World Trade Organization

A4T Global Review 2017

AID FOR TRADE

Promoting trade, inclusiveness and connectivity for sustainable development

11-13 JULY 2017

Summary Report

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ABOUT THE AID FOR TRADE GLOBAL REVIEW 2017

The Aid for Trade Global Review 2017 looked at the theme of "Promoting Trade, Inclusiveness and Connectivity for Sustainable Development". By addressing the supply-side capacity and traderelated infrastructure constraints of developing, and in particular least developed countries, Aid for Trade can help advance the 2030 Agenda for Sustainable Development. A particular focus of the Global Review was placed on women's economic empowerment.

Discussions were informed by the Aid for Trade at a Glance report, published jointly by the World Trade Organization and the Organisation for Economic Co-operation and Development, with contributions from Business for eTrade Development, the Enhanced Integrated Framework, the International Telecommunications Union, the International Trade Centre, the United Nations Conference on Trade and Development and the World Bank Group. Additional analysis was also contributed by regional development banks and other stakeholders.

The event was covered extensively on WTO's social media channels, including on WTO website and Facebook at @worldtradeorganization. Comments and questions were tweeted with the hashtags #aid4trade and #connectivity.

ABOUT THIS PUBLICATION

This publication brings together summary reports of the Plenary Sessions, Thematic and Regional Focus Sessions, Development Hubs and Side Events held during the Aid for Trade Global Review 2017. The summary reports of Plenary Sessions, Thematic and Regional Focus Sessions, Development Hubs were prepared by the WTO Secretariat. Summary reports of Side Events were prepared by the various organizations that organized Side Events.

FIND OUT MORE

https://www.wto.org/gr2017

Foreword by the Director-General

The Aid for Trade Global Review 2017, held on 11-13 July 2017, was the first since the adoption of the 2030 Agenda for Sustainable Development. It gathered more than 1,500 participants, including the Vice-President of The Gambia, Heads of International Organizations, and Trade and Development Ministers from across the world, to discuss the theme of "Promoting Trade, Inclusiveness and Connectivity for Sustainable Development." The role that trade can play in helping achieve the Sustainable Development Goals (SDGs), and the supportive role of Aid for Trade in that process, were themes that ran through the three days.

The SDGs call for an "increase in Aid-for-Trade support for developing countries, particularly least developed countries (LDCs)". Biennial Global Reviews provide a platform where we periodically review the support available to address the supply side and trade-related infrastructure constraints of developing countries, and in particular LDCs. These high-level meetings discuss overall financing available, the direction of flows, the types of constraints addressed and the impact of the support offered. Over US$300 billion has been disbursed since the Aid-for-Trade Initiative was established in 2006, reaching 146 countries, helping to build their trading infrastructure and capacity.

More needs to be done though, in particular for LDCs. One theme emerging strongly from the Aid for Trade Global Review 2017 is how developing countries and their funding partners are looking to work more closely with the private sector to deliver trade and development outcomes.

Global Reviews also cast a spotlight on a particular binding constraint that developing countries and LDCs face. The focus this year was on physical and digital connectivity. Some interesting perspectives also emerged notably on how digital networks now intertwine with physical trade infrastructure.

Digital connectivity is an essential building block of trade integration. Without available, affordable digital connections, individuals and firms cannot access the marketplace of the world-wide web. The digital divide, which continues to affect some 3.9 billion people, is itself a market access divide. Lack of digital connectivity reinforces economic isolation.

Another theme that emerged strongly from the Aid for Trade Global Review 2017 was the need to consider the empowerment dimension to connectivity. Opportunities created by trade for micro, small and medium-sized enterprises, youth, and above all, women and women-owned or managed firms, were a further area of substantive discussion. a focus area which in my view we would do well to further deepen in future Global Reviews.

This publication provides a summary of the discussions of the 2017 Global Review. I hope it will contribute further to reaffirming the role that the Aid-for-Trade Initiative can play in achieving the inclusive, sustainable development envisioned in the SDGs.

Roberto Azevêdo
October 2017

Acknowledgements

The Aid for Trade Global Review 2017 was organized by the Aid-for-Trade Unit in the WTO Development Division. We would like to thank all the speakers and all those who organized side events during the Review.

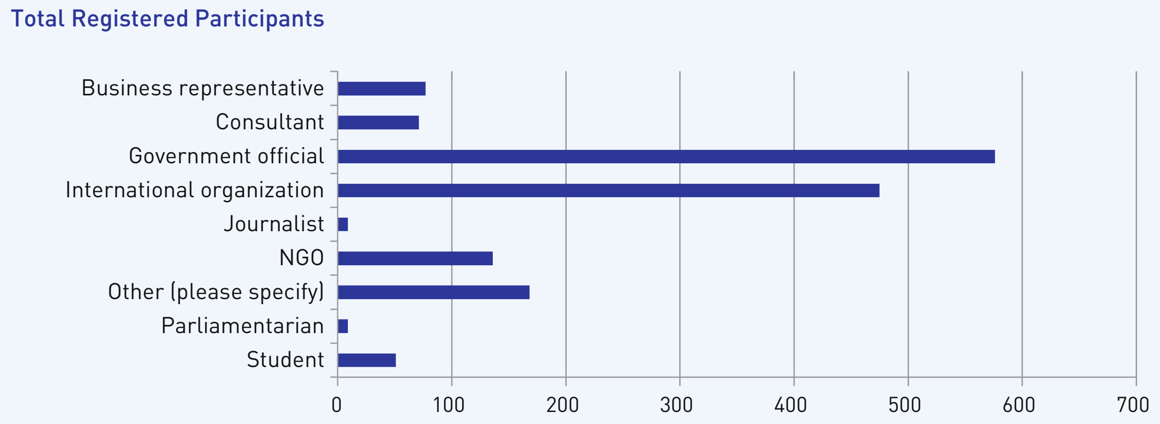
This summary report has been prepared on the basis of reports prepared by the organizers of the side events and by staff from the Accessions Division, Administration and General Services Division, Agriculture and Commodities Division, Council and TNC Division, Development Division, Economic Research and Statistics Division, the Enhanced Integrated Framework Executive Secretariat, the Intellectual Property Division, Institute for Training and Technical Cooperation, Language Documentation and Information Management Division, the Legal Affairs Division, Market Access Division, Standards and Trade Development Facility, Trade and Environment Division, Trade Policies Review Division, and the Trade in Services Division.

