Free trade agreements should make special provisions for cooperative financial institutions in recognition of the distinctive benefits they can provide for emerging economies, especially within the underfinanced agricultural and small business sectors.

Boosting access to finance: Ensuring free trade agreements (FTAs) recognise cooperatives' vital development role

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Introduction: Window of opportunity

We're pleased to introduce Boosting access to finance: Ensuring free trade agreements recognise cooperatives' vital development role.

Free trade agreements (FTAs) can provide considerable development benefits by lowering tariffs, stimulating investment and opening up access to new markets. The FTA provisions and chapters on financial services (FS) can help to make more funds available for business investment and job creation. They can also aid market development by drawing in people with the product and risk expertise needed within fast expanding and increasingly sophisticated FS sectors.

Yet FTAs have also faced criticism, the FS provisions in particular. The focus of concern includes the insistence on unrestricted capital movement, which while removing barriers to investment can also attract potentially destabilising 'hot flows'. Further controversy centres on dispute mechanisms, which allow investors to sidestep domestic courts by taking cases directly to international arbitration. Governments are being encouraged to address these concerns, especially those relating to investment and FS, within a number of 'super-regional' FTAs currently under negotiation.[1] Given the scale of these super-regional agreements, they are likely to provide the model for future FTAs, one of the most important of which will be the second phase of the Tripartite Free Trade Area (TFTA) in Africa,[2] which is seen as a precursor to a future Africa-wide FTA.

As we argue in this paper, the review and modification of the FTA model is an opportunity to include a new set of provisions that specifically reflect the distinctive nature and contribution of cooperative financial institutions. Since their origins in the 19th century, credit unions and other cooperative financial institutions have played a key role in opening up credit, deposit, payment and other financial services to people who have had little or no access to mainstream banks and capital markets. As an engine of development, cooperatives could provide an especially important source of finance for the two-thirds of small and medium-sized enterprises (SMEs) in emerging markets that currently have no access to credit.[3] Cooperative credit could also play an important role in enabling farmers to develop the more productive and sustainable agricultural techniques needed to feed fast-growing populations and facilitate investment and growth in the economy as a whole.

1 Canada-EU Comprehensive Economic and Trade Agreement (CETA), Trans-Pacific Partnership (TPP), EU-US Transatlantic Trade and Investment Partnership (TTIP) and Regional Comprehensive Economic Partnership (RCEP).

2 The TFTA, which was signed in June 2015, links COMESA (Common Market for Eastern and Southern Africa), the EAC (East African Community) and SADC (Southern African Development Community). The detailed provisions on investment and services including FS will be covered in a second phase of negotiations.

3 'Redefining the emerging market opportunity: Driving growth through financial services innovation', World Economic Forum, 2012.

The potential advantages of the cooperative model within communities with limited financial resources or FS development include the high level of responsiveness to local needs, the recirculation of profits and the opportunity to build a strong local skills' base.

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In this paper, we look at the role of FTAs in promoting financial services and wider economic development, the particular nature and contribution of cooperative financial institutions and how this can be promoted as part of future FTAs. The paper forms part of our wider research into the changing landscape of financial services and the markets and communities it serves (www.pwc.com/projectblue).

If you would like to discuss any of the issues explored in this paper in more detail, please speak to your usual PwC representative or one of the contacts listed on page 17.

1

Market opening: Could the treatment of financial services under FTAs do more to promote development and inclusion?

FTAs can boost the development of FS markets within emerging economies. But strong lobbying from large multinational FS groups means that the primary focus can often be opening up market access for these types of institution. By contrast, FTAs aren't necessarily designed to meet the needs of emerging market economies or smaller financial institutions. They have also yet to make special provisions for cooperatives.

World markets are opening up. The World Trade Organisation's (WTO) efforts to liberalise international trade and the associated negotiation of bilateral and regional FTAs mean that average tariffs on industrial goods have fallen from around 40% at the end of World War II to around 4% today.[4] Average US customs' tariff rates have fallen by two-thirds since 1960. Figures for 2013 show that the most favoured nation (MFN) tariffs were 3.4% for the US, 4.2% for Canada, 4.9% for Japan, 5.5% for EU and 9.9% for China.[5]

While FTAs have historically focused on removing and reducing tariffs, the scope has broadened to include the elimination of technical barriers to trade, labour and environmental issues, increased regulatory cooperation and harmonisation of trade measures across borders. The switch in focus to regulatory harmonisation and the removal of non-tariff barriers reflects the fact that many governments are now reluctant to go any further in reducing tariffs, especially in 'sensitive' sectors such as agriculture.

