REGIONAL DIALOGUE ON WTO ACCESSIONS FOR THE GREATER HORN OF AFRICA

UNCTAD Technical Assistance & Capacity Building for Acceding Countries

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Mandates

• UNCTAD support to DCs in trade negotiations & trade-related CB started well before the establishment of the WTO including under GATT & during UR;

• The establishment in 1995 of the WTO posed new challenges for DCs/LDCs seeking to join the new Multilateral Trading System (MTS);

• UNCTAD was mandated to assist acceding countries in particular DCs & LDCs
Mandate's origin (1)

UNCTAD IX Midrand 1996
"A Partnership for Growth & Development"

Para (66):"..... to help them understand the rights & obligations arising from accession to WTO. Assistance should also be provided for non-WTO members to facilitate their efforts to accede & to help them understand the rights & obligations of membership....The plight of the LDCs and the need to ensure their effective participation in the world trading system is also recognized."
Para 91:

"UNCTAD’s main role in the field of trade in goods & services should be to help maximize the positive impact of globalization & liberalization on sustainable development by assisting in the effective integration of DCs, particularly LDCs & certain DCs with structurally weak & vulnerable economies, into the international trading system.... assisting countries in the process of accession to WTO, including by helping them to enhance their understanding of WTO rights & obligations, as well as improving the transparency of their trade regimes; identifying impediments to trading success, including barriers to export expansion & diversification..."
Mandate's origin (3)

UNCTAD X: Plan of action (Bangkok, 12-19 Feb. 2000)
• "... UNCTAD should continue to provide assistance to countries acceding to WTO in order to contribute to their early accession and to the universalization of the multilateral trading system".

UNCTAD XI: São Paulo Consensus (June 2004)
• "UNCTAD should provide enhanced technical support and cooperation to all developing countries, particularly LDCs, and ... prior to, during, and in the follow-up to their WTO accession process";
Para: 38.

• "(x) Continue to provide and reinforce its TA & CB to DCs and countries with economies in transition before, during & in the follow-up of the process of accession to the WTO"
Why UNCTAD assistance?

"UNCTAD is strategically positioned to empower acceding countries to better define their trade objectives & integrate them effectively into their development plans, advance their interests in international trade negotiations, monitoring & enforcement, shape & sequence international regulatory practices, & take advantage of the trading opportunities of the MTS".

Evaluation report on of UNCTAD’s TA assistance CB on accession to the WTO.
Challenges

- WTO accession is a challenging process involving wide-ranging policy reforms and legislative actions by acceding countries;
- Majority of candidates are DCs. For them, the challenges range from inadequacy of resources, expertise, lack of coherence in policy, institutional and regulatory frameworks;
- LDCs: face additional challenges, such as supply side constraints, lack of diversification, limitations to institutional and human resources.
- Capacity building support to LDCs is thus a critical element to back up their efforts to manage the accession process.
After the establishment of WTO in 1995, countries that were not original members had to apply for accession under the provisions of Article XII of the Marrakesh Agreement;

While all DCs & ET have benefited from UNCTAD's TA for their accession, UNCTAD recognizes - and seeks to address AS A PRIORITY challenges faced by LDCs;

Majority of them have benefited from UNCTAD's TA &CB at different stages of their accession process, including: China, RF, Ukraine, Jordan, Cambodia, Cape Verde, Laos, Nepal, Samoa, Vanuatu, Seychelles, Liberia, Yemen.

UNCTAD continues its support to ongoing DCs &LDCs accessions including: Algeria, Iraq, Iran, Comoros, Sudan, Ethiopia…

UNCTAD TA is demand driven & country ownership

UNCTAD continued to receive an increasing number of requests for support on WTO accession including from LDCs, and those in the post-accession phase.
The Case of LDCs

- UNCTAD substantively contributed to the work on the revised guidelines on LDCs accession, adopted by the WTO General Council in July 2012.

- The revised guidelines seek to further streamline & facilitate LDCs accession through "measurable benchmarks" in the area of tariff concessions.

- Market access commitments in services of acceding LDCs.

- Guidelines set specific SDT provisions.
The main objective of TA is to support LDCs & other DCs to address a range of obstacles.

- Coherent economic, trade & development strategies;
- Deep understanding of the impact of the legal obligations and commitments in the WTO on the welfare of the country;
- Strengthened policy, regulatory and institutional and frameworks.
- To build capacities for policy makers & trade negotiators to ensure informed & evidence-based policy decisions in the accession process & other trade policy initiatives at the national & regional levels, based on national policy objectives.
UNCTAD TA & CB are in essence of multidisciplinary & multi-stakeholders nature involving cross-cutting issues:

• Trade policy formulation and implementation;
• Negotiations techniques and strategies;
• Support preparation of MFTR and responding to questions, initial offers on MA in goods & services, Agriculture, and tariff & NTMs
• Strengthening the capacities of national institutional structures
- Strengthen the capacities of trade-supporting national institutional structures (including the academic community) through training and joint analysis of the relevant problem areas
- Assist in establishing the national-level permanent structures such as an inter-ministerial WG to coordinate WTO matters especially, & in developing a multi-stakeholder, inter-institutional approach that allows consultations & coordination between all relevant ministries
- Build awareness through workshops to sensitize negotiating teams, government agencies, private sector & academia, as well as key policy-makers, including parliamentarians on the GATT/WTO agreements, the accession process, as well as on obligations & development implications of WTO membership
- Coach the negotiating teams in the preparation of the Working Party meetings & bilateral negotiations
▪ Assist in the preparation & review of domestic legislations for GATT and WTO consistency, and action plan