The Development Division is indebted to the volunteers in the WTO Secretariat who worked tirelessly throughout the event.

Special gratitude is also extended to the staff of the Graphic Design, Printing and Documents Distribution Section, Documents Management, Monitoring and Production Section, Language Services, and Interpretation Section, of the Languages, Documentation and Information Management Division; and to Conference Room Technical Group, Conference and Visitors Services Group, Facility Management Service, and the Security and Safety Service of the Administration and General Services Division.

Overview of registered participants

2017 Global Review: Statistics of registered participants by category



Category	Total
Business representative	77
Consultant	71
Government official	576
International organization	475
Journalist	9
NGO	136
Parliamentarian	9
Student	51
Other	168
Grand Total	**1572**

DAY 1. 11 JULY 2017

SESSION 1: Opening Plenary "Promoting Trade, Inclusiveness and Connectivity for Sustainable Development". Organizer: World Trade Organization

KEYNOTE SPEAKER

› **Aja Fatoumatta Jallow Tambajang**, Vice President and Minister of Women's Affairs, The Gambia

OPENING REMARKS

› **Roberto Azevêdo**, Director-General, World Trade Organization

› **Angel Gurría**, Secretary-General, Organisation of Economic Co-operation and Development

› **Mukhisa Kituyi**, Secretary-General, United Nations Conference on Trade and Development

› **Hani Salem Sonbol**, Chief Executive Officer, Islamic Trade Finance Corporation

› **Arancha González**, Executive Director, International Trade Centre

› **Anabel Gonzalez**, Senior Director, Trade and Competitiveness Global Practice, Trade & Competitiveness, World Bank Group

The opening session launched the joint OECD-WTO Report "Aid for Trade at a Glance 2017: Promoting Trade, Inclusiveness and Connectivity for Sustainable Development". The publication presents the results of Aid-for-Trade monitoring and evaluation exercise. Published by the WTO and OECD, the report this year includes contributions from Business for eTrade Development, the Enhanced Integrated Framework, the International Telecommunication Union, International Trade Centre, United Nations Conference on Trade and Development and the World Bank.

In her keynote intervention, Aja Fatoumatta Jallow Tambajang, Vice President and Minister of Women's Affairs, placed the themes outlined in the At a Glance 2017 report in the context of the development challenges facing the newlyelected government of The Gambia. Addresses by WTO Director-General Azevêdo and OECD Secretary-General Gurria introduced the At a Glance 2017 Report and discussed progress made by the Aid-for-Trade Initiative. UNCTAD Secretary-General Mukhisa Kituyi, ITFC Chief Executive Officer Hani Salem Sonbol, ITC Executive Director Arancha González and Senior Director of the World Bank Group Anabel Gonzalez further elaborated on these themes from the perspectives of their own institutions and their Aid-for-Trade activities.

Welcome remarks: Roberto Azevêdo, Director-General, World Trade Organization

Good morning everyone and welcome to the Aid for Trade Global Review 2017. We have a very full house and I'm sure we will have some dynamic and fruitful discussions over the coming days. To start things off, we have a fantastic panel of speakers. I am pleased to be joined by Vice President of The Gambia, Aja Fatoumatta Jallow Tambajang. Joining her on the podium, we have also Angel Gurría, Secretary-General of OECD, Mukhisa Kituyi, Secretary-General of UNCTAD, Hani Salem Sonbol, Chief Executive Officer of the ITFC, Arancha González, Executive Director of the ITC and Anabel Gonzalez, Senior Director at World Bank Group.

This is one of the biggest Global Reviews so far. We have more than 1,500 participants, more than 20 ministers and heads of international organizations attending. I thank you for making the journey to Geneva to be with us these days. It is a pleasure to host you here. Now I would like to ask Vice President Fatoumatta Tambajang to take the floor to deliver her keynote address.

Keynote Address: Aja Fatoumatta Jallow Tambajang, Vice President and Minister of Women's Affairs, Republic of The Gambia

I would like to extend to you, Mr Director-General, the warm greetings and sincere gratitude of His Excellency Mr Adama Barrow, President of the Republic of The Gambia, for inviting him to be the keynote speaker at this important meeting. His Excellency has requested me to extend his apologies for not being able to be with you personally due to prior commitments back home but he has directed me to deputise for him. Therefore, on my own behalf and on behalf of His Excellency, the government and people of The Gambia, let me from the outset register our profound gratitude for this great honour.

I also wish to similarly thank the World Trade Organization and all its partners for organizing this Sixth Aid for Trade Global Review which is an opportunity for Members to take stock of the progress made towards building the capacities of developing countries, particularly LDCs, to effectively engage in global trade.

Building trade capacities, improving competitiveness and strengthening public-private partnership is indeed high priority in our bid to revive our economy and ensure trade inclusiveness and sustainable development. The new democratic government of President Adama Barrow inherited a very weak and fragile economy in January 2017. In spite of the opportunities we have as country, domestic exports have been undeveloped and remained below 5% of total trade. The previous government made the business environment in The Gambia uncompetitive and the private sector was completely neglected.

The President, new government and the people of The Gambia wish to use this opportunity to extend through your office, our gratitude to all WTO Member states and other organizations that have supported The Gambia through the period leading to the recent political changes. These were positive changes that we believe are the beginning of a new era of democracy, human rights and a more sustainable and inclusive economic growth for the People of The Gambia.

The world is changing and at a fast pace. The Gambia is also changing at a fast pace. As many of you know, 2017 has been a milestone year. With a new government, The Gambia is looking to reengage with the global community.

It is our hope that the theme of this year's Review: "Promoting Trade, Inclusiveness, and Connectivity for Sustainable Development" will provide insights on how to accord our country new opportunities and further help strengthen the existing strategies to increase our trade and development. This is why events like these are important. It gives us an opportunity to share experiences, learn from others and forge new partnerships. The Gambia is organizing a side event tomorrow to showcase what we are doing in the "New Gambia" and the opportunities in the "New Gambia". It is my pleasure to invite all of you to this side event.

The reason I am here today is to demonstrate the political will of The Gambia to connect to the world. We believe in trade as an engine for growth and we would like to ensure that the gains from trade are inclusive.