Provisions to ease and speed up the free movement of goods and services are included in the four super-regional agreements currently being negotiated: Canada-EU Comprehensive Economic and Trade Agreement (CETA), Trans-Pacific Partnership (TPP), EU-US Transatlantic Trade and Investment Partnership (TTIP) and Regional Comprehensive Economic Partnership (RCEP).

Treatment of financial services

Many countries still maintain restrictions on foreign participation in their FS sectors, arguing that this is needed to maintain economic and political independence. FTA provisions for FS usually take the form of provisions or chapters on trade in services, investment liberalisation and capital movements.

4 'Protectionism? Tariffs and Other Barriers to Trade', OECD, 2009

5 WTO Trade and Tariff Indicators

The switch in focus to regulatory harmonisation and the removal of non-tariff barriers reflects the fact that many governments are now reluctant to go any further in reducing tariffs, especially in 'sensitive' sectors such as agriculture.

1 Trade in services

Trade in services' provisions cover the cross-border movements of funds, as well as the establishment of foreign banks or insurance companies and, in some cases, the movement of personnel.

Such provisions cover many areas of the sector including basic FS, investment banking, share issues, credit rating agencies, trading in derivatives and asset management (hedge funds, pension funds, etc.). But there are no special provisions for cooperative financial institutions.

Lobbying means that the provisions on services in FTAs can often favour large FS groups, whose primary focus tends to be wealthier and more profitable clients rather than providing credit to farmers and small firms. Negotiations over the super-regional agreements are an opportunity to look more closely at the particular needs of small producers and cooperatives' role in meeting them.

FTAs vary quite widely in scope. Some only liberalise specified services, while others assume that all existing and future services are covered unless explicitly stated otherwise (e.g. TPP). Some FTAs also include a 'prudential carve-out' to give governments and regulators more room to manage financial stability. Such a clause was included in the North American Free Trade Agreement (NAFTA). There is also a weaker version in CETA, though this remains one of the contested issues. However, it's unclear how much regulatory flexibility the carve-outs offer in protecting stability in key areas including curbs on the speed of deregulation, trading in risky financial instruments or preventing institutions becoming too big to fail.

2 Investment liberalisation

Provisions on investment under FTAs cover direct investments, along with transfers of assets or intellectual property. They impact on the regulations governing investment in, and by, financial institutions.

Key provisions include national treatment and most favoured nation treatment of companies, which often go beyond standard WTO rules to cover areas such as compensation for expropriation or curbs on the host government's ability to impose quotas on sourcing goods and services from local providers.

The provisions also include controversial investor-state dispute settlement (ISDS) mechanisms. ISDS give investors enforceable rights to take their cases directly to international arbitration, allowing them to bypass domestic courts. The US first included ISDS in NAFTA, due to concerns over the potential for delays in adjudicating cases in Mexican courts. ISDSs are now present in all subsequent FTAs involving the US, apart from the agreement with Australia. These procedures have attracted criticism for being costly, difficult to defend against and resulting in large compensation payments. The Argentinian government refused to pay compensation to two US companies after an ISDS ruling as a result of which its trade benefits were suspended by the US government. Australia has until recently refused to sign any FTAs that include ISDSs and these mechanisms have proved to be a point of contention in the negotiations between the EU and Canada, the EU and India and the EU and the US. Negotiations over the new super-regional agreements could thereby be an opportunity to reform ISDS.

3 Capital movements

FS and investment liberalisation provisions under FTAs are often combined with rules that limit restrictions on capital movements. For example, the EU-Caribbean FTA prohibits any restrictions on capital transfers between residents of the signatory countries. Similar provisions are included in the EU-Korea FTA and FTAs between the US and Australia, Chile, Korea, Peru and Singapore.

The free movement covers foreign direct investment, profits, dividends, the proceeds from a sale of an investment, and payments for loans or bonds issued in a foreign market.