▪ Undertake sectoral impact studies on the impact of WTO accession on the national economy using national experts/consultants to develop capacity of national research institutes and universities;

▪ Post-accession activities including assistance to implement commitments made in the process of accession including, TPRs & notifications
UNCTAD Tool box:  
Trade Policy Framework (TPF) Reviews

Nairobi Maafikiano: paras 38. (z) and 55. (c)

- TPF Reviews support the (re)formation & implementation of national trade policy regimes according to countries' development priorities that are supportive for SDGs realization
- UNCTAD assisted countries in preparing SDG-oriented TPFs (Algeria, Angola, Botswana, Dominican Republic, Jamaica, Namibia, Panama, Tunisia and Zambia) and also provided related support to others (e.g., Bhutan, Kenya, African countries)
- Ten national TPF studies were completed, and the policy recommendations validated by strengthened stakeholders’ policy formulation, implementation and analytical skills.
- Exchange of country experiences & lessons learnt was conducted at an inter-regional level in an Inter-regional Meeting on Trade Policy and Sustainable Development (18-19 July 2016, Nairobi, Kenya)
- UNCTAD assistance enhanced ability of policymakers and trade negotiators to analyze, formulate and implement SDG-oriented trade policies
UNCTAD Tool box:

Services Policy Reviews (SPRs)

Nairobi Maafikiano: paras 38. (z), 55. (c), 55. (n) and 76. (t)

- SPRs part of a broader comprehensive work on services;
- SPRs assist DCs in assessing their services economy & trade & reviewing existing policy & regulatory frameworks to formulate best-fit national services regulatory & institutional frameworks, develop competitive productive capabilities & better engaging in trade negotiations on services;
- Up to date, SPRs have been conducted for Kyrgyzstan, Nepal, Rwanda, Lesotho, Peru, Nicaragua, Paraguay, Bangladesh (Phase I and II), Colombia & Uganda (Phase I and II);
- Recently SPR was initiated for by the request of Namibia Government, & a follow-up SPR is under consideration for Paraguay;
- At the request of ECOWAS Secretariat, the regional SPR has been initiated to support the deepening of regional integration & negotiations in CFTA;
- SPRs have provided policy recommendations on legislative actions to enhance services economy, trade & development & regulatory institutions. For instance, SPRs have been used by LDCs in preparing collective request for services preferences under WTO LDCs services wavier.
- Assessment and impact studies on services have been undertaken for acceding countries, including in the context of SADC and COMESA regional trade negotiations on services.
SPR Methodology

SPR Activities

- Launch of the review process
- Desk-based assessment
- 1st multi-stakeholder consultation
- Field research and follow-up investigations
- 2nd multi-stakeholder consultation for validation
- Dissemination
- Implementation & follow-up
SPR Methodology

Towards the services master plan / strategy
SPRs are expected to catalyse and institutionalise an endogenous process of services policy formulation, implementation and review:

- Service policy review and action plan
- National multi-stakeholder consultations
- Master plan
- Implementation
- Results
- Monitoring and assessment
Support on WTO Accession
- Ultimate Goal -

• To enable acceding countries to join the WTO on terms consistent with their respective development needs and which would allow for their meaningful participation in the multilateral trading system & benefit from trade opportunities.
Working in Partnership: Complementarity no duplication

- Delivery of TA & CB programmes on accession, in close cooperation with the WTO Secretariat & other relevant multilateral and bilateral agencies like WIPO, WB, FAO, ITC, ESCWA, ECA, UNDP, SIDA, EU, IsDB…(joint advisory missions, seminars & workshops)
Conclusions & Recommendations

What can be done to support the accession process?
• Elaborate CLEAR negotiating objectives based on an analysis of basic economic strategies and policies
• Effective & WELL COORDINATED governmental machinery is needed to support negotiations
• The process has to involve various ministries & all stakeholders including private sector & civil society be placed at highest level of GVT
• Make full use of observer status
• Accession negotiations and membership require considerable strengthening of national regulatory and institutional infrastructure
• Keep negotiating team stable
• Recently acceding countries were subject to strong pressures for adopting deep liberalization commitments;

• The scope of specific commitments adopted by acceding countries has continuously enlarged through time;

• Trend expected to continue in the future, placing strong demands on countries currently in the accession process;

• Acceding countries should retain the necessary policy space;

• LDCs should be granted the full benefit of LDC Guidelines on accession, including longer transition periods commensurate with their level of Dev. & economic and social needs;

• They need support to provide social safety nets & trade adjustment mechanisms as part of trade liberalization cost (revenue & job losses- winners and losers of reforms)
• Closely follow current accession negotiations

• Network with key members for obtaining concrete support, use Chairperson to lobby your specific interests & use good offices of DG.

• Evaluation of negotiations would provide lessons learnt & important insights and inputs for their own negotiations

• The interface, synergy and coherence between accession negotiations and other trade initiatives (Regional/Bilateral) as BTAs & RTAs, should be seriously analyzed because of possible implications for the terms of accession to the WTO
Thank you!

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