



WTO AND DEVELOPMENT: LOOKING AHEAD TO THE NAIROBI
MINISTERIAL CONFERENCE

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5TH GLOBAL REVIEW OF AID FOR TRADE: “REDUCING TRADE COSTS
FOR INCLUSIVE, SUSTAINABLE GROWTH”,
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Thank you Roberto for inviting me to this 5th Global Review. Thank you for your leadership of the WTO at this challenging moment. As I thank you Director-General, I praise your entire Staff in the Secretariat – all of them – who have organized this mammoth and worthy 5th Global Review! I have been here before! I know what it takes, in energy, dedication, creativity and organizational competence to implement this!

The WTO deserves a solid round of applause!!!

This is a year of anniversaries and landmarks: 20 years of the WTO. Ten years since the launch of the Aid For Trade Initiative in 2005. And

a year in which the 10th WTO Ministerial Conference will be held, for the first time in Africa, in Nairobi. So, as we mark these anniversaries and acknowledge these landmarks, it should also be a moment for reflection. What have we achieved? What should we do to improve the chances that the future trade and development will be coherent, poverty-reducing, and welfare enhancing?

I am pleased to be here today with all of you to participate at this 5th Global Review of Aid for Trade. This year's theme is "Reducing Trade Costs for Inclusive, Sustainable Growth".

The original design of the Aid for Trade Agenda remains solid and unquestionable. The rules-based Multilateral Trading System requires a development dimension. However defined, surely, the ultimate aims of trade policy and trade rules must be poverty reduction, growth, welfare and development that work for all members of the global economy. We have a WTO that functions reasonably well, although there is scope for improvement. Even as we seek to improve, strengthen and adapt the WTO to an ever-more challenging global environment, the foundation of the WTO is solid. On this foundation, we shall and must continue to build.

This year's Global Review is timely. It is our biennial opportunity for collective stock-taking, assessment and planning, to ensure that Aid for Trade *delivers* to assist Developing Countries, particularly Least-Developed Countries (LDCs), to build their supply-side capacities, trade-related infrastructure required to benefit from the rules-based Multilateral Trading System and, participate, meaningfully, in an increasingly competitive global economy.

So, Aid for Trade is an important component of the supply-side aspects of the development dimension of the WTO (not just the Doha Development Agenda).

Yet, we also know that domestic reforms, including structural reforms, must accompany capacity-building, for sustained growth and development. This is one fundamental lesson that we have learned, collectively, from the results of WTO accessions, as well as from our own experiences. Members that have joined the WTO since 1995 have acceded, using accession negotiation as an instrument of domestic reforms. We should underline the lesson that domestic reforms are also central to competitiveness, sustained growth and development.

And here again I would like congratulate Roberto for recent remarkable achievements in the area of accessions – a domestic reform approach to growth and development. I join other WTO Members to welcome the conclusion of the accession of Kazakhstan. Liberia, an LDC, should, shortly be concluded. Afghanistan, another LDC, is on queue for later this year and, possibly, by Nairobi.

Let us take a broadside look at 2015. This year should mark a significant year for the development agenda. Major global negotiations presently underway are expected to mature and yield harvest this year.

- The international community will soon gather in Addis Ababa, Ethiopia, for the Financing for Development Conference (arising from the Monterrey Consensus). Much work has been done. It now has to be concluded. Implementation will be critical.
- The post-2015 development agenda is intertwined with the Sustainable Development Goals (SDGs);
- Environmental protection is a sacred global goal. This is why every effort must be made to conclude a new Climate Change agreement, arising from the United Nations Framework Convention on Climate Change (UNFCCC).
- And the WTO must play its role by contributing to growth and development, through a Work Programme that enables the Organization to satisfactorily conclude the DDA and strengthen

the Organization in all pillars of its work: regular work; multilateral negotiations, including accessions; and, dispute settlement.

The outcomes from the work of the WTO must always be substantive and concrete and contribute to real and lasting results for growth and development.

I argue that multilateralism has a development value. In this Twentieth year of the WTO, we should seek to strengthen trade multilateralism. The GATT/WTO has played an important role in strengthening multilateralism. It has promoted an inclusive and open rules-based and non-discriminatory trading system. It has contributed to rapid economic growth. The legal and policy framework of the WTO remains a bulwark against protectionism. For those who cynically raise questions about WTO relevance, collectively, we should ask them so, why is it that over 30 new Members, now accounting for approximately, 20% of the WTO membership, acceded since 1995. The WTO has contributed to the enhanced welfare in these Members and to growth in the global economy. Twenty more are negotiating their membership.

Our collective duty is to continue to strengthen the WTO as a rules-based Multilateral Trading System. We need to work together to ensure that we fuel the engine of trade multilateralism. Increased trade contributes to global economy recovery and growth and in doing so, raises the living standards of the less developed.

We can and we must focus on tangible outcomes between now and MC10 in Nairobi. We have set a goal to ensure enough ratification of the TFA, so that by Nairobi it comes into force.

It is therefore important, that Members should expedite their Domestic Ratification Process, so that by end of November this year

we would have achieved the threshold of two thirds of the total number of Acceptances required for the Agreement to enter into force.

Kenya is pushing and soon we should deposit Kenya's Instrument of Acceptance of the Protocol on the Trade Facilitation Agreement. The TFA will streamline customs processes. Red tape and administrative costs associated with exportation and importation of goods will be reduced. You know the estimates – give or take - the Trade Facilitation Agreements should increase global GDP by 1 (one) Trillion US Dollars per annum and create 21 Million jobs. It may be more. It may be less.

The common theme from Plenary and Panel discussions yesterday is that high trade costs are a brake on trade integration, growth and development. Trade Facilitation is a policy good for countries in an integrated and competitive global economy.

The establishment of the Trade Facilitation Agreement Facility has been valuable. It is a critical and concrete mechanism where Aid for Trade helps developing and least-developed countries to reap the benefits of trade facilitation.

Yet, reduction of trade costs and trade facilitation are not stand alone measures. They must be accompanied with an agenda – a Work Programme for trade opening. We, the Members, have placed a heavy responsibility on the shoulders of our Director-General. But we must give him the scope and flexibility to lead and develop a Post-Bali / Nairobi Work Programme that is realistic, balanced and meaningful – that reduces trade barriers, contributes to global economic recovery and growth for all: developed, developing and least-developed. It cannot work in any other way. Benefits must be shared.

The work programme will have to strike the balance between the core areas of negotiations namely agriculture, NAMA and services; and the special needs and interests of the Developing and Least Developed Countries. The development aspects will be horizontal and integral across all elements of the work programme.

We cannot build from nothing. We have to build on the progress that we have achieved through years of negotiations, the decisions that were taken in Bali in order to draw up with a work programme – adapting, updating and modernizing as we continue to fortify and extend trade multilateralism.

Time is turning against us. The solutions have to be found and found here in Geneva - well in advance of Nairobi.

Our common objective is that the Nairobi Ministerial Conference will be a forum where we can harvest specific outcomes that I have discussed with you today: accessions; an ambitious Post-Bali / Nairobi Work Programme; and, the coming into force of the TFA.

Let us take stock again when we meet in October for the WTO Public Forum.

This Biennial Global Review is a first class idea, being superbly implemented. It has emerged as one of the flagship activities in WTO engagement with the global community. Keep it going and remain creative.

I thank you all for your attention.