA offers of WTO Members with sectors identified by LDCs paid off. LDCs calibrated the subsectors mined from DDA offers with the list of professions and sectors the LDC Group annexed to the request. Therefore, many major developed and developing countries intervened with precise intentions on sectors and modes of supply of interest to LDCs.

It appeared that Mode 3, which deals with supply of services through commercial presence, and Mode 4, which involves the movement of persons across borders – featured well in the interventions. A number of Members responded specifically to LDC Mode 4 requests, especially for contractual services suppliers, independent professionals and installers and servicers.

WTO Members making particularly extensive offers in terms of number of sectors, key modes of supply, and variety of other issues (...)

WTO Members making particularly extensive offers in terms of number of sectors, key modes of supply, and variety of other issues were, among others, Australia, Brazil, the European Union, Hong Kong China, Iceland, India, Japan, Korea, New Zealand, Norway, Chinese Taipei, and Thailand. Some Members indicated other measures that could improve access for LDC suppliers. Notable were India's mention of special quota for 250 LDC tour guides and removal of visa fees, China's intention to simplify domestic regulatory procedures and introduce authorised destination status in the tourism sector, and Japan's mention of the visa stamping, economic needs tests and labor market tests. Another highlight was Norway's announcement of preferences to eliminate residence permits for installers. With regard to Mode 3, India promised to remove equity limitations in favor of LDC suppliers and Liechtenstein's indicated its intention to waive its horizontal qualification restriction. The EU, Norway, and Iceland also went beyond market access preferences to specifically announce intentions to provide preferences in national treatment. In the context of the LDC Services Waiver Decision, notification of measures addressed beyond market access (such as national treatment preferences) will require authorisation in the CTS. However, the solidarity among all WTO Members to achieve a successful HLM and implement the waiver may set the stage for consensus to expeditiously authorise such notifications.

A few Members intervened with regard to technical assistance and capacity building initiatives. India and China mentioned specific programs, training and initiatives that would assist LDC suppliers. Australia announced further support to research on LDC services.

Groundwork for the collective request

In preparing the new collective request, it was a priority for the LDC Group to take ownership of the product and capture a cross-section of needs and interests for both existing and potential services trade. After several drafts and rounds of meetings within the Group, including approval at Ambassadors level, led by Ambassador Christopher Aparr (Uganda), coordinator of the LDC Group, the Group was satisfied that the request would provide partners a precise menu of options upon which they could fashion responses in the form of preferences.

Following the submission of the collective request in July 2014, the LDC Group introduced all the elements in the request at the WTO Council for Trade in Services (CTS) held on 17 September 2014. Thereafter, while the collective request was directed to the entire non-

LDC Membership, the LDC Group held more than 30 bilateral meetings with Members they felt could be in a position to grant preferences. The bilateral meetings were critical to shaping the responses leading up to the HLM.

During the bilaterals, LDC negotiators asked those Members facing some difficulties in making commitments in Mode 4, to focus on specific labor categories such as contractual services suppliers, independent professionals, and installers. They also zeroed in on what amounted to “non-tariff barriers” in the services context, i.e., reduce fees for visas, licenses, residence, and work permits, and reduce delays in processing applications.

The hope is that on the road to notifications by July of this year, Members will maintain the momentum and quality of indications made at the HLM.

Setting the stage for the High Level Meeting

In late 2014, LDCs were asked questions about the preparation of the HLM: Some Members thought that the preparations towards such a meeting could be complex and others were concerned with similar issues to those faced in the preparations for the 2008 services signaling conference revolving around a record of the meeting and the attribution of intentions. First, the LDC Group relied on the letter of the MC9 decision that instructed the Council on Trade in Services (CTS) to convene the HLM. This meant that technically, the CTS could call a special meeting in formal mode, which would automatically generate a record of the meeting. Second, Members asked LDCs about the format of registering preferences. According to the MC9 decision Members were expected to indicate “intentions” to provide preferential treatment for LDCs, but the decision remained silent about any notification.

A few Members initially resisted any notification date arguing that more time would be needed under their domestic processes. However, the LDC Group persisted on this point and offered a rationale that notification of preferences was required pursuant to the letter of the MC8 decision and the spirit of the MC9 decision to “operationalize” the MC8 waiver. Part of the rationale was that the fifteen year duration of the waiver decision itself was evaporating and therefore, in order to implement the decision, notifications were mandatory. Finally, in December 2014, a compromise was reached whereby an item would be included in the agenda of the HLM for preference-granting Members to indicate their expectations on notification.

Road to July and beyond

LDCs are aware that the proof is in the pudding. More details about the intentions will become clearer in the written notifications to be submitted to the CTS. These notifications will trigger the waiver itself and the benefits available for LDC services suppliers to pursue. Since the HLM, the LDC Group has conducted extensive bilaterals with all WTO Members that expressed intentions. The hope is that on the road to notifications by July of this year, Members will maintain the momentum and quality of indications made at the HLM, provide more precise information in terms of modes of supply and sectors, and add preferences not yet indicated.

Nevertheless, both LDCs and partners should increase awareness on the outcome of the HLM in capitals so that LDC services suppliers and potential consumers are aware of the new opportunities. Technical assistance and supply-side capacity building must also be synchronised with the preferences in order to yield further benefits from the HLM.

The nature and transparency of notifications made will determine whether LDC services suppliers will be able to understand and take advantage of opportunities inherent in the preferential treatment indicated at the HLM. WTO Members should continue to explore ways to grant LDCs preferential treatment for their services exports and to submit relevant notifications.



Michael Wamai

First Secretary, Permanent Mission of the Republic of Uganda in Geneva and officer coordinating the LDC Group at delegate level.

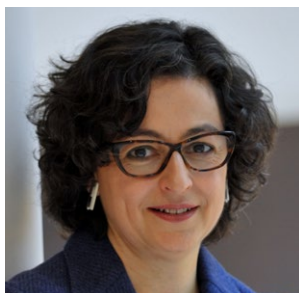


Alicia D. Greenidge

Adviser to the LDC Group on the services collective request and the High Level Meeting and also Adviser to the ACP Group at the WTO. Additionally, she was a former negotiator on services for several years in Geneva, Switzerland including on the LDC services waiver and preparations for the 2008 signaling conference.

