

ACCESSION OF LIBERIA (2016) - LIBERIAN MODEL: OPPORTUNITIES AND CHALLENGES

By

HON. AXEL ADDY

Minister of Commerce and Industry and
Chief Negotiator for WTO Accession, Liberia

20th March 2017,

Sokha Siem Reap Resort and Convention Center
Siem Reap, Cambodia



Outline

- 1 Liberia Before the Storm
 - 2 A Twin Shock
 - 3 Leveraging trade through WTO accession
 - 4 The Human Dimension of Accessions
 - 5 8 Key Lessons from Liberia's Accession
-



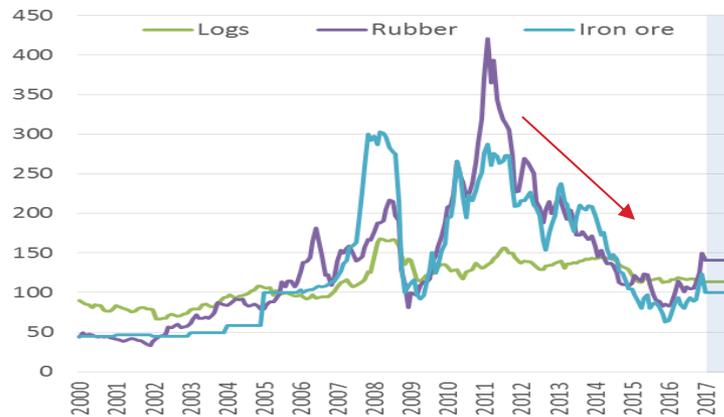
Liberia before the Storm

- After a 14-year civil conflict, Liberians elect their new president with a clear mandate to rebuild the country in 2005.
- New government **focuses on rebuilding roads and electricity.**
- Efforts pay off – **high single-digit GDP growth until 2013.**
- Rapidly improving business environment attracts investment, particularly in the mining sector.



A Twin Shock (I/II)

- In 2012-15, **drop in rubber and iron ore prices** exposes the vulnerabilities of Liberia's economy.



Key commodity prices; Source: World Bank

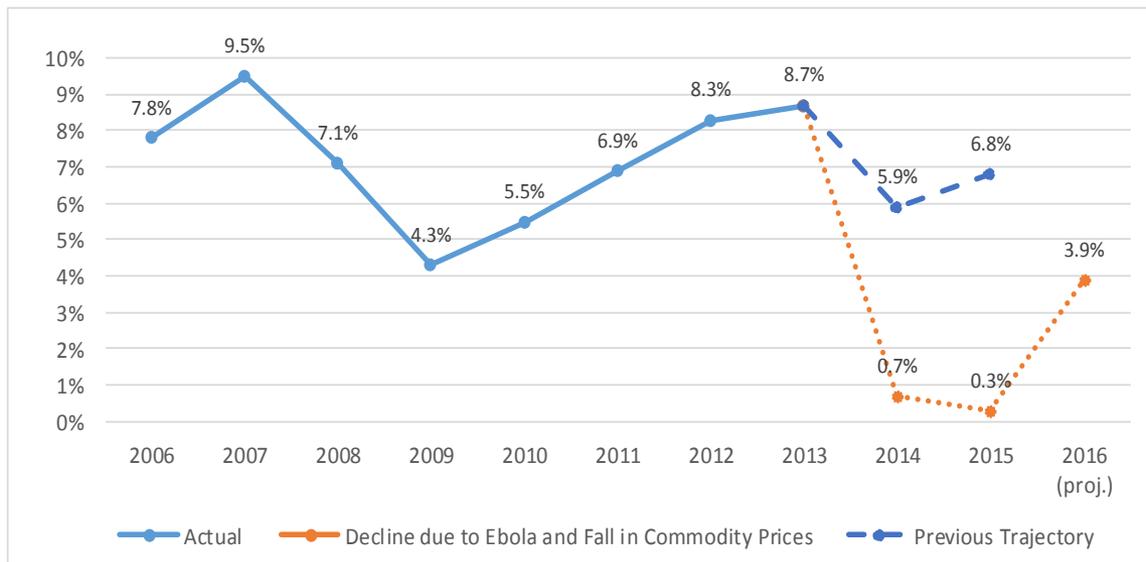
- **Drastic loss of export earnings**, as in 2014, 51% of Liberia's exports were rubber and 41% iron ore.
- Leads to delay / cancellation of investment, unemployment and undermining of budget revenues