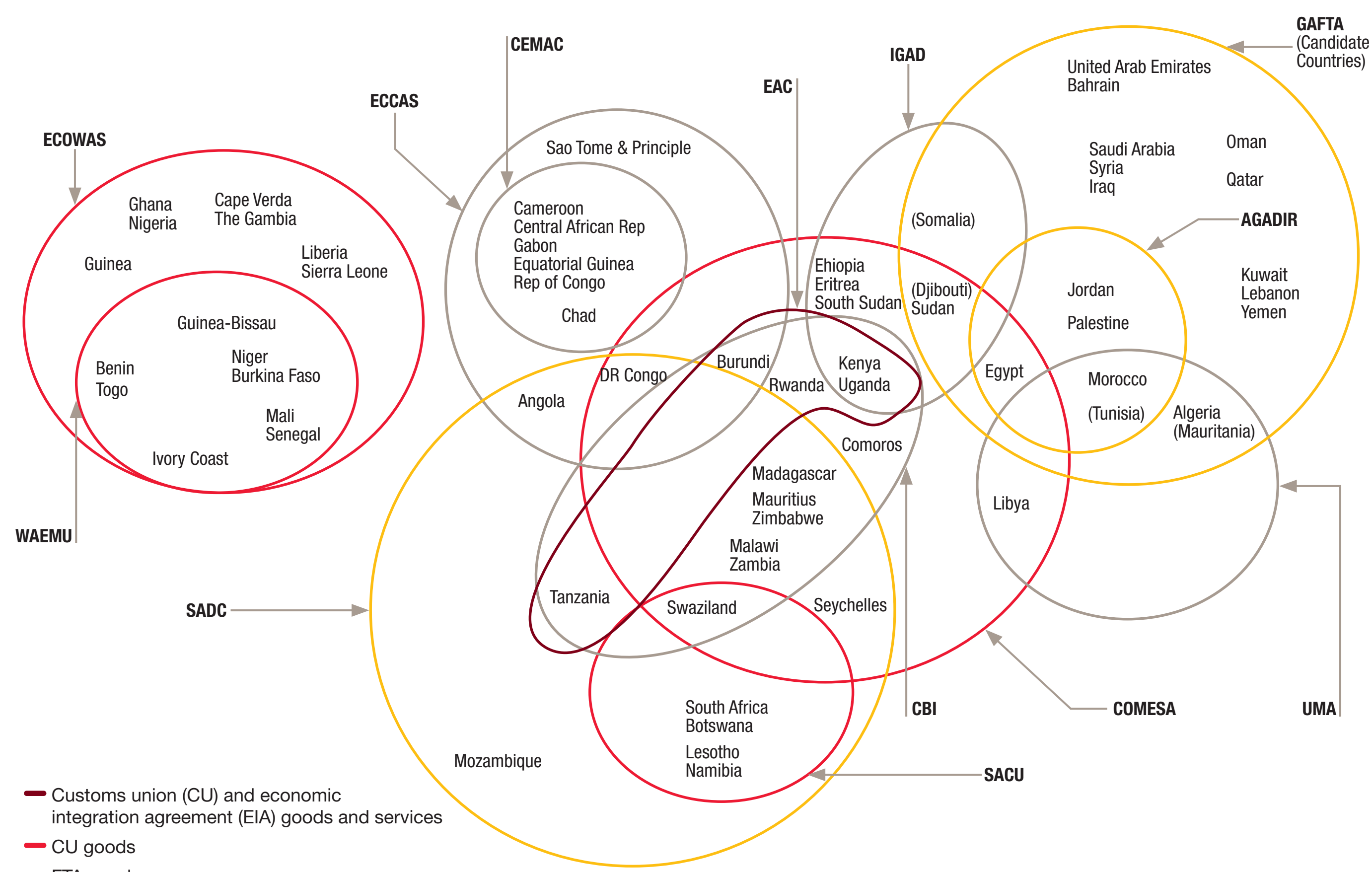
International businesses view the free transfer of funds as one of the most important protections conferred in FTA treaties, making it easier to move capital and returns, and hence encouraging more investment. However, the free capital movement provisions under FTAs have been criticised for making it harder to restrict potentially destabilising short-term flows of funds, though governments can impose curbs in exceptional circumstances.

Towards an Africa-wide FTA

Africa is home to a series of longstanding trading blocs (see Figure 1). In a major step towards an eventual Africa-wide FTA, three regional trading communities recently came together to sign the Tripartite Free Trade Area (TFTA). The TFTA links COMESA (Common Market for Eastern and Southern Africa), the EAC (East African Community) and the SADC (Southern African Development Community). The FTA covers over 600 million people and an estimated US$1 trillion in trade.

The TFTA was signed in June 2015, following some four years of negotiation. At the time of writing, it was awaiting ratification by member states. In principle, the deal liberalises trade in goods and services, and addresses other trade-related issues. In practice, however, investment, services and trade-related measures will wait to be covered in the second phase of negotiations as there are limited provisions in the currently negotiated text. This second phase of negotiations is, as a result, an opportunity to look at new FTA models and the place of cooperative financial institutions within them.

Figure 1: Trading blocs in Africa



Customs union (CU) and economic integration agreement (EIA) goods and services
CU goods
FTA goods
Signed but not in force and proposed FTAs and CUs

Source: Research by Anna Jerzewska, based on the World Bank publications

2

Extending inclusion: The unique benefits of cooperative financial institutions

The cooperative movement could and should play a larger role in funding development and growth in emerging economies.