INTERVIEW

Talking African trade competitiveness with ITC's Executive Director



Arancha González

is an expert in international trade issues with over 20 years of experience, and currently serves as Executive Director of the International Trade Centre (ITC).

ITC recently signed an MOU with COMESA aimed at greater cooperation with a view to boosting intra-Africa trade. What are the main contours of such cooperation, and how is it being implemented?

With the memorandum of understanding (MOU) between the International Trade Centre (ITC) and the Common Market for Eastern and Southern Africa (COMESA), we have pledged to cooperate in a variety of areas, such as regional integration, trade facilitation, improving the competitiveness of small and medium-sized enterprises (SMEs), and enhancing the trade and investment climate, with emphasis on the agricultural and services sectors.

We are, in fact, already working with the COMESA Secretariat to identify specific areas of collaboration in line with the bloc's strategic priorities for regional integration and private sector development.

In your view, will technical assistance and aid advance regional integration in Africa when the real political will to do so is often absent?

Let's be frank. If real political will is lacking, technical assistance and aid cannot do much to advance regional economic integration. But, we should not underestimate African leaders' genuine desire to achieve greater trade and investment integration, both at the sub-regional level and across the continent. I was recently at the COMESA summit in Addis Ababa, and can assure you that among ministers and business leaders, commitment to regional integration is anything but lacking. We held our annual World Export Development Forum in Kigali last September, and there, too, it was clear that top government officials and private sector representatives from across the continent want greater regional integration. Not only do they want it, but they are also doing it.

How is the ITC supporting the tripartite FTA process?

We are working with the African Union Commission (AUC) and the regional economic blocs to support African countries' goal of building a Continental Free Trade Area by 2017. With the AUC, we are working to establish a Pan-African Trade Observatory, which will broaden access across the continent to trade and market intelligence. We are also supporting the creation of an African Business Council, since chambers of commerce and business organisations are essential voices for building more robust regional markets. And, we are working with a large number of African countries to effectively implement the World Trade Organization (WTO) Trade Facilitation Agreement (TFA) — with a particular eye to ensuring that private sector views get reflected in this implementation process.

The ITC is engaged in the implementation of the WTO TFA. So far, what have you learned about the key blockages facing African least developed countries (LDC) in reducing their trade transaction costs? Can you give us an example of a successful TF reform undertaken by an African developing country or LDC?

Our work in this area has revealed that trade facilitation-related challenges facing countries across Africa include complex cross-border procedures involving large numbers

Trade Facilitation

In December 2013, WTO members concluded negotiations on a Trade Facilitation Agreement at the Bali Ministerial Conference, as part of a wider "Bali Package". In line with the decision adopted in Bali, WTO members adopted on 27 November 2014 a Protocol of Amendment to insert the new Agreement into Annex 1A of the WTO Agreement. The Trade Facilitation Agreement will enter into force once two-thirds of members have completed their domestic ratification process.

of documents demanded by many different government agencies – agencies that often do not coordinate well with each other, let alone their counterparts in neighbouring countries. The resulting delays — and the not infrequent need to pay bribes — increase trade transaction costs. On top of this, inadequate infrastructure presents great challenges in African countries, a large number of which are landlocked.

The fragmented nature of the African market implies enormous potential gains foregone — and, by the same token, considerable gains to be had from more meaningful regional integration.

Implementing the WTO TFA will help address many of these problems. The agreement promises to substantially improve the business environment of the region, and it will complement African initiatives to boost intra-continental trade. The accord's groundbreaking provisions for special and differential treatment clearly acknowledge that many developing countries, especially in Africa, will need financial resources and technical expertise to support the implementation of trade facilitation obligations. As countries proceed with ratification, we must help them to identify and quantify their needs and develop bankable projects. This is where the ITC is currently focusing its efforts.

In terms of TFA reforms, we can mention Mauritius, which has laid the foundation for smoothly implementing the agreement with the creation of a national multi-stakeholder coordination committee. ITC is also working with the West African Economic and Monetary Union to identify opportunities for a regional approach to implement the agreement, so that trade facilitating reforms contribute to region-wide integration and value chains, including for the least developed countries.

Two joint reports by the ITC, the World Economic Forum (WEF), and Bain & Co., launched in January 2015, bring fresh evidence of the benefits of trade facilitation on the ground. The ITC has also received dedicated funding to implement work on trade facilitation. What is the ITC doing to crowd in the private sector in implementing TFA commitments?

These reports, which we launched at Davos in January, make a compelling case for cooperation between governments and businesses to maximise the benefits from trade facilitation-related policy reforms.

Uniquely among United Nations (UN) agencies, ITC is mandated to work with the private sector. Our primary focus is on helping SMEs, which almost everywhere generate the bulk of jobs, to improve their global competitiveness. We encourage governments to treat private sector businesses as partners, to ensure that most pressing trade facilitation needs are addressed first. Separate meetings with private sector representatives explain how they can maximise their own gains from the agreement's implementation. We work to ensure private sector representation in national trade facilitation committees, to enable cooperation, and allow for regular consultations among all stakeholders. In essence we support that bridge between policy makers and their business community.

In addition, the ITC's trade facilitation programme aims to build SMEs' capacity to comply with border procedures and fully utilise new trade facilitation measures. ITC has published a business guide to the TFA, and it has created a related training module for SMEs.

Funding is going to be a key issue for a number of developing countries, especially LDCs. It appears that trade facilitation needs are likely to outstrip the money available. Given this constraint, what can be done to support LDCs in implementing their trade facilitation commitments?