However, we are yet to fully optimize the huge trade potentials that the system has to offer. Like many LDCs, The Gambia faces various supply side constraints inhibiting our ability to participate in regional and international trade. Connectivity is crucial in helping us realize our objectives.

The environment to promote connectivity is improving. We have formulated a new National Information and Communication Infrastructure Policy 2017-2025 to promote open access and cyber security measures with the objective of ensuring affordable and secure broadband access. The telecommunications market in The Gambia has experienced a rapid growth since 2011, in particular mobile telecommunications. The mobile penetration rate increased from 80.8% in 2011 to 137.9% in 2015. The level of internet users is still low but gradually increasing from 10.9% in 2011 to 17.1 % in 2015. The telecommunications infrastructure is also improving and 94% of the country is now covered with at least two mobile operators as compared to 57% in 2010, and all the four mobile carriers operating in The Gambia provide mobile data services on a 3G platform.

The Gambia is also currently reviewing its National Development Plan and to ensure inclusiveness, H.E. The President has recently launched a National Think Tank to ensure that, while productive capacity development and competitiveness issues are given priority, women, youth and social protection issues are also adequately mainstreamed into the development process in line with the SDG principle of leaving no one behind. We are currently working with the youth and women under UNCTAD's EMPRETEC programme and the Youth Empowerment project to support Micro, Small and Medium-sized Enterprises (MSMEs) and rural communities to develop skills and promote sustainable economic activities.

I wish to reiterate The Gambia government's full commitment to uphold the rule of law and democratic values which we believe are critical foundations for any meaningful socio-economic development. We are also well aware that the attraction of investors and partners into the country will also be contingent on the transparency, consistency and predictability of our trade and investment rules and procedures. In this regard, the government attaches great importance to reforms geared towards the adoption of transparent trade laws and measures that will enhance our competiveness.

We are already taking steps in this direction. This afternoon, I shall also be depositing the original copy of The Gambia's Instrument of Ratification of the Trade Facilitation Agreement (TFA) to you, Director-General. With this, we look forward to the positive impacts of the agreement when implemented.

Mr Director-General, let me assure you of The Gambia's appreciation of the good work that the WTO Secretariat is doing under your dynamic leadership. We believe in the multilateral trading system as it remains the only platform that avails us all the opportunity to discuss and agree on multilateral trade rules that promote fair trade to support our development processes. Trade negotiations are always tough and challenging, but with your leadership, we have always achieved positive results. This has been demonstrated in Bali, and in Nairobi, and we are optimistic that the WTO Ministerial in Buenos Aires will yield even greater results for LDCs in all the critical areas.

I do not want to take up too much of your time as we have a full agenda this morning. The Gambia will be holding an event on "New Gambia, New Opportunities" tomorrow afternoon at room D. The objective of this event is to present to all our friends and partners, our vision and our commitment to promoting trade as an engine for growth. This is the first step in engaging our trade and development partners on our trade-related priorities. I urge you all to attend, and participate in the dialogue, as well as join in the food tasting ceremony at the end of that session. We also invite you to join us in the celebration of the International Year of Sustainable Tourism for Development with a performance by the renowned female Gambian Musician and probably the only female Kora player, Ms Sona Jobarteh.

Let me thank you once again for inviting the President of The Gambia to deliver the keynote address at this august gathering and I wish you very fruitful deliberations.

Opening Remarks by Roberto Azevêdo, Director-General, World Trade Organization

17 years ago, world leaders came together to pledge to halve extreme poverty by 2015.

They met that goal. and they did it way ahead of schedule. It remains one of the most astonishing achievements of our lifetime. And trade helped to drive much of the growth and development that led to that success.

Then, two years ago, just after the last Global Review, world leaders came together again. This time they pledged to end poverty by 2030. I applaud that ambition. and I think targets like this are essential. No one ever climbed a mountain without first fixing their eyes on the summit. So this goal is a challenge to us all. along with the full list of Sustainable Development Goals. And trade must again play a central role in achieving it.

Of course this doesn't mean simply throwing the doors open to markets around the world. It means ensuring that people have the tools that they need to trade and compete.

- And it means ensuring that the right infrastructure is in place. including:

- the physical infrastructure of essential roads, ports, airports, railways and so on.

- the soft infrastructure of rules and institutions that help companies do business. along with the skills that people need to take part.

and the digital infrastructure which enables people to connect to a new global marketplace at a fraction of the cost that we saw in the past. This can be particularly powerful for micro, small and medium-sized enterprises, which are the backbone of every economy both developed and developing. And it is crucial in empowering female entrepreneurs, who represent the majority of traders in many places.

So we need to make a difference in all of these areas. and this is why Aid for Trade is so important. Since it was launched just over a decade ago, over US$300 billion has been disbursed under the Aid-for-Trade Initiative, reaching 146 countries. And each dollar has been targeted at helping those countries to build their trading infrastructure and capacity.

This is very impressive. and it is delivering concrete changes on the ground. We now have a huge body of research, including some 500 case stories which illustrate the difference Aid for Trade can make. So let me highlight a couple of quick examples.

Today, more than 1000 craft artisans in Kenya can now sell their products online thanks to an Aid-for Trade-sponsored project.

In Tonga, people now enjoy improved connectivity thanks to a new submarine fibre optic cable system financed and supported by Aid for Trade. and this has helped to boost local services and tourism industries.

And at the Busia One-Stop Border Post between Uganda and Kenya, streamlining of customs and border controls has reduced the average time to cross by 80%.

In fact, tomorrow we will be connecting to the Busia border to hear more about experiences on the ground, thanks to TradeMark East Africa.

We should seek to build on these success stories. and many others like them. Because, clearly, although we have made good progress up the mountain, we are still a long, long way from the summit. More than 800 million people still live in extreme poverty. And many are still cut off from the potential benefits of trade.

The LDC-share of world trade is still below 1%. In fact, 2015 and 2016 the LDC share of world exports actually recorded a marginal <u>fall</u>, from 0.97 percent to 0.94.

And around 4 billion people are still offline. Only 1 in 4 people in Africa use the internet. And only 1 in 7 people in LDCs. Over half of the world's population cannot participate in the new global market that the Internet represents. In this sense, this digital divide is also a market-access divide.