One of the key strengths of the banking sector is the diversity of business models that stretch from small local savings' institutions to large universal groups and a range of specialist agricultural, development and investment banks. The unique values, ownership structure and governance of cooperative financial institutions makes them ideally suited to serve the disadvantaged customers that other FS organisations may be reluctant to target. Cooperatives provided a successful gateway to inclusion in Europe and North America in the 19th century and could play a similar role in today's emerging economies.

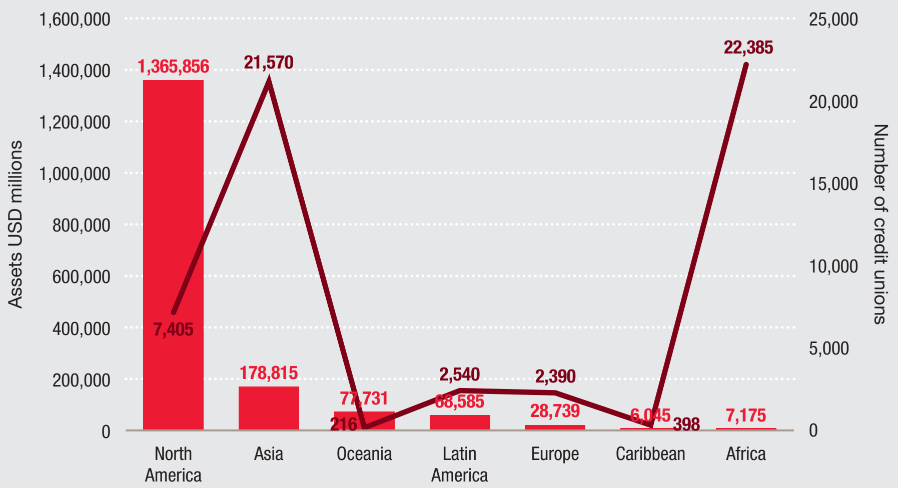
Shaped by their origins

The first successful credit unions were established in Germany in the 19th century by cooperative pioneers, Hermann Schulze-Delitzsch, an economist, and Freidrich Wilhelm Raiffeisen, the mayor of a small rural town.

Both recognised the need to bring poor farmers and small merchants into the financial system to create wealth in the local community. Both understood that the values of strong community could be the basis for lending money. However, their models were different. Schulze-Delitzsch based his early credit unions on the concept of the bond of association, in which members contributed substantial share capital to the credit union and these banks sought the protection of limited liability. Raiffeisen recognised that most farmers had too little cash to contribute share capital and so he established the principle of unlimited joint liability within small communities.

Credit unions spread across Europe and then to North America. Today, there are over 57,000 credit unions in more than103 countries (see Figure 2 overleaf). They stretch from basic deposit-gathering and lending institutions to large financial institutions offering services comparable to major banks. The average size ranges from 760 members in Africa to over 22,000 in Oceania.

Figure 2: Number and size of credit unions, by region



Source: World Council of Credit Unions

Unique qualifications

Cooperative financial institutions are uniquely qualified to support the development of agriculture and small businesses, the largest employers within emerging economies.[6] The cooperative movement's strength and suitability is built around four pillars:

The cooperative governance model puts power in the hands of the people they serve.

1 Values

The values of the cooperative movement draw on the original ideals of Schulze-Delitzsch and Raiffeisen. The International Cooperative Alliance defines this 'noble purpose' as "the values of self-help, self-responsibility, democracy, equality, equity and solidarity and the ethical values of honesty, openness, social responsibility and caring for others"[7]. The movement has been able to sustain consistent financial performance through recession and crises by putting the well-being of its members ahead of maximising the institution's short-term financial returns.

2 Governance model

The cooperative governance model puts power in the hands of the people they serve. By contrast, the shareholders of mainstream FS organisations can often be removed from the institution's markets. This governance structure ensures cooperative institutions serve the needs of the community through good times and bad.

Cooperatives are democratically controlled by their members, on the basis of one person, one vote. Small cooperatives form federations, which allow them to delegate responsibilities to a central body to share costs and achieve economies of scale where desired. Many cooperatives also provide services to support community development or sustainable development at a local level.

Within the global cooperative movement, there are a number of governance bodies, each with a unique purpose. At the apex is the International Cooperative Alliance (ICA), established in 1895. The World Council of Credit Unions (WOCCU), which was established in 1971, promotes the interest of credit unions and works with national governments and international bodies to improve legislation and regulation.