A Twin Shock (II/II)

- On top of the commodity price shock, Liberia was hit by Ebola
- The epidemic further dampened economic activity, particularly in agriculture, services, and manufacturing

Liberian Real GDP Growth Rate , Source: IMF



Leveraging Trade Through WTO accession

- To bring Liberia back onto a growth trajectory, Liberia creates new strategy: **Value addition of exportable agricultural commodities.**
- Government identifies **opportunity to boost trade through WTO membership.**
- LDC status allows for a **fast-tracked application**
- In May 2014 President appoints **Minister of Commerce and Industry as chief negotiator** to achieve an early harvest by end of 2015.
- **Clear mandate:** pursue WTO membership for Liberia through structural reforms that will ensure a predictable and transparent business environment, conducive for investment



Enlisting the Right Partners' Support

- Key to overcoming financing challenge: **share clear roadmap** with potential donors with objective of enlisting a primary sponsor and supporting sponsors
- Liberia signed a \$7.3 million dollar agreement with the Government of Sweden (**primary sponsor**)
- **Secondary sponsors:** ITC, UNCTAD, EIF, the Advisory Center on WTO Law (ACWL), King and Spalding Law Firm, International Seniors Lawyer Program (ISLP) of Canada, World Bank, governments of United States, European Union and China



Drafting the Accession Package

- Government of Liberia formed a **core technical team** on its WTO accession comprising **all relevant government agencies**
- The negotiating structure consisted of the delegation of Liberia, members of the Working Party and the Chairperson supported by the WTO Secretariat and consultants
- Liberia concluded **six bilateral negotiations** with Canada, EU, Japan, Chinese Taipei, Thailand and the US



Concluding the Accession

- The WTO General Council accepted Liberia as a member of the WTO on 16 December 2015.
- Hard work threatened due to the delays in the ratification by the legislature, leading to full-fledged campaign by President and chief negotiator to work with like-minded officials to ratify the protocol of accession.
- On 14 July 2016 Director General Roberto Azevedo welcomed Liberia as the 163rd member of the WTO.



The Human Dimension of Accessions

- Technical expertise is critical but not enough to complete the process
- The accession of Liberia was **started at the highest political level**, as part of a broader package of reforms launched by the President
- The President appointed a **member of Cabinet and her Economic Management Team as Chief WTO Negotiator**
- Domestically, the **Chief Negotiator interacted with all key stakeholders** to build support for Liberia's accession
- Vis-à-vis WTO Secretariat, international institutions and partners, the role of Chief Negotiator was to mobilize best international practices / expertise and conduct regular 'pulse-checks'



8 Key Lessons from Liberia's Accession (I/II)

1. Secure strong political ownership of the accession process domestically; involve all key stakeholders - government, parliament, business, press, civil society – early on.
2. Appoint a chief negotiator at the ministerial level and set an operational structure to manage the accession process;
3. Build political support for accession among key WTO members working simultaneously at all levels – political in capitals, diplomatic among ambassadors to the WTO in Geneva and technical with key experts on individual accession areas
4. Engage key partners in informal negotiations before proceeding to formal negotiations; most political and technical issues can be solved in this less-stressful informal environment.



8 Key Lessons from Liberia's Accession

(II/II)

5. Conclusion of any accession are fundamentally rational choices based on lessons from individuals: Chief Negotiators, Presidents, Prime Ministers with Secretariat pro-activism.
6. Use actively technical assistance and other form of support for accessions available to LDCs from their development partners.
7. Transform and lock priority domestic reforms into WTO accession commitments; this helps resist domestic lobbies and vested interest, mobilize international support, and accelerate the pace of reforms.
8. Develop and implement a clear post-accession reform plan as an integral part of a structural reform agenda for your country.



THE JOURNEY TO TRANSFORMATION STARTS WITH OUR BEST STEPS IN THE MOST IMPACTFUL DIRECTION

THANK YOU

Ministry of Commerce and Industry • <http://www.moci.gov.lr/>

Liberia Tourism • <http://www.experienceliberiantourism.com/>

Investing in Liberia • <http://www.investliberia.gov.lr/>