Action on all these fronts can go a long way towards building a more inclusive trading system, which makes its full contribution to the Sustainable Development Goals. This Global Review is a platform to discuss ways in which we can deliver more. and deliver it more quickly.

Our theme this year is **"Promoting Trade, Inclusiveness and Connectivity for Sustainable Development."** This relates to all of the issues that I have been talking about just now.

Many factors inhibit connectivity and inclusiveness. whether it's poor infrastructure, high trading costs, or gender discrimination. And they all act as major constraints on sustainable development.

Work to bring down these barriers can go a long way to connect more people and improve more lives.

Take the example of the WTO's Trade Facilitation Agreement, which came into force in February this year. It is the biggest global trade deal this century. It reduces the time it takes for goods to cross borders. and will therefore cut trade costs dramatically.

Full implementation of the Agreement could reduce trade costs globally by an average of 14.3%.

Significantly, the benefits will be felt most in developing and least developed countries. and these countries will also be able to access technical assistance to help to implement the necessary reforms.

This is just one area of our efforts under the Aid-for-Trade banner, but it is illustrative of the impact that this work can have. My message to you in introducing this Global Review is very simple: we need to do more. We know what our goals are. We know how to deliver meaningful results. So now we need to do more to follow this work through.

This week is an opportunity to examine precisely where more efforts are needed, and how we can better channel the necessary aid and investment.

To improve our understanding of these issues, we are launching the 2017 Aid for Trade "At a Glance" publication.

I encourage you all to take a look - indeed, many of you contributed to the findings here - so thank you for that.

I would like to thank all those at the WTO who have made this week possible. particularly Shishir Priyadarshi, Michael Roberts and the whole Aid-for-Trade team at the WTO.

As I said at the outset - let's be ambitious.

Trade has helped to lift a billion people out of poverty in our lifetimes. We know what can be achieved.

So now let's redouble our efforts to continue this work. Let's build a more inclusive trading system, which supports the new Sustainable Development Goals, and which paves the way for a better world.

Remarks by Angel Gurría, Secretary-General, Organisation of Economic Co-operation and Development

It is a great pleasure to be back in Geneva for the launch of the sixth **Aid for Trade at a Glance** report, prepared jointly by the OECD and the WTO.

Since 2007, this work has shed light on how developing countries and their partners are harnessing trade to boost growth and tackle poverty. The evidence shows that this approach is delivering. But it also shows that more remains to be done.

The 2017 edition is a collaborative effort with other partners. including the World Bank, the Enhanced Integrated Framework, the International Telecommunication Union, the International Trade Centre, and UNCTAD.

The report puts a spotlight on how physical and digital connectivity is helping producers link up to markets. It is ultimately a report about people around the world, and the impact of new opportunities on people. Take the example of Emmanuel Igbojekwe, who is now able to grow his security business, or Elder Dede who has established his designer shoe business because Facebook, in partnership with a Nigerian service provider, launched Express Wifi to empower local entrepreneurs.

It is about Lanna Clothes Design, where women in rural Thailand are now able to sell their products all over the world using Amazon logistics services. It is about new business opportunities for women in rural India who now have access to mobile phones under a Telenor India project.

E-commerce is one part of a bigger jigsaw of development opportunities

These and many other success stories are part of a larger story about societies that are transforming through digital connectivity. Digital connectivity helps developing countries to exploit economies of scale and network effects, to raise labour and capital productivity, and to access global value chains.

Global market places such as Amazon, eBay, and Alibaba are empowering firms in developing countries to scale up their production and overcome thin markets. These online platforms are lowering the costs associated with engaging in international markets; costs that often price SMEs in developing countries out of these markets. This has generated a large trade in smaller, low value goods. The report highlights that online sales increased in value from US$16 trillion to US$25 trillion between 2013 and 2015.

While digital connectivity opens new markets, physical connectivity can still be an important constraint for countries and firms wanting to trade. Trade facilitation and the offline infrastructure for trade -- roads, ports, and bridges -- are ever more important in the digital world.

More importantly, some 3.9 billion people remain offline, with only 1 in 4 people in Africa using the internet and only 1 in 7 people in LDCs. Up to a quarter fewer women than men are online. These gaps imply less access to economic opportunities, but also to healthcare, education, and other public services.

Development partners can play a role in helping to bridge the digital divide

Aid for Trade is critical for the digital and physical connectivity that countries need to trade, to grow, and to improve the lives of their people. While the success stories I mentioned earlier are the result of **private** investments, well-targeted **public** investments have played a crucial role, many of them funded by aid. This includes, for example, investments in the transport infrastructure that helps entrepreneurs to access markets; investments in the energy sector, in agriculture, and in communications, all of which are vital when it comes to creating an environment that is conducive to trade growth.

Since the start of the Aid-for-Trade Initiative in 2006, commitments from bilateral and multilateral donors have increased annually by more than 10%. In 2015, donors committed some US$54 billion per year in Aid for Trade. The total amount of Aid for Trade disbursed over the last decade totals almost US$300 billion. roughly one-fifth of all Official Development Assistance. Half of these funds were invested in building trade-related transport infrastructure and energy supply sectors that are essential for turning digital connectivity opportunities into trading realities.

Support targeted at bridging the digital divide has remained relatively stable over the last ten years, averaging around US$600 million per year. The focus of donor programmes is often on getting the regulatory framework in place and operating effectively. Once this happens, the private sector is eager to step in and invest in building physical ICT infrastructure.

This is the kind of synergy that the Addis Ababa Action Agenda stresses. It's about going from the billions to the trillions, leveraging investment in ways that can transform lives.

The OECD is proud to play its part in helping to implement the Addis agreement. Whether it's looking at how best to blend aid money with private finance effectively, or developing new ways of measuring public support for development, such as TOSSD (Total Official Support for Sustainable Development).

A rules-based multilateral trading system is crucial

This brings me to my final point — the importance of an open, rules-based, multilateral trading system, to ensure a level playing field for trade in goods and services.

We need to work together to achieve a WTO Ministerial in Buenos Aires that delivers positive outcomes and that helps ensure that the benefits of trade are widely shared.

Today's meeting provides an opportunity to take stock, and to forge the way forward. The task ahead of us is to deliver better Aid for Trade. In short, it's about Better Policies for Better Lives.