Also, there are federations of credit unions set up for a specific purpose. Community development credit unions (CDCUs) specialise in serving populations with limited access to secure financial services, including people on low incomes, recent immigrants and people with disabilities. The federation would provide technical assistance, networking opportunities, capital, education, professional development, financial counselling and other services to support the work of all CDCUs.

6 Agriculture employs an average of 47% of the workforce in emerging economies (source: Food and Agricultural Organisation of the United Nations). Formal SMEs account for up to 45% of employment and 33% of GDP in emerging markets (source: World Bank International Finance Corporation).

7 http://ica.coop/en/whats-co-op/co-operative-identity-values-principles

Case study
Promoting collaboration and development

Since 2011, Desjardins, a leading Canadian cooperative group, and its French counterpart, Crédit Mutuel, have been working together to provide international services and support for their respective client bases.

The resulting initiatives include the opening of a Desjardins office in Paris and a CIC Banque Transatlantique (a subsidiary of Crédit Mutuel) office in Montreal (on Desjardins' premises) to serve expatriate clients and develop their respective international presence. The two cooperatives are also working together on the development of a new electronic payments' system.

Following Desjardins' acquisition of the Canadian property and casualty insurance operations of the US State Farm Group, Monique F. Leroux, Chair of the Board, President and CEO of the Desjardins Group said: "I'm especially proud of this agreement as it's the result of three cooperative and mutual organisations: State Farm and Desjardins, with the support of Crédit Mutuel, our long-term European partner, coming together to create an insurance leader in Canada."[8]

These joint ventures are a strong testament to a movement that can combine its local and mutual roots with international reach, helping clients to access more services and reach into new markets. Set within the broader context of the Canada-EU FTA negotiations, the partnership between Desjardins and Crédit Mutuel is also an example of how cooperatives are seeking to close the gap between the type of provisions FTAs currently include and what would be possible if FTAs were more geared to the specific needs and contribution of cooperatives.

3 Focus on financial inclusion

The cooperative financial movement was founded in the 19th century to bring poor rural people into the financial system. The World Bank estimates that two billion working-age adults globally have no access to formal financial services.[9]

The United Nations has identified a direct correlation between financial inclusion and reduction in poverty and defined the goals of financial inclusion as follows:

- Access at a reasonable cost for all households to a full range of FS including savings or deposit services, payment and transfer services, credit and insurance.
- Sound and safe institutions governed by clear regulation and industry performance standards.
- Financial and institutional sustainability, to ensure continuity and certainty of investment; and competition to ensure choice and affordability for clients.[10]

4 Not for profit

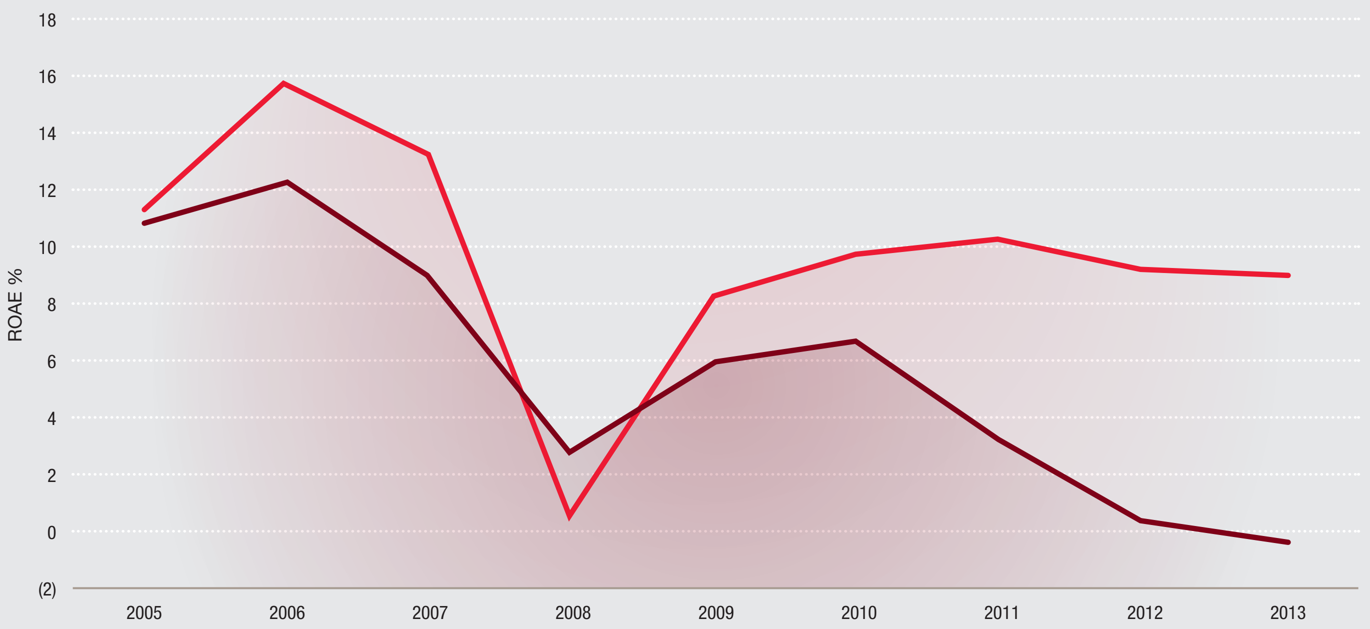
While adherence to the ICA principles varies, cooperatives are generally not-for-profit institutions. With service to the community as the primary objective, the average return on capital has been about half of the commercial banking sector over the past decade, though cooperative performance was less affected by the financial crisis (see Figure 3 overleaf). Account holders are both members and owners. As a result, profits are retained in the communities they serve and invested back into the local economy.

