Conclusion

As detailed in this report, open global trade has had positive effects for African industrialization and development. Efforts must continue to help developing countries and Africa build capacity and to take fuller advantage of the benefits that trade brings. Recently, faced with the impacts of the COVID-19 pandemic, some of these efforts have been challenged and the developmental gains of recent years put in question.

African countries are more vulnerable to the effects of the pandemic than others, as they tend to have weaker health and social safety nets, and to encounter difficulties in mobilizing the resources necessary to fight the pandemic. In addition, it is likely that containment measures will have a greater economic effect on the population due to the large proportion of people working in the informal sector.

The pandemic presents challenges unprecedented in the history of the multilateral trading system. This challenge calls for an unprecedented level of international cooperation. African countries in particular stand to benefit from a multilaterally coordinated response to the crisis. During the 2008-09 financial crisis, the WTO played a valuable role in helping governments avoid the kinds of protectionism seen in the 1930s. There remains an opportunity for similar efforts in response to the pandemic.

Maintaining open flows of trade and investment, along with fiscal and monetary policies, could bolster prospects for a strong economic recovery from the COVID-19 pandemic. A strong, sustained and socially inclusive recovery will be required to prevent the achievement of the 2030 Agenda from being derailed by the pandemic and its economic effects. Keeping markets open and predictable, as well as fostering a more generally favourable business environment, will be critical to spur the renewed investment that is needed for a swift recovery to happen.

Countries must work together; this will result in a much faster recovery than if each country acts alone. The multilateral system and institutions provide a framework for this to happen, as they were designed to respond to complex, multifaceted, global emergencies such as the one brought on by the COVID-19 pandemic. In particular, African countries will have to face a proliferation of trade-restrictive measures and grapple with the new implications of the digital divide, and a host of issues currently being debated at the WTO, with important implications for African countries, particularly e-commerce and fisheries subsidies.
The COVID-19 pandemic has reinvigorated WTO debates on e-commerce and the concerns that developing countries have regarding the digital divide and uneven distribution of or access to information and communication technologies. The social distancing measures necessitated by COVID-19 have led to an increased need for internet and mobile data services and sharp increases in business-to-consumer and business-to-business e-commerce sales.

The WTO has a series of broad and diverse efforts to support trade development in Africa including agreements, decisions and technical assistance programmes. The cornerstone of these efforts is the WTO-led Aid for Trade initiative, which aims to help developing countries, particularly LDCs, build the supply-side capacity and trade-related infrastructure that they need to implement and benefit from the WTO agreements and to expand their trade more broadly.

In its monitoring function – the Aid for Trade global review – Africa not only recorded the highest share of respondents (i.e. 34 out of a possible 35 African respondents – or 97 per cent – 26 of which were from LDCs), indicating that economic diversification was a development priority, but also recorded the highest share of positive responses, with 71 per cent of respondents saying they had seen progress in economic diversification since the launch of the Aid for Trade initiative in 2006.

Aid for Trade is merely one tool in the context of trade and development that countries in Africa can use to pursue economic diversification. Many countries have also pursued methods to reduce trade costs at all stages of import and export operations, including transit. The WTO TFA was adopted to ensure a common platform for the implementation and widespread use of trade facilitation measures at the global level. Evidence indicates that trade facilitation is the best tool for reducing trade costs for African countries, particularly for the many landlocked developing countries in sub-Saharan Africa.

The WTO TFAF has been responsible for running a series of workshops and training courses aimed at ensuring that developing and LDC WTO members receive the assistance they need to reap the full benefits of the TFA. The TFAF assists members through a range of activities, such as workshops to help them to understand the TFA and national events to help them to identify their capacity-building needs and prepare category notifications that are necessary to access special and differential treatment flexibilities in the TFA.
Likewise, the STDF is a key instrument in the WTO's outreach activities to developing countries, including countries in Africa. In 2020, the STDF launched a new five-year strategy (2020-24) under which countries in Africa will continue to be eligible to apply for SPS project and project preparation grants (STDF, 2020). Furthermore, recent STDF work seeks to identify, analyse and foster dialogue on experiences, lessons learned and good practices to improve the implementation of SPS controls, help countries in Africa to inform and improve their SPS planning and decision-making processes, and to mobilize new resources for SPS investments through its “P-IMA” (i.e. “prioritizing SPS investments for market access”) approach.

Other agreements that catalyse development for WTO members include the TRIPS Agreement and the GPA. The TRIPS Agreement has guided updates or reforms to intellectual property legal frameworks in certain WTO members, especially in developing countries. The rules of the TRIPS Agreement have served as a basis to create opportunities for economic operators in Africa to enhance innovation and creativity within their countries and to expand globally. Article 66.1 of the TRIPS Agreement gives LDCs an extended transition period to apply the TRIPS Agreement, except for non-discrimination principles.

While no African country is currently a party to the GPA, an increasing number of representatives from the African region have participated in WTO technical assistance activities in the area of government procurement. The GPA combines both market-opening with S&D flexibilities to support the development priorities of developing countries with good governance. These new elements in the revised version of the GPA arguably increase its relevance for the region.

This report has also shown that in recent years the EIF has intensified efforts to help LDCs identify key productivity and policy bottlenecks, prioritize them and leverage finance to address them, including with analytical work through diagnostic trade integration studies (DTIS) and feasibility studies.

Lastly, the WTO Secretariat’s technical activities in Africa have been consistently high over the last half-decade, with 16 per cent of activities focused on African countries – the highest of any region (WTO, 2020).

The African continent is grappling with an uncertain future. International cooperation, a multilaterally coordinated response to the crisis, and a reinvigorated multilateral trading system have the potential to lessen the effects of the COVID-19 crisis for the continent. WTO involvement in the region is multi-faceted, ranging from intellectual property policy-making to technical assistance and training programmes. A range of agreements has been signed over the course of the WTO’s 25 years, all with important implications for industrial policy and economic development on the continent. It is hoped that this review of WTO interventions in the continent can be a tool to further deepen cooperation and to deploy resources through strategic and effective mechanisms.