I sense a strong commitment from both donors and partners to adhere to the spirit and the letter of the TFA. My sense is that there is a need for clear financial and technical assistance resources to implement the deal, but that these needs can and will be met. We also now have the WTO's Trade Facilitation Facility, which can act as a funder of last

WTO Global Aid for Trade Review

The Fifth Global Review of Aid for Trade will be held at the WTO from 30 June to 2 July 2015 under the theme "Reducing Trade Costs for Inclusive, Sustainable Growth."

resort for those whose needs are not being met. We should also remember that the costs will come with significant benefits in terms of increased trade and growth.

At ITC, we are focusing on supporting countries and their local experts to understand specific needs and to price them in the form of specific project proposals. We are helping national agencies become more lean and efficient by sharing resources and infrastructure, as well as relying on international standards and best practices. Less costly solutions mean greater scope for redirecting resources to other needs.

Public-private partnerships could also play a vital role in raising resources for trade facilitation implementation. From what we have seen, the private sector is very excited about the implementation of the agreement. I hope that early tangible gains from successful implementation in countries will motivate the private sector to also step forward and provide financial support to enable their governments to implement remaining measures.

If we qualify 'trade policy and regulations,' one of the four main categories of aid for trade (AfT), as akin to aid for trade facilitation, it becomes immediately clear that this category, which has attracted about 3 percent of total AfT to date, needs to be substantially beefed up. How apt are the DAC donors to do this?

The two leading categories of AfT are 'building productive capacity' and 'economic infrastructure.' Infrastructure projects are by nature large and expensive. Building productive capacity involves direct work with producers or service providers in the field as well as significant field expenses.

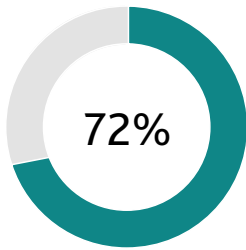
Trade facilitation projects, instead, tend to target central government institutions and agencies. They tend to be about streamlining processes or building information platforms within those institutions. Such projects are not very costly on an individual basis, at least not compared to infrastructure or other capacity building. Yet, their payoffs are large.

Important steps forward on trade facilitation could be achieved with relatively minor shifts in overall AfT resource allocations. If the share of the total pie allocated to trade facilitation shifted from 3 percent to 6 or 9 percent, the bulk of AfT spending would still be available for investments in infrastructure and productive capacity building. But the difference for trade facilitation would be real.

How could the private sector better engage with the financing and implementation aspects of AfT?

In many ways! We have already looked at one: active participation in public-private dialogue around trade facilitation would help with identifying bottlenecks to trade and addressing them in the most business-friendly way. Similar collaboration could inform smarter policy with regard to non-tariff measures (NTMs) (*note from the editor: See the next question*). Understanding business realities is essential for policymakers to target reforms effectively.

Private sector players in industrialised and emerging economies can also play an important role in AfT. In the context of value chains, lead firms are major customers for developing country companies, and they could get more involved in private sector development projects. There is scope for 'win-win-win' outcomes: developing country firms would gain productive capacity and potentially increased sales; lead firms could find new suppliers; and donors would benefit because the involvement of these firms would make projects more likely to be market-oriented, and thus more durable in terms of trade and development impact. Of course, lead firms' interests might not overlap with the interests of the developing countries in question — which is why policymakers and the private sector in beneficiary countries would have to take ownership over such projects. That brings us back to the importance of public-private dialogue.



72 percent of procedural obstacles facing the business community notably in Africa occur at home.

Recent ITC surveys on non-tariff measures faced by the business community notably in Africa suggest that many obstacles to trade occur at the domestic level in addition to those applied by partner countries. What kind of work do you think would be most helpful in alleviating such constraints in the medium term?

Our firm-level surveys revealed that while businesses often find non-tariff measures themselves unreasonably stringent, in the majority of cases — 70 percent — they say that procedural roadblocks at home and target markets are more of an issue than the NTMs themselves. Most of these procedural obstacles — some 72 percent — occur at home, in the shape of delays, excessive fees, informal payments, and burdensome administrative requirements.

Elements of a solution have to hinge on increased transparency, access to information, and collaboration among government institutions and between the public and private sectors. Information is essential: many companies run into roadblocks, because they don't know about relevant regulations or related procedures. For example, unclear or unpredictable processes for receiving certification of origin or SPS compliance make it hard for businesses to plan. Without dialogue with the private sector, governments will not be able to understand which procedures need to be fixed most urgently.

At the WTO's Fifth Global Review on Aid for Trade, the ITC will be organising an event bringing together business and government representatives to look at NTM-related trade obstacles and how to solve them.

In this context marked by the redefinition of global development models, what would your key expectations be for an eventual declaration on the post-2015 development agenda with respect to trade?

I hope and believe that the post-2015 development agenda can catalyse action — and new sources of funding — aimed at helping countries boost entrepreneurship, economic growth, and employment through trade. International trade diversification and value addition should belong on anyone's development agenda: trade in a broadening basket of value-added goods and services has been part of the economic story for every country that has managed to sustain high growth rates long enough to transform people's lives.

Trade is often acknowledged as a critical component of long-term sustainable development and poverty reduction in the development community. What is the potential outcome of the next WTO ministerial meeting that could unleash the power of trade to promote sustainable and inclusive development?

It is too early to know what could realistically be on the agenda at December's WTO Ministerial Conference in Nairobi. WTO members have set themselves a deadline of July 2015 to come up with a detailed work programme on outstanding Doha Development Agenda issues. Their negotiations in the coming months will shape possibilities for Nairobi. I believe the WTO ministerial together with the Financing for Development Conference and the Paris climate conference could be important signals that the international community is serious about placing trade and sustainable economic development at the heart of our collective efforts to eradicate poverty.

By concluding the Doha Round, by effectively financing development and by reaching an agreement curbing carbon emissions, countries would demonstrate their seriousness about taking concrete steps to implement the post-2015 development agenda.

GENDER

Trade policy through a gender lens: The fish trade and women in the Gambia

Irene Musselli and Simonetta Zarrilli

Without built-in gender perspectives, an export-led growth strategy in fisheries in The Gambia may exacerbate social exclusion and gender-based discrimination. Proactive policies are needed, this article says, to ensure a socially inclusive outcome.