8 Desjardins media release, 2 January 2015

9 'Measuring financial inclusion around the world', World Bank, 2014

10 'Financial Inclusion Targets and Goals', Global Partnership for Financial Inclusion, 2013

Figure 3: Return on average equity (ROAE), selected banks and cooperatives, 2005–2013



Banks – average Cooperatives – average

Source: Orbis and Bankscope

Banks analysed: ICBC, Wells Fargo, Bank of America, China Construction Bank, Citigroup, J P Morgan Chase, HSBC and BNP Paribas

Cooperatives analysed: Crédit Agricole, BPCE, Crédit Mutuel, Rabobank, Desjardins, UBI Banca, Co-op Bank, Banca di Pesaro

The benefits for emerging economies

Emerging markets are gaining an ever greater share of the global economy and by 2050 will contribute two-thirds of global output.[11] But many countries are struggling to feed their populations. Agricultural production is vulnerable to droughts, floods, insects and diseases. Access to banking and credit are essential in the development of sustainable food production. Yet, volatile markets make agricultural financing a high-risk proposition, particularly in emerging economies where guarantees and collateral are difficult to obtain and even harder to enforce in the event of default. Commercial financial institutions in these countries are therefore often reluctant to lend to farmers. Of the 50% of the global population that is currently unbanked,[12] most live in the rural communities of emerging markets.

Lack of credit has left SMEs in the same poverty and development trap as poor farmers. Although SMEs account for up to 45% of employment in emerging markets, only around a third of these businesses have access to mainstream credit.[13] The World Bank estimates that the funding gap for SMEs in emerging markets is between $900 billion and $1.1 trillion.[14]

Agriculture and SMEs in emerging markets are natural markets for cooperative financial institutions.

Lack of credit has left SMEs in the same poverty and development trap as poor farmers. Although SMEs account for up to 45% of employment in emerging markets, only around a third of these businesses have access to mainstream credit.

11 'The world in 2050: Will the shift in economic power continue', PwC, 2015

12 'Financial Inclusion: Reaching the Unbanked', Standard Chartered Special Report, 2014

13 'Redefining the emerging market opportunity: Driving growth through financial services innovation', World Economic Forum, 2012

14 World Bank International Finance Corporation 'Issue Brief: Small and Medium Enterprises'

Why cooperatives are ideally suited to serve SME and agricultural markets

1 Noble purpose

Long-standing mission of being socially responsible, serving local communities and returning profits to depositors

To maximise benefit to its members who are also its customers

Not having a singular focus on maximising shareholder value

To contribute to economic and social well-being in local communities

2 Stability

More stable during financial crises

Sustains funding of the local economy

Protects local jobs in economic downturns

3 Focus on rural communities

Unique origins in serving poor rural and agricultural communities and bringing the unbanked into the financial system

Putting in place a financial system in local communities at a time when banks are shifting their focus to cities and stemming the population exodus to cities

Building skills in local economies

Values embedded in rural communities

Stemming the tide to cities by funding the rural economy

Lower threshold for financial returns allowing them to fulfil social objectives

4 Governance model that maintains focus on communities

Ownership structure that puts the interests of depositors/ communities before those of remote shareholders

Highly decentralised structures keep high-value jobs in the communities

Depositor ownership means that profits stay in the communities, building local wealth and stimulating community economies

Restricted powers of remote head offices limits transfer of jobs outside the community

3

Creating special provisions in FTAs for FS cooperatives

The provisions within the new super-regional FTAs would provide a useful umbrella framework for enabling international financial cooperatives to develop their presence in markets where financial inclusion remains low. They would also provide a supportive environment for the establishment and development of local cooperatives.

