



HIGH-LEVEL POLITICAL FORUM SIDE EVENT

TRADE FOR PEACE: ADDRESSING FRAGILITY THROUGH ECONOMIC INTEGRATION AND SHARED PROSPERITY

THE CASE OF WTO MEMBERSHIP FOR LIBERIA AND AFGHANISTAN

MODERATOR'S NOTE BY MR. XIANGCHEN ZHANG, DEPUTY-DIRECTOR GENERAL, WTO

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Distinguished panellists,

Ladies and gentlemen,

Greetings and a warm welcome to you all.

My name is Xiangchen Zhang. I was appointed last month as one of four Deputy Director Generals of the WTO under the leadership of Director-General Ngozi Okonjo-Iweala – the first African and first woman to lead the global trade body.

INTRODUCTION

It is my great pleasure to moderate this side event of the UN High-level Political Forum on Sustainable Development on the theme: **Trade For Peace: Addressing Fragility Through Economic Integration and Shared Prosperity: The Case of WTO Membership for Liberia and Afghanistan**. My special appreciation goes to the HLPF team for joining hands with the WTO to make this event a reality and for giving us a platform to discuss the role of economic integration in addressing fragility while taking a specific look at the case of Liberia and Afghanistan, 5 years after their WTO Membership.

This is a much-needed conversation as fragility risks, conflict and violence remain a critical threat to global development. The World Bank projects that by 2030, up to two thirds of the world's extreme poor could live in fragile, conflict, and violence settings¹. These figures are worrisome, and we must all act, especially now as the devastating impacts of the COVID-19 pandemic are likely to reverse the progress that had been registered on peacebuilding and the SDGs.

WTO AND SDGS

As we all know, the 2030 Agenda for Sustainable Development not only recognizes international trade as an engine for inclusive economic growth and poverty reduction, but also as an important means to achieve the Sustainable Development Goals (SDGs).

Over the last two decades, many developing countries have leveraged trade to achieve high growth rates and make significant progress in reducing poverty. This process has gone hand in hand with their progressive integration in the global economy and increased participation in global and regional value chains. But a lot of this progress has been undone by the pandemic. This has been echoed by our DG during her keynote address at the opening of the High-Level Political Forum 2 days ago. She said and I quote:

¹ <https://www.worldbank.org/en/topic/fragilityconflictviolence/overview>



"Trade played an important role in the historic development achievements and poverty reduction we saw during the thirty years before COVID-19. And trade will be at the centre of our efforts to end the pandemic."

She pointed out two areas in which the WTO could contribute to global recovery and the SDGs. These are: COVID-19 vaccine distribution and fishery subsidies.

Trade plays a critical role in ensuring rapid, equitable vaccine access and distribution, which often requires complex supply chains. To put the SDGs back on track, the WTO together with the WHO, IMF and the World Bank issued a call for a \$50 billion-dollar upfront investment in vaccinating at least 40% of people in all countries by the end of this year, and 60% by the middle of 2022.

On fisheries, the WTO's ongoing negotiations on curbing harmful fishery subsidies directly contributes to SDG 14 (the health of our oceans). Delivering results on fisheries would reduce the pace at which fish stocks are declining and help coastal communities that rely on fishing. In the run up to our 12th Ministerial Conference in December, which is a meeting of our highest decision-making body, WTO Members are gearing efforts to finalize the negotiations.

TRADE FOR PEACE AND SDGS

"Trade for peace", which is a theme that we are discussing today, is one of the many workstreams through which the WTO contributes to the SDGs. It reflects the WTO's vision to respond to the needs of its conflict affected Members and Observers. It stems from the premise that while trade is not an end in itself, it can serve as a useful tool to promote peaceful societies and shared prosperity through economic integration and reforms.

More concretely, this side-event is taking place within the framework of the WTO's Trade for Peace Programme, which implements the vision of a Group created in December 2017, on the margins of our 11th Ministerial Conference in Buenos Aires. Several fragile and conflict affected LDCs, led by Afghanistan and Liberia, came together to create a group called the g7+ WTO Accession Group. Other countries include: Comoros, Somalia, South Sudan, Sudan, Timor-Leste and Yemen – they are either in the process of joining the WTO or most recently joined the Organization.