The relationship between trade and gender is highly contextual and country-specific. However, it is at times possible to extrapolate some general patterns that are likely to be found across countries. This article dwells on the gender ramifications of an export-led strategy in fisheries in The Gambia. The commercial expansion of the fisheries sector is could help lift many Gambian from poverty, in particular women. Yet, without built-in gender perspectives, the promotion of fish exports in The Gambia could in some cases actually exacerbate inequality between men and women.

Fisheries: A vital economic sector

The fisheries sector is a critical entry point for poverty alleviation in The Gambia. It provides a source of revenue and foreign exchange earnings for the country; but also contributes significantly to food and livelihood security, particularly for the poor. The sector is the third largest food provider - after agriculture and livestock - and plays a significant role from a nutritional standpoint, being the main supplier of animal protein in the diets of most Gambians. Fisheries and related activities (processing and marketing) also provide income to the poor: fish-related activities represent the main source of income for coastal fishing communities, and are an important complement activity (and safety net) for rural communities inland.

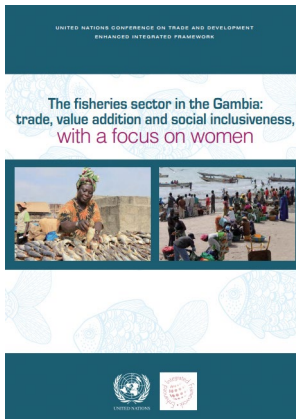
In The Gambia, the artisanal subsector employs between 25,000 and 30,000 people, while about 2,000 people work in the industrial sub-sector. The livelihoods of an estimated 200,000 people are indirectly dependent on fisheries and related activities. For women in particular, fish processing and marketing provide an important source of income and livelihood support: an estimated 80 percent of fish processors and 50 percent of small-scale fish traders are women.

Gender based division of labour

In the fishery sector, men and women tend to produce distinct products, operate on different scales, and serve different markets. This results in specific gender-based trade patterns throughout the value chain.

Upstream activities including, fish harvesting, or the capture of fish, are essentially dominated by men, though women are present in some subsectors (oyster and cockle harvesters are mainly women). Downstream (fish-processing) activities are quite feminised. Women play a prominent role in the artisanal sector: an estimated 80 per cent of processors and 50 per cent of traders of fresh and cured fish products. They also make up 70 percent of factory workers in the industrial subsector.

In the downstream artisanal segment, trade patterns are highly gendered. Women mainly operate on a small scale that involves direct marketing of fish and low profit margins, while male traders operate on a larger scale with more capital-intensive techniques and higher profit margins. Women serve domestic and inland urban markets while men mainly control more distant, subregional, and export markets. Likewise, patterns of job segregation exist in the industrial segment, where women are crowded in packaging and processing nodes.



This article is based on "The Fisheries Sector in the Gambia: Trade, Value Addition and Social Inclusiveness, with a Focus on Women", UNCTAD and EIF, 2014."



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This division of labour reflects deeply entrenched social roles that restrict, among other, women's mobility. It also reflects gender disparities in access to productive assets in the fish value chain, which undermines women competitiveness. The overall tendency seems to be that women tend to receive "diminished" assets, while segments of the chain that attract investment tend to "defeminise".

Mainstreaming gender considerations in fisheries trade policy

The acknowledgement of these gender dimensions is critical to assess the gender ramifications of an export-led strategy in fisheries in The Gambia.

Because men already largely control the export trade, the selective upgrading of this segment risks magnifying the existing split between large-scale male traders and small-scale women traders. This is because the expansion of the export-oriented fish industry may incite some diversion of resources from the domestic segment (female-intensive) to the export-oriented segment (more male-oriented). Thus, the selective upgrading and segregation of the export-oriented segment of the chain could act to the detriment of small-scale women operators, who mainly operate in the domestic segment. Also, for those fish species that serve both the export and domestic markets, there may be some diversion of supplies from the domestic to the export chain, with important food security implications. Eventually, an export-led strategy in fisheries risks accentuate social cleavages between the relatively empowered and the relatively disempowered.

However, this need not be the case. Export-oriented investment may lead to greater employment opportunities for women downstream, in both artisanal and industrial processing factories, if the appropriate measures are in place. Note in this respect that an expansion of the export-oriented fish-processing industry is likely to generate significant employment opportunities for relatively unskilled women downstream (factory processing), with positive effects in terms of poverty alleviation. Furthermore, investment in export-led facilities may be leveraged to also benefit the domestic-oriented chain, where women are predominant.

For this to occur, policies need to be carefully structured to yield socially inclusive and gender-equalising results. Particularly on the supply side, there is a need for policy responses that are not only gender-specific (in that they respond to practical gender needs of either sex), but also gender-redistributive (as they tend to create a more balanced relationship between men and women in access to productive resources).

Policy recommendations

A critical issue is the integration of gender considerations into the design and implementation of fisheries infrastructure projects. The objective is to ensure that facilities used by women are upgraded, or that upgraded facilities (including those that serve the export-oriented segment of the chain) can be effectively accessed by women, as well as men. Concrete measures may include quotas, informal complaints procedure, etc. Women's access to resources, including credit, and support services such as training in marketing and financial literacy, would greatly enhance their ability to benefit from new export opportunities. Affirmative actions taken to redress power imbalances may include a target percentage of credit to be disbursed to women and dedicated lines of credit for women operators. Training is needed in three concurrent areas: technical training in the handling, processing, and marketing of fish and fish products; marketing; and financial literacy.

It is also important to explore niche markets for high-value products that can generate income for women, the study recommends. Attention is drawn to sustainable aquaculture and the Diaspora trade.

Also putting in place coherent trade, infrastructure and social policies may be instrumental to achieving inclusive development and to reducing inequalities, including those based on gender. The gender perspective is key to bringing issues of sustainability and inclusion to the forefront of analysis.

TRADE REMEDIES

Trade remedies in Africa: Experiences, challenges and prospects

Ousseni Illy

The support for trade remedy mechanisms in Africa is associated with challenges. Many African countries will have to face such a reality in the coming years as they are busy laying out their first ever trade remedy regulatory and institutional frameworks.