While cooperatives may negotiate international agreements independently of FTAs, FTAs with specific clauses relating to cooperatives would help to stimulate cross-border investment and increase the contribution of the cooperative movement to emerging economies.

Beyond the standard investment and FS chapters in FTAs, we believe the cooperative movement should take the following steps.

1 Focus on four main FTA negotiations

Cooperatives should focus on the super-regional FTAs that are currently being negotiated (TPP, TTIP, CETA and RCEP). Once concluded, these are likely to have a major impact on global investment rule-making and investment patterns. These agreements are likely to set a new model. Cooperatives would therefore benefit from joining the debate now.

State of the negotiations

Canada-EU Comprehensive Economic and Trade Agreement (CETA): The agreement was signed in 2014, but has not been ratified. FS and investment provisions have played a prominent role during the negotiations and remain a disputed area.

Trans-Pacific Partnership (TPP): Members include Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, US and Vietnam, with Taiwan and South Korea declaring interest. The TPP member countries are responsible for 40% of the world's GDP and 26% of the world's trade.[15] FS will be covered in a separate chapter.

EU-United States Transatlantic Trade and Investment Partnership (TTIP): The US and the EU together represent about 45% of the world's GDP.[16] TTIP is expected to become a baseline for international standards covering trade and investment regulations and will most likely include an agreement to coordinate financial regulations.

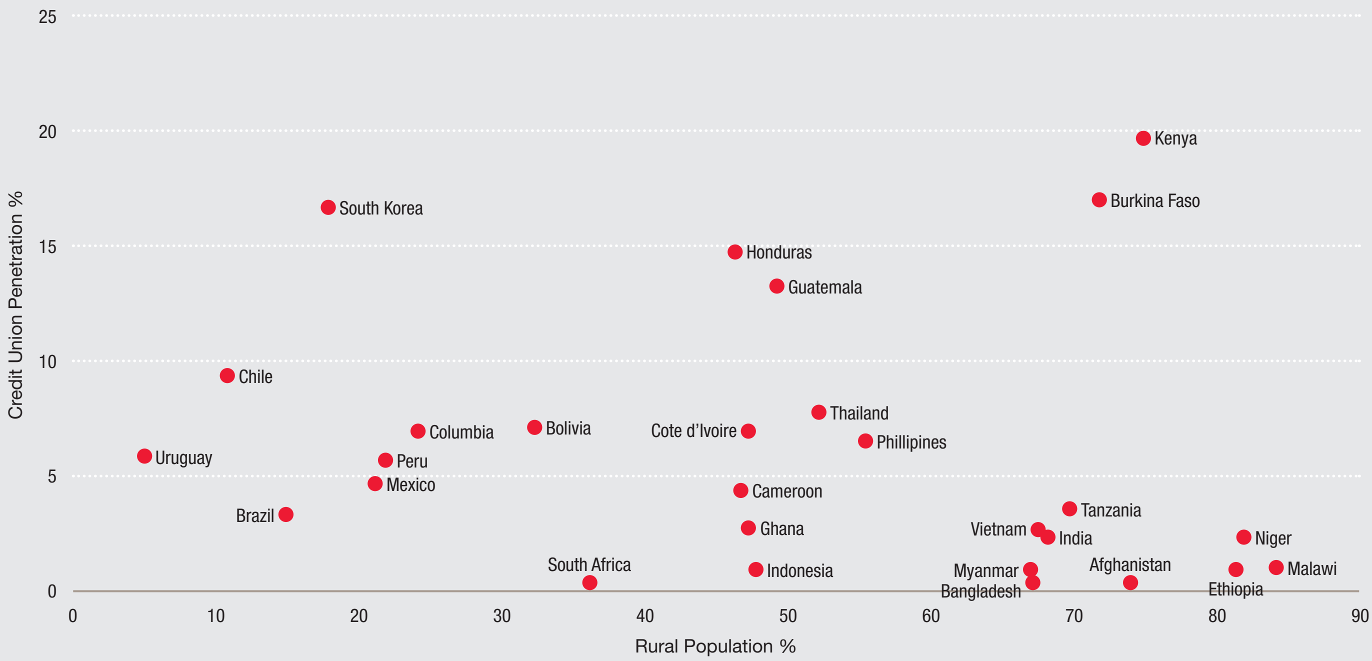
Regional Comprehensive Economic Partnership (RCEP): RCEP will include Association of Southeast Asian Nations (ASEAN) countries and Australia, China, India, Japan, Korea and New Zealand. It will bring together 16 countries that make up 45% of the world's population and over 30% of the world's GDP,[17] though it's expected to be the least comprehensive of the four upcoming FTAs.