Thank you.

Remarks by Mukhisa Kituyi, Secretary-General, United Nations Conference on Trade and Development

May I add my voice to congratulate Mr Azevêdo and the WTO on building a credible and growing reputation for Aid for Trade, for reflecting on the global challenges facing us and on how to adjust how we deliver on Aid for Trade and importantly on playing a role in bringing together the constituents of trade and development. Particularly now, at a time when excuses are being found to target the trade community as a reason for problems with globalization.

I am very happy that we at UNCTAD have participated closely with WTO and other partners and have been involved in the preparation of the 2017 Aid for Trade "At a Glance" report before you.

But more importantly we would like to add our voice to the need to identify the shifting ground for the aid and trade community and to realign our efforts accordingly. To listen to country case studies, stories of successes and failures, and learn how to build on these experiences to remain relevant to an agenda that is very ambitious, but has only 13 years to go in banishing extreme poverty from the face of the world.

Two years ago e-commerce reached US$25 trillion. By comparison, this is only slightly less than the total wealth of the top 500 largest companies in the world at that same time. They were worth US$27.6 trillion. But for development purposes two statistics stand out. Firstly, that of the top ten digital economies, only one is from the developing world. Second, that for Sub-Saharan Africa, and even worse for LDCs, the statistics on participation in electronic trade reaches as low as 1%.

It is my humble submission that sometimes when we talk global issues we frighten the vulnerable. And the best encouragement comes from examples of the vulnerable who have made the most humble decisions and have shown results by gaining visibility. At a time when global commerce is going electronic, if you are not visible, then you are not existent. If you are not visible, you are not trading and you cannot trade out of poverty if you are not in the trade community.

But we tend to mention trade only as the movement of goods beyond borders. I want to give an example from my own country which has impressed me- it's about food security and the digital economy.

In many Sub-Saharan countries two major variables impact on food security:

Firstly, poor post-harvest storage of food. Up to 30% of cereals are wasted because of poor storage. Many families sell on a buyers' market because they are in a hurry to spend on school fees or other such things, and yet a few months later the value of what they sold is beyond their purchasing power when they want food for their families.

In Kenya a national cereal programme built a national network of silos for storage of cereals. What a farmer does is after harvest you can deliver all your crops to the cereal silos, you are allocated a number and you are connected by your mobile phone to two critical markets: one to the cereals board, and another by an electronic platform called Sacconi. Everyday every farmer knows the price of cereal everywhere in the country. Farmers have two possibilities, that you can sell part of your cereal because of the high rise of needs at a time when the price is low. Also within half an hour a farmer can see that the price of maize has risen in one market, he or she can authorize the cereal board to sell part or all of what they are holding for that farmer on the sellers' market. And it makes a whole lot of difference, just those two possibilities of intervention.

Secondly, I want to mention the challenge that is more immediately present to us. How are we going to finance the digital infrastructure necessary if we are shifting towards the digital economy?

Usually we reply that there is no 5G or broadband, because we say there is no electricity. But I saw a very interesting case again in Kenya. Five years ago, a new president came to power and he declared that during his tenure he was going to provide every primary school kid in the country with a tablet computer. Everyone was saying how can you provide tablet computers without electricity in primary schools? True that is a relevant question. However, fast-forward four and a half years later, not all kids have tablets, quite a few have, but the most important thing for me is that in that time political pressure to make schools ready for tablets led to the most massive electrification of primary schools in the country's history. There have been more electricity connections in Kenya in the last four and a half years than in the preceding 50 years. So you could be tolerating having darkness as the sunsets in your home for many years, but you cannot tolerate your child being offline when you have been convinced that a computer matters.

Building political appetite for success and inclusion is at least as important as identifying sources of money for infrastructure.

Going back to the issue at hand, and what UNCTAD, WTO, OECD and World Bank are doing for Aid for Trade, I want to express our appreciation at the realisation that as trade shifts to electronic platforms, so Aid for Trade must also be responsive to the changing circumstances.

Unfortunately the share of ICT investment in Aid for Trade at the turn of the century was 20%, two years ago it was 1%. So Aid for Trade has been growing but the relevant share of ICTrelated investment in Aid for Trade has been declining. It is critical that this statistic be reversed very dramatically.

We have fractured approaches to Aid for Trade, particularly related to electronic commerce. I applaud the different initiatives under way. I applaud the work of Aid-for-Trade consultations here, particularly in this forum today, and this week.

We at UNCTAD have been complementing this with a number of initiatives. One example is the UNCTAD E-commerce Week which was held very successfully in the last week of April this year. We launched the ambitious E-Trade for All Initiative. It is an attempt to create a facility which avails to the investor, to the donor and to the recipient government alike electronic intelligence on the state of play, where there are sources of financing, where is the technology to disseminate and the electronic instruments for trade facilitation. We are very proud to acknowledge the participation of many institutions. Including the WTO, ITC, ITU, 23 major international players as members of Aid for Trade, and even more importantly the Business for Etrade initiative which now has more than 30 leading members including e-bay, Alibaba, Huawei, the Swedish Board of International Trade, and membership is growing.

The most important message that we must share is that at a time where the trade community is under challenge, the critical responsibility for us is to coalesce around a shared sense of value. How can we stop the fragmentation of initiatives and find an optimal way of using limited resources, scaling up best practices, and growing the political constituency that building capacity in electronic commerce as part of Aid-for-Trade matters.

Thank you.

Remarks by Hani Sonbol, Chief Executive Officer, International Islamic Trade Finance Corporation

On behalf of the Islamic Development Bank (IsDB) Group, I wish to sincerely thank the WTO, as the organizer of the Sixth Global Aid for Trade Review and to commend them for an excellent job as always. For me, it is always a pleasure and honor to represent the IsDB Group at this very important biennial Conference.

As IsDB Group, we believe, such an occasion provides an excellent opportunity for all the stakeholders to take stock as to where we stand as a global development community on the Aidfor-Trade Initiative. Moreover, it provides us with an opportunity to discuss and deliberate on numerous themes, and to benefit from the diverse knowledge and experiences that we all bring to this forum.