Developed countries have traditionally been the main users of trade remedies. Examination of early figures of the General Agreement on Tariffs and Trade (GATT, the World Trade Organisation – WTO forerunner) shows that up until around the 1980s, developing countries were virtually absent in trade remedies activity. However, in recent years, there has been an increasing presence of developing countries in trade remedies use to the point that today developing countries represent collectively more than 60 percent of global trade remedy actions, with India and Brazil among the leading users of trade remedies. On the target side, developing countries are also becoming the principal targets of trade remedy measures by both developed and developing countries.

Although developing countries are now using trade remedies to a much greater extent, so far, African countries have not played a significant role in this area. Only four countries – Egypt, Morocco, South Africa, and Tunisia – have functional trade remedy mechanisms and have ever employed such measures to defend their domestic producers. Although this is hardly a surprise when one takes into account Africa's poor WTO participation record, it may be useful to find out the underlying reasons for this particular case and above all, devise solutions to address it. However trade remedies are becoming increasingly vital for the survival of the continent's local industries and producers which remain the main provider of jobs and contributor to GDP.

African countries and trade remedy actions

Between 1995 and June 2011, African countries reported some 283 Anti-Dumping (AD) investigations to the WTO, of which 181 ended up in applied AD measures. This represents about 7 percent of global AD investigations and 7 percent of global AD measures.

In Africa, South Africa and Egypt have been the major and traditional players in AD actions. More recently, new countries are joining. Morocco launched its first AD investigation in 2011, while countries including Mauritius, Kenya, and Ghana are in the process of drafting their first anti-dumping legislation and/or setting up investigating authorities.

South Africa accounted for 75 percent of AD initiations and 70 percent of the applied measures reported by African countries under the period of review (1995-2011) and its biggest target has been the European Union (EU), followed by China, India, and South Korea.

Egypt accounted for almost 25 percent of the investigations and 30 percent of the applied measures. It mostly targeted its investigations at the EU, China, India, and Indonesia.

The main targets of African countervailing actions have been India and the EU. Nine of the thirteen South African investigations and four of its five measures have been indeed directed at India, while Egypt has targeted its four investigations at EU countries. With respect to products, 100 percent of Egyptian actions have targeted foodstuffs and beverages while South Africa has focused on base metals (39 percent) and machinery (23 percent).

Safeguard actions have however been used sparingly. Out of the twelve safeguard actions launched in Africa from 1995 to 2010, seven ended up with safeguard measures being

Trade remedies

Trade remedies – or trade defence – are contingent measures enacted to defend local producers in certain circumstances. They take three principal forms: anti-dumping measures, countervailing measures and safeguard measures. (Author)

imposed. Morocco has been responsible for five actions, followed by Egypt (four), Tunisia (two) and South Africa (one). African exports have also suffered from a limited number of trade remedy actions with South Africa being the main target.

Anti-dumping actions against African countries were led by the US with 21 percent of the investigations and 18 percent of the duties applied followed by the EU which issued 17 percent of the AD investigations shares 16 percent of the final measures against the continent. India, Argentina and South Africa come as the third, fourth and fifth biggest users of AD actions against African exporters, with respectively 12, 10 and 7 investigations, and 8, 6 and 5 measures applied between 1995 and 2010. A limited number of countervailing actions (seven) were also launched against African exports.

Reasons for Africa's limited participation in trade remedy actions

Africa's limited participation in trade remedy actions is due to the absence of national legal and institutional frameworks, the lack of expertise the high cost of trade remedies, the availability of alternative instruments, the disorganisation of the African business community, as well as political factors.

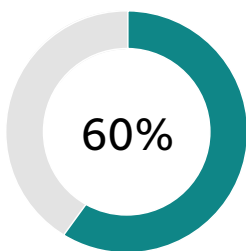
National legal and institutional frameworks are the basic requirements for trade remedy actions but majority of African countries do not have such frameworks. Only five African countries have comprehensive national legislations on these trade remedies and only two countries – South Africa and Egypt – have fully fledged institutions.

Putting in place national trade remedy legal frameworks and institutions can prove costly and time consuming as trade remedy investigations require a high level of expertise (well-trained specialised lawyers and economists), which many African countries can ill-afford. For instance, the WTO training programmes for poor countries have seen many beneficiaries of the programme leave government jobs to join the private sector or international institutions. This also remains a hurdle for African countries.

Also the availability of substitute instruments such as tariff increment within WTO-bound limits, import prohibitions, and voluntary export restraint (VERs) arrangements is another reason for the low usage of trade remedies in Africa. For instance between 75 and 80 percent of African countries' tariff lines are unbound, which means they could raise tariffs up to any rate without necessarily violating WTO law (WTO 2009). Also, though imports prohibition has been banned within the WTO, some African countries continue to resort to it with varied frequencies. Nigeria is one of the leading countries in this regard, and despite numerous condemnations from the WTO and other multilateral organisations (IMF, World Bank), the country has maintained steadfastly its policy in that regard.

Voluntary export restraints (VERs), which are banned within the framework of the WTO, are parts of some African countries' trade defence strategy. In 2006, for instance, South African government struck a deal with China to restrict the latter's textile exports to South Africa in order to relieve its beleaguered textile industry.

Externally, African countries' challenges also stem from the necessity to meet WTO standards and legal requirements. Many African countries do not have the economic and legal expertise, and the resources, to fully meet these requirements in carrying out investigations. Moreover, trade remedies are among the most challenged measures before the WTO Dispute Settlement Body and many African countries would have to hire international lawyers to defend their cases. In some cases, African countries producers and even trade officials have low knowledge about how to file a case, even where the laws exist. For instance, in the West African Economic and Monetary Union (WAEMU) countries, an anti-dumping regulation has existed since 2003 but only one case has been brought so far whilst many instances clearly show dumping red-flags could be raised. To avoid similar situations, Mauritius has incorporated a capacity building programme of the private sector in its trade remedy framework worth emulating in other African countries.