Their vision is to facilitate the integration of FCA states into the multilateral trading system through WTO accession-related reforms, including the establishment of credible economic and trade policy frameworks and institutions, and the promotion of transparency and good governance. This vision is being shared by non-LDC fragile and conflict-affected states, such as Iraq, Lebanon, Libya and Syria which have also been in the process of joining the WTO for a long time.

Putting this into the SDG context, the Trade for Peace Programme directly responds to Goal 16 (promoting peace, justice and strong institutions) and Goal 17 (promoting partnerships for the goals) by leveraging the multilateral trading system for peace and stability. The Programme's interdisciplinary approach enables us to link trade for peace to the various socio-economic vulnerabilities of fragile countries such as poverty, inequality, unemployment, security risks, food scarcity, climate change and many other issues which are crucial to the achievement of the SDGs.

We seek to fulfil our objectives through collaboration, cooperation and co-creation across four pillars:

The first pillar is engagement and partnerships, where we are engaging with many organizations and key bodies within the international community supporting conflict affected countries, in Geneva, New York, including the UN Peacebuilding Commission, and beyond.

The second pillar is public dialogue and outreach, where we are extending the reach of the programme. This side-event is part of such efforts. To capture different but rich perspectives on the role of trade in promoting peace, the WTO has launched a Trade for Peace Podcast hosted by Mr Axel M. Addy, who is Her Excellency Ms Mawine G. Diggs' predecessor, and concluded Liberia's accession to the WTO in 2016. This podcast is available on major audio platforms such as Apple Podcast, Spotify, Google Play and Amazon Music, and I invite you all to listen. For this celebration



month, we will have the honour to welcome Ellen Johnson Sirleaf, former President of Liberia, and a high-level speaker from Afghanistan.

Pillar 3 focuses on research, and the WTO launched a Research and Knowledge Hub two days ago with partners, to gather, generate and deepen knowledge on the linkages between trade and peace. Using research outputs and tools to be produced, including the Trade for Peace Index, we plan to deliver trainings and capacity building activities, which is Pillar 4.

Ladies and gentlemen,

Today's event is timely as it provides a unique opportunity to discuss peacebuilding at a broader level and spark a discussion on the role of economic integration in addressing fragility. Economic integration at its core is about cooperation and fostering inter-connectedness, as no economy can fully function in isolation. In the context of trade, it is about removing trade barriers and allowing the movement of goods, services and capital across borders to promote economic growth.

As a former trade negotiator myself, I know that a country's decision to join the WTO usually stems from a realization that integration into the multilateral trading system provides a powerful engine for accelerating economic growth and resilience. For conflict affected countries, such as Liberia and Afghanistan, the motivation for WTO accession is even greater. These countries saw the accession process not only as an instrument to drive economic growth, but also as a pathway to build and promote inclusive and sustainable peace.

Liberia officially joined the WTO on 14 July 2016 and Afghanistan on 29 July 2016. As we are celebrating their 5-year of WTO Membership throughout the month of July, today's event provides a timely opportunity for us to reflect on their membership and the impact it made on their respective efforts on peace, security and stability, five years later.

We are honoured to have with us Honourable Mawine G. Diggs, Minister of Commerce and Industry of the Republic of Liberia and Mr. Sulaiman Bin Shah Deputy Minister of Industry and Commerce of Afghanistan.

Before giving them the floor, let me first explain the format of this session. I will first give the floor to Honourable Diggs and Mr. Bin Shah, for brief introductory remarks where they will take us through their country's accession process and the motivation behind it, then ask follow-up questions to each one of them. Thereafter, we will take a few questions from the audience, should time allow. If you have any questions for our distinguished guests, feel free to pose them in the Q&A box and we will try to address some of them. In addition, kindly note that this session is being recorded and will be made available to the public afterwards.

Without further ado, let me now pass the floor to Honourable Diggs, for her introductory remarks.

Honourable Diggs, the floor is yours.

[Honourable Diggs' intervention]

Thank you, Honourable Diggs.

Now let me pass the floor to Mr. Bin Shah.

[Mr Bin Shah's intervention]

Thank you, Mr. Bin Shah, for these remarks.