Over the past years, the world economy has undergone a period of immense financial, social and economic turmoil. However, we wish to remain positive and optimistic of a fast recovery process through collective efforts. Hence, for the IsDB Group, participation in events like the Aid for Trade Global Review provides that opportunity, where we can think and discuss collectively on the best ways and means to move forward.

The challenging environment of the global economy, brought about by a succession of shocks such as the 2007-08 global financial crisis. The commodities cycle, which until a couple of years ago fueled growth in some countries, has now turned down, leaving many economies struggling with budgetary and current account deficits. Any hope for continued growth now heavily relies on structural economic reforms for diversification and fiscal sustainability.

The share of total exports and imports in IsDB member countries' GDP between 1997 and 2013 went from 40% to 60%, as the volume of international trade grew at an annual average rate of 5.6 %, nearly twice as fast as world GDP. However, international trade growth slowed measurably to less than 3% per annum in 2015.

Consequently, the increased level of uncertainty and volatility, combined with persistent fragility in some countries, requires greater operational vigilance and better risk monitoring from international financial institutions. At the same time, the new sustainable development agenda has to be at the core of all activities to ensure impactful growth and development. IsDB member countries face five key economic and financial challenges:

i) an extended period of low commodity prices;

ii) the slow down or stagnation of international trade;

iii) the rising global cost of capital;

iv) recurring episodes of financial market turmoil and capital flow reversals; and

v) increasing socioeconomic fragility.

All these thematic dimensions are well reflected in the Group's 2020 Vision, where one of the Key Eight Strategic Thrusts is to "Facilitate Integration of Member Country Economies among Themselves and with the World".

In pursuance to this vision, the IsDB Group has contributed by reducing economic barriers, synergizing member countries' strengths and potentials for mutual benefit, and opened new doors for wealth creation. Through our strategic vision we also support the smaller and vulnerable economies to bear the pressure from the challenges of the multilateral trade.

In addition, the IsDB Group adopted a 10-year Strategy framework (2016-2025). This framework, which was introduced at the request of the 57 IsDB member countries to achieve inclusive, equitable and more sustainable development, has three overarching goals: inclusiveness, connectivity and development of the Islamic financial sector.

The objective of "**Connectivity for Growth"** stems from IsDB mandate in promoting cooperation among its member countries in various forms, both in terms of private sector and public sector cooperation to enhance trade, investment, knowledge, and capacity development. It aims at strengthening economic ties (notably through trade, transport infrastructure, and crossborder investment) and promoting other forms of cooperation (including facilitating knowledge exchange) between member countries.

The IsDB plans to achieve regional integration objectives by integrating soft and hard interventions in member countries. With regard to regional connectivity, the Bank will take a twopronged approach; that is to facilitate development of regional infrastructure networks in energy, transport and communication sectors; and promote trade and transport corridors in different sub-regions.

Infrastructure operations continue to receive the largest share of IsDB financing, with the transport sector receiving the largest allocation of infrastructure financing in the past two years. In 2015 and 2016, total IsDB operations in the transport sector amount to US$1.92 billion, and US$1.6 billion constituting approximately 30 % of the IDB project financing.

In line with the IsDB vision for infrastructure development, IsDB continues to focus on regional transport networks that facilitate the integration of its member countries in Africa and Central Asia with the regional and/or global economy. These networks include both roads and rail, with approximately 70% of the IsDB Transport Portfolio in 2016. Moreover, with the official global endorsement of the Sustainable Development Goals in 2015, the IsDB transport and infrastructure interventions are now being designed with the SDG targets in mind.

IsDB member countries envision trade as a key growth engine. This model has proven to be effective as Organization of Islamic Co-operation (OIC) intra-trade grew from 10% a decade ago to 20% in 2015. At a global level, economic conditions have started to improve for emerging and developing markets, including OIC economies, as GDP growth is set to increase from 3.5% in 2016 to 4.3% in 2017.

The IsDB group continues to support member countries in trade-related areas, with the ultimate objective to facilitate trade among its member countries with the world. In addition, support is also provided to modernization of trade facilitation institutions for deeper integration. IsDB Group is providing important support in the areas of simplification and harmonization of customs documentation and procedures, as well as technical assistance and training of officials.

The IDB Group has been active for decades in trade development activities. The Group provides a large range of technical assistance for trade facilitation and promotion, capacity building and supply chains development. It also provides long term financing of large infrastructure projects such as roads, rails, ICT cables and lines, optical fiber, electricity interconnections and pipelines needed to increase connectivity and regional integration. For instance, the IsDB group is very much involved in the promotion of the Trade Facilitation Agreement and its entry into force. The Islamic Trade Finance Corporation (ITFC) is also very active in WTO-led initiatives, whether these are regular consultations, like the WTO Expert Group on Trade Finance, or large-scale projects, such as the Aid for Trade Global Review.

The IsDB group always gives special emphasis to regional projects and for the promotion of intraOIC trade and intra-OIC investment. For this purpose, among other things ITFC champions are the flagship trade programs like the Arab-Africa Trade Bridge Program that seeks to enhance and increase trade between the two regions. The ITFC manages also the Aid-for-Trade Initiative for Arab States (AfTIAS), on behalf of a group of multilateral and bilateral donors. This initiative aims at developing the competitiveness and the capacity of Arab countries' trade sector.

IDB Group recognizes that sustainable development in any member country requires a significant role for the private sector actors. In this regard, since its establishment in 1999 - the Islamic Corporation for the Development of the Private Sector - the private sector arm of the IDB Group, has invested more than US$5 billion in areas like advisory activities to enable private sector actors, particularly SMEs to expand their production frontiers, achieve economies of scale and enhance the competitiveness, which altogether contribute to their trade activities.

The Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC) was established in 1994. ICIEC was with the objective of increasing the scope of trade transactions of its member countries, and to facilitate foreign direct investments into these countries.

ICIEC trade credit and investment risk insurance products enable the connectivity of business communities within its Member Countries and worldwide.

We all recognize that development and development effectiveness is an evolutionary process and our efforts need to be persistent, well planned, and coordinated. Going forward, partnerships need to be further strengthened, and knowledge and experiences need to be shared across all stakeholders.

Finally, let me conclude by reiterating the commitment of the Islamic Development Bank Group to support the development efforts through the Aid-for-Trade Initiative. We also extend our hands for building of partnerships and continued cooperation.

I sincerely thank you all for your kind attention.