Developing countries represent collectively more than 60% of global trade remedy actions, with India and Brazil among the leading users (WTO 2010).

Many African countries are also aid-dependent and this may influence their decision to resort to trade remedy actions against their trading partners, particularly if these partners are their main aid donors, source of investment, or former colonial powers.

African countries also face the challenge of porous borders fraught with corrupt customs officers. Customs rules are circumvented or violated on a daily basis. For instance, the Nigerian long-standing import prohibition policy maintained to defend its local industry is said to have been rendered virtually impotent due to of large-scale smuggling and corruption

Additionally, most African countries are part of regional economic communities. In this regard, adopting individual trade remedy schemes could be harmful to these customs unions or common markets. Indeed, the two key features of a customs union or common market are free movement of goods between the members and common external tariffs (CET) toward third countries. As a consequence, any border trade measure, such as anti-dumping or countervailing duties, has to be adopted and implemented by all the members at the same time.

Should African countries engage further in trade remedy actions?

The question of whether or not African countries should embrace trade remedy actions is a much-debated one. Some contend that Africa is plagued by so many problems and priorities, and that instead of using the scarce resources of the continent to build up trade remedy systems, these countries should rather invest in much more needed sectors such as infrastructure, education, healthcare, etc.

Notwithstanding, there are strong arguments in support of trade remedies use on the continent, both from a development economics perspective and a transparency and good governance rationale.

Most countries that have industrialised used protectionist policies at their early stages of development (Chang 2002). Africa would perhaps be the only region in history that would have to industrialise without these policies.

As traditional protection tools become less available and Free trade agreements such as the African-European Economic Partnership Agreements (EPAs) cut off tariff leverage and other protection measures across the continent trade remedies become more vital to industrial growth.

Also trade remedies promote cooperation, and make countries more willing to engage in international trade liberalisation. Studies have shown that states that possess national trade remedy mechanisms are likely to (1) join the WTO, (2) agree to more tightly binding tariff commitments, and (3) implement lower tariffs. African countries equipping themselves with trade remedy frameworks would therefore not lead to an increase in protectionism.

Trade remedies are also considered more impartial and transparent than the traditional substitute instruments. Because insert trade remedies follow due process they all stakeholders to participate in investigations and done by professionals limiting political influence. Tariff increases, quotas and import prohibitions are usually discretionary, administered directly by the government, which leaves room for politics, favouritism and rent-seeking behaviours.

Ghana, Mauritius and Kenya are however advanced in drafting their first trade remedy laws, and could be conducting their first investigations soon.

Conclusion

Traditional trade defence tools such as import prohibitions, quotas, and tariff hikes are getting less permissible and the survival of African domestic industries, under the pressures of liberalisation, will have to rely more on legal trade defence instruments, like trade remedies.



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WTO

ACP group outlines elements for a WTO post Bali work program; push for deal in fisheries

The African, Caribbean and Pacific (ACP) Group of countries has tabled a series of elements that it says should define a potential WTO work programme on the Doha Round talks, according to a communication circulated by Barbados on the Group's behalf in March.

Various elements for defining a post Bali work program on remaining WTO Doha development agenda negotiations were defined in a communication circulated by Barbados, on behalf of the African Caribbean Pacific (ACP) group of countries, on 10 March.

The elements presented by the ACP group have been designed with a view toward reaching consensus by the next WTO ministerial conference in December. The deadline for agreeing on the work programme mandated in the Bali declaration has been set for July 2015, after a previous end-2014 deadline was extended last November.

The submission elaborates on the ACP group positions in the DDA regarding special and differential treatment (S&DT) proposals, agriculture, non-agricultural market access (NAMA), services as well as fish subsidies, and trade-related intellectual property rights.

S&DT proposals

The ACP group identified a selection from the original 88 proposals on special and differential treatment to have "economic and practical value."

S&DT has long been considered a crucial part of the Doha round's development dimension. Originally created as an overarching mechanism to give preferential treatment to developing and least developed countries (LDCs), the measure aimed to help these countries more easily integrate into the multilateral trading system.

Agriculture

"Achieving tangible and binding results from negotiations aimed at establishing a fair, and market oriented trading system in agriculture, remains central to the conclusion of the Doha round," the ACP group's communication reads.

The group specified that "at a minimum", the work programme should preserve the gains in special flexibilities as contained in the December 2008 revised draft modalities text for agriculture.

ACP countries also stressed that a solution on cotton should be part of any result to conclude the DDA, and by the next ministerial conference.

The communication mainly reiterates the need to preserve flexibilities (Rev.4) related to measures on domestic support, market access and export competition.

Regarding agricultural market access, Argentina circulated a communication on 10 March calling for a request and offer approach for market access negotiations. (See [Bridges Weekly 12 March 2015](#)).

A separate report is currently being drafted on this issue and will soon be available.

NAMA

Negotiations on substantial improvements in market access are required to be conducted in parallel with negotiations on agriculture and services with a view of "achieving balanced and development centred outcomes (...)," specifies the document.

The group emphasised the need to address non-tariff barriers (NTBs), which affect particularly products of export interest to developing countries. According to the Group, NTBs should be an integral part of the negotiations and members should aim to reach an agreement on a potential NTB package structured around ACP proposals but also those of other developing countries and LDCs on the different types of NTBs impacting their NAMA trade.

To this end, the communication instructs the chairman of the negotiating group on market access to convene sessions to discuss NTB elements.

The communication also reiterates the need to for NAMA negotiations to take into account the special needs and interests of developing and LDC participant and states that such action should take place through "less than full reciprocity in reduction commitments."

The group therefore called for a core set of flexibilities to be preserved for developing countries with low binding coverage, small and vulnerable economies (SVEs), and LDCs. These flexibilities are currently reflected in the Draft modalities text dated 6 December 2008.

On tariff reduction formula, the ACP group proposed an approach that would stem from the level of commitments envisaged for LDCs, ACP countries and SVEs under Rev.3 flexibilities as in the 2008 draft text in which tariff reduction commitments are proportionately higher for developed and developing country members.