Based on your remarks, it is obvious that peacebuilding was a key driving force that motivated both of your countries to pursue WTO accession. In fact, your respective accessions have motivated many conflict-affected countries to go through this process while taking into account peace-building



objectives. This includes new applicants such as Somalia, Timor-Leste and South Sudan, but also other acceding governments, such as Iraq, Libya, Sudan and Syria.

What would you say differentiates a conflict affected state pursuing economic integration from any other country?

I will start with Honourable Diggs.

[Honourable Diggs' response]

Thank you, Honourable Diggs for these pertinent remarks.

Mr. Bin Shah, what differentiates a conflict affected state pursuing economic integration from any other country?

[Mr. Bin Shah's response]

Thank you, Mr. Bin Shah.

Countries join the WTO for a number of reasons: to have access to broader markets, be more outward-looking and competitive, and attract foreign direct investments, among others. For fragile and conflict affected countries, in addition to the obvious benefits, the accession process itself through institution-building and the promotion of good governance, provides immense value.

In what ways, would you say, economic integration through the WTO accession process, has benefitted your country five years after WTO Membership?

Let me start with Honourable Diggs. The floor is yours Excellency.

[Honourable Diggs' response]

Thank you, Honourable Diggs.

Mr. Bin Shah?

[Mr Shah's response]

Thank you, Mr. Bin Shah.

Following Liberia's and Afghanistan's accession to the WTO, both countries took a leadership role in advocating for the needs of fragile and conflict affected countries through the g7+ WTO accession group. As mentioned earlier, the vision of the g7+ WTO accession group is what eventually led to the establishment of the Trade for Peace Programme. Afghanistan was the coordinator of the Group since its establishment in 2017 and this year, Liberia and Timor-Leste took over as co-coordinators of the group.

Could you please share some insights on the value of advocating for the needs of fragile and conflict affected countries at the WTO and other international fora?

Let us start with Mr. Bin Shah.

[Mr. Bin Shah's response]

Thank you, Mr. Bin Shah.

Honourable Diggs, could you please share some insights on the value of advocating for the needs of fragile and conflict affected countries at the WTO and other international fora?

[Honourable Diggs' response]

Thank you, Honourable Diggs.

My next question is to Mr. Bin Shah:

It goes without saying that the COVID-19 pandemic has caused serious setbacks in peacebuilding. However, there is strong commitment from many countries to continue integrating the SDGs into their domestic development framework. Afghanistan, in its 2021 Voluntary National Review stated that their next five years will focus on peacebuilding, state-building, and market-building².

Could you please give our audience more information on this endeavour?

[Mr. Bin Shah's response]

Thank you, Mr. Bin Shah.

Let me end this segment with this last question to Honourable Diggs.

To fight the pandemic and get our economies back on track, vaccination programmes are underway in many countries. But there is stark inequality when it comes to its distribution. Delays in access to vaccines are likely to further deepen inequality and worsen fragility.

In your views, what can the international community do to ensure that the most vulnerable, particularly LDCs and conflict affected countries, are not left behind when it comes to vaccine deployment?

[Honourable Diggs' response]

Thank you, Honourable Diggs.

Now let us take a look at the Q&A box and see what our audience have to say.

[Q&A]

[Note for the moderator: pick 2 or 3 questions you deem relevant to the discussion and convey it to the panellists]

This brings us to the end of our session.

CONCLUSION

I think you will all agree with me when I say that we have had an enriching discussion today. We got to hear directly from Liberia and Afghanistan, two conflict affected countries that have used the WTO accession process as a lever to promote stability. We hope that the experiences they have shared will spark more actions within the international system to tackle fragility in conflict affected countries.

At the WTO, we are doing our part through the Trade for Peace Programme and our goal is to continue to expand our scope of cooperation and break silos to deliver peace dividends. So, I invite you all to join forces with us to fast-track our collective progress towards addressing fragility and achieving the Sustainable Development Goals. Feel free to reach out to us at tradeforpeace@wto.org, follow us on twitter at @Trade_for_Peace and listen to our Trade for Peace Podcast, available on many audio platforms.

² <https://sustainabledevelopment.un.org/memberstates/afghanistan>



I thank our distinguished panellists, the audience, the WTO and HLPF team for contributing to the success of this event.

Thank you and I wish you all good day.