15 Washington Post, 11 December 2013

16 Eurostat May 2015

17 RCEP Ministerial Meeting joint media statement, 27 August 2014

Figure 4: Rural population and credit union penetration %, selected countries in Asia, Latin America and Africa



Source: World Bank, World Council of Credit Unions.

Note: excludes China, Ecuador, Pakistan, Japan, Argentina, Venezuela, Paraguay, Guyana, Nigeria, Egypt, Congo Dem Rep, Algeria, Sudan, Morocco, Mozambique, Madagascar and Angola

2 Be specific on selected markets and regions

Cooperative financial institutions can be at the forefront of promoting growth in rural economies. Currently, their role in emerging economies varies widely. Given that the nature of domestic economies and financial systems also varies widely, cooperatives should focus on markets where their contribution is greatest (Figure 4 charts market penetration around the world).

3 Enshrine the noble purpose of the cooperative movement in FTAs

The values and goals of the cooperative movement are universally relevant and different from commercial financial institutions. Cooperatives' mission to be socially responsible, financially stable, building community skills and bringing the unbanked into the financial system are worth enshrining in an FTA to guide the responses where rules are inadequately defined.

4 Promote special regulation for cooperatives

The Model Regulations for Credit Unions (www.woccu.org) offer a good starting point for implementing appropriate regulatory standards for cooperative financial institutions, enabling them to grow and to provide quality member products and services.

The regulations are based on WOCCU's extensive international development experience and documented best practices. The regulation matrix contains real world examples of regulations from 18 developing and developed credit union sectors. It provides 20 regulations (for example, regulation on external borrowing or anti-money laundering) in six main areas: i) prudential regulations and operational regulations; ii) administrative regulations; iii) enforcement regulations; iv) general accounting and audit regulations; v)deposit insurance: and vi) consumer protection regulations.

Within these regulations, provisions on investment practice might be of particular interest. The board of directors should be responsible for formulating, reviewing and adjusting the investment policy, while the audit committee should be responsible for ensuring compliance with the policy. All investments held by the union should be reviewed on a monthly basis including their interest rate, their maturity dates and their activity for the month, and their book value as compared to their current market value.

A credit union's investment policy should cover diversification requirements, setting the limit of investment portfolio invested in one type of activity or entity at 25%. Permissible types of investment by credit union include securities issued or guaranteed by the national government, deposits, obligations or other accounts of banks, shares or deposits of a central credit union, central finance facility, federation or any deposit guarantee corporation for credit unions and shares, stocks, deposits or other obligations of any registered cooperative society.

5 Ensure fast-track legislation reducing any barriers to competition

To reduce barriers to competition, the Model Law for Credit Unions (www.woccu.org) provides a sample legislative framework to aid in preparing and seeking approval of laws.

This model is a result of a review of the credit union legislation and regulation in over 100 countries contained in the Guide to International Credit Union Legislation (www.woccu.org). The WOCCU estimates that more than 60% of the world credit unions are not registered or regulated under specific credit union legislation, but are subject to the same general cooperative acts that regulate the business operations of non-financial cooperatives or some sections of financial institution or banking acts.[18] As a result, the Model Law was designed to serve as a starting point for framing amendments to current legislation, as well as drafting new ones and hence could be used to formulate provisions in prospective FTA chapters. The Model focuses on improving prudential management and contributing to protecting members' savings.

The Model Law reinforces the need for democratic participation and specialisation in top-quality financial services. It recommends that up to 80% of assets should be allocated to making loans to members while the remaining amount to making prudential, non-speculative investments in financial businesses.

The Model Law was designed to serve as a starting point for framing amendments to current legislation, as well as drafting new ones and hence could be used to formulate provisions in prospective FTA chapters.

18 WOCCU Model Law for Credit Unions

Conclusion:
A practical response to a pressing worldwide need

Financial cooperatives make a unique contribution to economies and the welfare of their citizens. Emerging markets face the pressing challenge of how to develop their agricultural sectors, turn SMEs into companies that can compete on a national or regional scale, and raise the living standards of their people.

Separate provisions or chapters in FTAs relating to cooperatives would enable these institutions to develop on the ground and serve sections of the population and business that are, at present, marginalised. Models for the legislative and regulatory framework are in place. But it's vital that cooperatives and those they serve press the case for special provisions in the FTAs that will shape the development landscape for the next generation.

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