Services

The ACP group encourages members to improve and notify their LDC services preferences under the Waiver decision by July 2015.

Fisheries

In their proposal, the ACP group urged members to reach an agreement at the next ministerial conference on a fisheries package.

ACP countries consider fisheries subsidies as a "central" element of the development component of the Doha round, given the critical importance of the sector to poverty reduction, livelihood, and food security in their countries.

Further disciplines on subsidies in the fisheries sector should be an integral part of the post-Bali work program according to the ACP group, and such measures would include: enhanced transparency and notification requirements on the type and scope of subsidies provided by members to their fisheries sector and the capping and progressive phasing out the various forms of fisheries subsidies.

The communication lists for example, subsidies provided to any vessel engaged in fishing practices which have significant adverse impacts on vulnerable marine ecosystems and habitats, subsidies provided to any vessel engaged in illegal, unreported and unregulated fishing as well as subsidies provided to any fishing vessel or fishing activity affecting fish stocks that are in an unequivocally overfished condition.

Additionally the ACP group stated that it remains committed "to explore broader disciplines" on fisheries subsidies provided that these disciplines incorporated "appropriate and effective" S&DT provisions.

The ACP group also linked the implementation of discipline on fisheries management by members whose share of the global marine wild capture fisheries is less than 60 percent to sufficient technical assistance and capacity building.

TRIPARTITE FTA

Launch of African Tripartite FTA now set for June

The launch of the Tripartite Free Trade Area will now take place from 7-10 June in Egypt during the third COMESA – EAC - SADC Tripartite Summit, sources have confirmed.

The TFTA, once enacted, would bring together the East African Community (EAC), the Southern African Development Community (SADC) and the Common Market for Eastern and Southern Africa (COMESA).

The TFTA would cover 26 countries ranging from Egypt to South Africa with a combined population of 625 million people and an aggregate GDP of US\$1 trillion. These figures represent half of the African Union's membership and 58 percent of the continent's economic activity, according to COMESA. The launch of the TFTA was originally planned for December 2014 at the Tripartite Summit of Heads of State and Government in Cairo, Egypt. However, it was then delayed and rescheduled for the first quarter of 2015.

Negotiations to establish a continental FTA across Africa are expected to be initiated shortly after the TFTA launch in June.

More progress expected

Malawi hosted the 11th Tripartite Trade Negotiations Forum (TTNF) from 21-24 February with discussions geared toward finalising work in various areas such as tariff offers, rules of origin (RoO) regimes, trade remedies, dispute settlement, and movement of business people.

"The meetings in Malawi did not achieve as much as we expected" declared one source involved in the negotiations.

Apart from RoO, the other difficult negotiating areas include trade remedies and the dispute settlement mechanism, indicated the source.

Rules of origins

The COMESA-EAC-SADC troika faces significant challenges in harmonising differential RoO, which have so far impeded inter-regional trade and the creation of regional value chains. One of the key challenges involves finding an acceptable framework for RoO, as the EAC and COMESA regimes in this area are significantly different from the one used by SADC.

Experts such as Eckart Naumann from the Trade Law Centre in South Africa have pointed out that 56 percent of the RoO are dissimilar across the three regional economic communities.

The TTNF agreed, during their previous round of discussions last October last year, that "where rules of origin among the three RECs are common or identical, these will be adopted as Tripartite rules without engaging in negotiations on these rules."

Work on rules of origin is likely to continue after the launch of the TFTA as part of the "post signature activities" one trade observer said.

Trade remedies, dispute settlement

The annex dealing with dispute settlement has been concluded by a technical working group and will be considered at upcoming TTNF meetings. Deliberations on dispute settlement and trade remedies have been deferred to the next TTNF.

Another TTNF will take place in the coming months where “more concrete progress should be achieved,” according to the source.

Tariff liberalisation

Fifteen countries had made offers by the time of the third Tripartite Sectoral Ministerial Committee (TSMC) on Trade, Finance, Economic Matters, Home and Internal Affairs, which also took place last October in the context of the 10th TTNF. The other Tripartite member states have since been in the process of exchanging tariff offers.

At the October meeting, those member states that had not yet exchanged tariff offers were urged to do so by 30 April 2015.

The Tripartite Task Force was also tasked with filling Annex 1 of the TFTA agreement with finalised tariff offers, while mobilising resources to assist those member states having trouble with completing their offers.

Tariff offers for all COMESA countries that are not in in the EAC or SACU are “ready” except for Zimbabwe, the Democratic Republic of Congo, Eritrea, and Ethiopia, according to the negotiations progress report.

All EAC member states –Burundi, Kenya, Rwanda, Tanzania, and Uganda – have also completed their tariff offers. Tariff offers for non-COMESA SADC countries, including Swaziland, were not yet ready, the report said.

Movement of business people

The main stumbling block to progress on the movement of business persons has been divergent views over the interpretation of the Ministerial direction that negotiations should take place in Phase I of the TFTA “on a separate track”.

While much progress has been achieved in the last two meetings of the TC-MBP, some important articles on the draft agreement are still outstanding and have to be resolved. These include: guiding principles, temporary entry, stay and exit and dispute settlement. National consultations are ongoing on all these areas and a meeting of the TC-MPB could be held in July 2015, to resolve the outstanding issues.

Industrial development

The Tripartite Technical Committee on Industrial Development (TTCID) has adopted draft modalities for cooperation, and a draft programme of work on industrial development. This committee will now develop the appropriate legal instrument for cooperation in industrial development as outlined in the Programme of Work and Road Map.

Forging a link between TFTA and EU-EPAs

A briefing released this month by the European Parliament explains that the creation of the TFTA is “important” in the context of the Economic Partnership Agreements, as it would prevent a potential situation in which EU goods could enjoy better access to local markets than products originating from other African Regional Economic Communities (RECs).

The EU concluded their EPAs with three African regional economic communities last year, namely SADC, EAC and the Economic Community of West African States (ECOWAS), after more than a decade of difficult negotiations.