Remarks by Arancha Gonzalez, Executive Director, International Trade Centre

Just this morning I had coffee from Rwanda, oranges from Mexico, ham from Spain, butter from New Zealand and jam from Senegal as I browsed twitter on my 'made in the world' iPad.

This is trade in action. This is the result of increased connectivity. This is why at this 6th Global Review of Aid for Trade, we have to collectively shine a light on the importance of continuing to invest in trade-related capacity building. Not to ensure I have such a bountiful breakfast every morning of course - but to guarantee that we keep goods and services flowing and continue to help developing countries and their micro, small and medium-sized enterprises grow through that trade.

This Global Review is focused on two very important elements of trade: inclusiveness and connectivity.

Trade - inclusive trade - is an important tool for achieving the UN Global Goals. Trade creates jobs, trade provides opportunities for women and youth, trade provides quality and choice to consumers, trade links economies and communities.

At ITC, we are also aware that the benefits of trade have not always reached those who need them. Trade can make jobs obsolete and the playing field is not always level. But we are committed to supporting inclusive and sustainable trade and making it work for all. We are committed to 'good trade'. To the "good" and to the "trade".

An important part of inclusive trade is women. Empowering women, both economically and socially, leads to stronger growth and more prosperous societies.

A trade agenda which explicitly recognizes and acts on women's economic empowerment can be a strong force for inclusive growth.

This is the reason behind ITC's SheTrades initiative, a global movement that seeks to connect one million women to market by 2020 by working on seven challenges including trade policies and capacity building. I thank the many SheTrades champions who are with us today for partnering to make this happen.

There are many facets to connectivity. Top of the list is how technology has made connectivity practically instantaneous. The world is online. Almost. In many developing countries, connectivity is still sub-optimal. Despite the proliferation of mobile phones there are still far too many, especially women, who are unconnected to the information grid. And this matters for business. And this matters for making trade work for MSMEs.

ITC's research for the 'At a Glance' publication shows that women-led enterprises are 12% less likely to use email than men-managed firms which is an important proxy for internet usage. We have a responsibility to help connect the unconnected. Especially the women.

Beyond simple connectivity is the question of what do we connect to? What do MSMEs need? One of the major gaps is in trade and market intelligence. Intelligence - and not just data - is critical to help small companies know how, what and when to produce and to trade. This is why I am very happy that for the WTO Ministerial Conference in Argentina in December, ITC, UNCTAD and WTO will unveil a new 'SME Trade Help Desk'. This will be a global one-stop shop for MSMEs to access intelligence on tariffs, no- tariff measures, and more. This will be a major competitiveness tool consolidating trade-related information and making it accessible through a single entry point. This is ITC, WTO and UNCTAD making connectivity work for those at the base of the pyramid.

Connectivity is also about making the business environment work for trade and for investment. The 'single window', an electronic system which is one of the elements of the WTO Trade Facilitation Agreement, is one such example.

ITC's research has shown there is a substantial e-connectivity gap between MSMEs and larger companies. Small firms are ten times less likely than large firms to use email to communicate with buyers and suppliers, and eight times less likely to have a business website. These differences matter as being e-connected is strongly associated with growth and competitiveness.

Just take the case of Brodo Footwear, an Indonesian men's fashion company founded in 2010. In just a few years, it grew from a small company employing a handful of people to one employing over 100. The company sells directly to consumers via its website, and reported that Cloud tools and data analytics allowed it to target customers with bespoke offers, resulting in rapid sales growth.

We have seen this in our work with MSMEs across the world, where connecting them to ecommerce platforms and e-solutions payment systems has increased their sales and placed them in a marketplace where physical borders matter less and where the potential for growth is impressive.

We have seen Rania, an entrepreneur working with Syrian internally displaced women reach markets in Switzerland and beyond through e-commerce; Anna, from Let's Sequoia, a Rwandan start- up selling biodegradable coffee capsules online; Oumar, a young Senegalese entrepreneur who has set up a logistics company in Dakar to manage the distribution of products traded online; Zineb, a young Moroccan selling argan oil and cosmetics providing an income for hundreds of farmers in the southern region of Morocco through getting onto the digital highway. The power of 'digital' for MSME growth is not a myth!

This is why it is so important that the WTO looks at facilitating e-commerce.

ITC has just surveyed thousands of MSMEs on the ground to have a better sense of the challenges they face to e-trade.

Logistics are still a major bottleneck for MSMEs with the cost of logistics in the final price of etraded goods being twice as high in developing countries than in developed countries. Speedy implementation of the Trade Facilitation Agreement can help to address this.

MSMEs also express concern about a lack of access to international e-payment solutions and they find it hard to predict whether and which duties will be applied on returned products. They are also concerned about their own lack of technical knowledge, language skills and weaknesses to raise visibility of their offering for consumers abroad. As a consequence, many firms abandon their attempts to get onto the e-commerce highway, with female-owned companies getting stuck earlier in the process than male-owned companies. I hope WTO Members look at the results of the survey to better understand what can be done to help MSMEs' e-trade.

Trade, inclusiveness and connectivity are three important components of the trade, aid and investment nexus. They are mutually reinforcing and symbiotic. But trade is a tool to achieve both of them.

Invest in trade opening, trade capacity building and 'good trade' and you are investing in that female coffee producer in Lao who uses that income to invest in her community and her family; you are investing in that small organic pineapple farm and bottling centre in Benin creating livelihoods for thousands of young Beninese; you are supporting the agri-processing value chain in The Gambia and the thousands of workers who grow the fruit, process and package the jam, brand the products and ship them to Geneva. And then, of course, you are investing in my breakfast!

Remarks by Anabel Gonzalez, Senior Director, Trade and Competitiveness Global Practice, Trade & Competitiveness, World Bank Group

Good morning ladies and gentlemen.

It is a delight and an honor to share the podium at the opening of this Sixth Global AidforTrade Review.

A special thank you to Roberto and the WTO team for hosting us this week. And thank you to my fellow panelists for the very insightful comments we've just heard.

The title of this year's Global Review. **Promoting Trade, Inclusiveness and Connectivity for Sustainable Development** - perfectly captures what I believe to be the key challenges we face in harnessing trade for development. These are more than mere words. Trade, inclusion, and connectivity are all essential and mutually supportive elements of a sustainable future.