All three African RECs are now expected to engage in the ratification process.

Next steps

After the launch, the deal will enter into force upon ratification of the text by two-thirds of the Tripartite FTA member states, according to the revised 2010 draft agreement. The Tripartite FTA will then form a building block for the continent-wide free trade agreement, known as the Continental FTA.

The newsroom

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LDCs table proposal to protect pharma patents

The WTO's poorest members tabled a proposal in late February for extending their transitional period for enforcing global trade rules protecting pharmaceutical patents and clinical data, along with a related waiver involving patent protection and exclusive marketing rights for pharmaceutical and agricultural chemical products.

The move is set to kick off discussions among the WTO membership toward the potential renewal of these pharmaceutical-specific exemptions, which are otherwise set to expire on 1 January 2016.

The proposal is expected to be discussed in more detail at the next meeting of the TRIPS Council, currently scheduled for 9-10 June.

Some experts argue that continuous extension of such waivers may perpetuate a disconnect between LDCs and the international IP system – and that as a result, LDCs' integration in the global knowledge-based economy would be deferred, leading to limited technology transfer and investments.

ESA officials resume negotiations on EU-EPA

After their meeting on 9 and 10 March 2015, senior officials from Member States of East and Southern Africa (ESA) agreed to resume negotiations with the EU within the framework of the Economic Partnership Agreement (EPA) in order to discuss the issues left outstanding since the last round of negotiations between the two parties, which took place in Mauritius in November 2011.

These contentious issues currently relate to several matters, including export taxes, substantially all trade and the liberalisation schedule, trade in services and safeguard measures.

Both parties also need to continue discussions on the section related to development cooperation.

African ministers discuss climate change

African ministers gathered in Cairo, Egypt to discuss their position on climate change ahead of the Paris summit in December 2015. Discussions took place during the African ministerial conference on the environment (ACMEN) held from 2- 6 March in Cairo, Egypt.

On this occasion, they reaffirmed their commitment to reach a binding climate change agreement slated for finalisation at the end of this year. They also called for equivalent treatment of adaptation and mitigation efforts in the agreement.

During the meeting the group adopted a declaration which underscored the need to improve the management of the continent's natural resources and transition towards a green economy model.

The Cairo Declaration calls for a global goal for adaptation which takes into account adaptation needs and associated costs, including support for developing countries, while recognising the need to up adaptation investments in developing nations.

US, EAC ink deal to deepen trade ties

Trade ministers from five east African countries – Burundi, Kenya, Rwanda, Tanzania, and Uganda – signed an agreement on 26 February with US Trade Representative Michael Froman aimed at enhancing trade capacity and deepening economic ties between the two sides.

The 26 February agreement between the US and the East African Community (EAC) builds on the "Trade Africa" initiative announced by US President Barack Obama during a visit to Africa over a year ago, which aims at expanding international and regional trade in Africa.

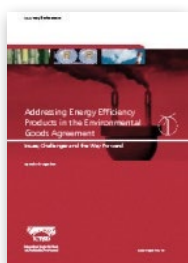
The EAC was selected for the initial phase of Trade Africa given its members' recent stable macroeconomic situation and business environment reforms.

Publications and resources



Argentina's Agricultural Trade Policy and Sustainable Development – ICTSD – March 2015

Argentina is one of the largest exporters of agricultural goods and its policies have significant implications for global food security and agriculture markets. This study analyses the extent to which Argentina's farm trade policies help addressing economic, social and environmental objectives, including those relating to areas such as food security, poverty reduction, environmental sustainability and climate change. <http://bit.ly/1bMvELu>



Addressing Energy Efficiency Products in the Environmental Goods Agreement: Issues, Challenges and the Way Forward – ICTSD – March 2015

This paper examines some of these challenges in the context of earlier submissions by members during the WTO environmental goods negotiations, as well as the APEC's 54 product group list. It puts forward concrete proposals to deal with EE technologies in the context of EGA negotiations and raises a number of considerations for trade policy makers and negotiators, including the relevance of international standard-setting initiatives and the need to reflect the 'development' dimension. <http://bit.ly/1FhHmum>



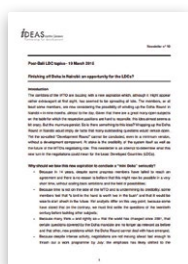
Mega-regionals and the Regulation of Trade: Implications for Industrial Policy – E15 Initiative – March 2015

This note reviews the key industrial policy issue areas under negotiation in the mega-regional free-trade agreements and evaluates the likely developments flowing from these agreements in terms of their impact on the international trading system. Based on this review, it discusses the likely future framework for industrial policy, which will integrate the additional policy constraints/changes introduced by these agreements. <http://bit.ly/1b28O2a>



Tariff Escalation and Preferences in International Fish Production and Trade – E15 Initiative – March 2015

This paper reviews recent literature on the effects of tariff liberalization on wild caught fish product production structures, development outcomes, and fish stocks. Using the case of canned tuna, the report shows that tariff regimes clearly influence the location of production and processing activities, thereby shaping the international division of labour. While trade measures clearly have significant implications for developing countries, the report finds that the impact of trade preferences and tariff liberalization cannot be adequately understood without taking into consideration the particular characteristics and circumstances of individual countries. <http://bit.ly/1bAV9iY>



LDC newsletter n°10 – Finishing off Doha in Nairobi: an opportunity for the LDCs? – IDEAS Centre – March 2015

The corridors of the WTO are buzzing with a new aspiration which, although it might appear rather extravagant at first sight, has seemed to be spreading of late. The members, or at least some members, are now considering the possibility of winding up the Doha Round in Nairobi – in nine months, almost to the day. Given that there are a great many open subjects on the table for which the respective positions are hard to reconcile, this idea almost seems a bit crazy. But the murmurs persist. So is there something to this idea? This newsletter is an attempt to determine what this new turn in the negotiations could mean for the Least Developed Countries (LDCs). <http://bit.ly/1aRlIRO>

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