I am delighted that my colleagues from the World Bank Group's Trade & Competitiveness Global Practice were involved in the report being issued at this year's Review. Our contribution sets out how e-trade has the potential to act as a force for development, not just in countries that are global leaders in digital technology, but in countries at all levels of economic development.

However, today I would like to step back from the details of the Aid for Trade at a Glance Report, and speak about the wider topic of the role of trade in supporting inclusion and development. and the future direction of Aid for Trade in achieving this.

Few people in this room harbor much doubt about the fact that trade can be a powerful agent of economic growth and poverty reduction. No country has developed sustainably without trading with others.

Yet there is little doubt that we meet this week in a challenging global environment, with much debate over the directions the global economy has taken in recent years and the underlying forces shaping it. Today, we are being challenged to re-examine the evidence on the role trade plays in the global economy.

At the World Bank Group, we believe the evidence is clear: When it comes to trade, we do not need to choose between inclusion and growth.

Trade has been central to the economic transformation of many countries in recent decades, leading to sustained growth and poverty reduction.

- In Vietnam, for instance, extreme poverty declined from 64 percent in 1993 to less than 3 percent today, a period that saw the country's trade grow to more than 150 percent of GDP.

- In India, with trade in services playing a central role, economic growth of between 6 and 7 percent helped reduce extreme poverty from 50 percent in 1994 to less than 20 percent in 2015.

And these numbers are not just about economics. They are about people. Less poverty means better lives for the men, women and children that call these countries home.

As well as reducing poverty, trade has helped build a more inclusive global economy. Globalization has brought developing countries from marginal to central participants in world trade. Developing countries now account for around one half of global trade. up from around one third in 2000. They absorb close to half of total foreign direct investment (FDI).

This same link between trade and global inclusion is evident when we look at global inequality in incomes. in other words, at the gap between the lowest- and highest-income people in the world. Recent research at the World Bank shows that global inequality in incomes has declined since 1990 after rising since the 1820s. The causes for this are complex, but economic openness and the global spread of technology has almost certainly played a role.

While trade has promoted a more inclusive global economy, and has helped lift millions out of poverty, we know that some people have been left behind. They are concerned that the rising tide has not lifted all boats. Along with the rapid economic shifts brought about by technological change, and sudden increases in import competition in some sectors and economies, this concern has driven the increasingly vocal concerns we have heard about globalization.

We are thus, not surprisingly, meeting at a time of rising tension in trade governance. This is triggered in part by new measures directed at shielding economies and workers from global competition. And we meet at a time when prospects for needed advances in trade rule-making, particularly at the multilateral level, remain fraught with uncertainty.

Aid for Trade has a vital role to play in helping the world community navigate these challenging waters. Aid for Trade is central to ensuring that the gains from greater engagement in crossborder trade reach everyone, everywhere.

Considerable experience has been gained since the Aid-for-Trade Initiative was launched in 2005. I would like to highlight five lessons from my perspective, while also identifying some priorities for our future work.

First, infrastructure connectivity matters. Better roads and rail, upgraded ports and airports, and investments in ICT infrastructure are all essential. However, there is today a growing awareness that the infrastructure deficit in developing countries is well beyond what can be met through traditional channels of development finance. Although the World Bank Group is bringing evergreater financial resources to bear, like our record US$75 billion replenishment of IDA, our fund for the world's poorest countries, we must ensure that every dollar goes further and we must use our resources as effectively as possible to crowd in private financing. It also means intensifying our support to improve the investment climate in developing countries to lower the risks faced by private investors.

Second, policy, regulation and institutions matter. We can only make the most of improved physical connectivity if we also improve the "soft infrastructure" of trade through reforms to:

- streamline trade;
- promote competition;
- improve transparency; and
- enhance the quality of policy design and of those implementing it.

Trade facilitation, which has been one of the fastest-growing areas of Aid for Trade in recent years, offers a prime example of how novel trade rules can be a powerful anchor to mobilize resources for development. At the World Bank Group, due to strong demand from governments, our support for trade facilitation has grown from US$322 million in 2004 to more than US$7 billion today.

Trade facilitation programs, like our more than 10-year partnership with Cambodia, demonstrate the results that can be achieved. Through reforms to improve transparency and strengthen coordination among border agencies, Cambodia cut border clearance times from 6 days to 1.4 days over just a few years, climbing more than 40 places in the Bank's Logistics Performance Index. This supported Cambodia's growing export competitiveness in manufacturing, especially in the garment sector, where 85% of the workforce is female.

Demand for support in this area continues to grow. The entry into force of the Trade Facilitation Agreement is a very welcome development, especially because of the central role assigned to Aid for Trade in the text. Our US$32 million Trade Facilitation Support Program, supported by seven donor partners, has allowed us to move quickly to support concrete Trade Facilitation Agreement reforms in 34 countries, while leveraging funding through the program to bring in more than US$460 million in additional trade facilitation funding through World Bank instruments and bilateral donor financing.

Third, upgrading competitiveness matters. This encompasses a range of "behind the border" policy areas like innovation and entrepreneurship; or skills and education. Although we don't always think of these areas as "Aid for Trade", investing in them is essential for boosting productivity, promoting gender equality and ensuring that businesses can take advantage of the opportunities presented by openness. It was one of the key reasons we established an integrated Trade & Competitiveness Global Practice at the World Bank Group. This has helped us respond to strong demand from governments for programs that bring together trade and investment reforms, with efforts to upgrade competitiveness at the country level.

Fourth, rules matter. The multilateral system underpinned by the WTO provides a critically important global public good in the form of a predictable, rules-based, environment so that crossborder commerce can thrive. A lack of stability and rules would significantly undermine our efforts to protect the weakest and the most vulnerable. As World Bank Group President Jim Kim stated at the G20 Summit only days ago - along with DG Azevedo and IMF Managing Director Lagarde - now is not the time to introduce barriers to trade. Instead we must look for opportunities to step up trade reforms in all available theaters, at the WTO as well as in preferential agreements and national efforts. Such efforts must be directed at developing rules that address the constantly evolving new dimensions of trade and investment while also tackling long-standing distortions in areas like agriculture.

Finally, managing the process of adjustment matters, because trade and investment liberalization can often entail adverse distributional consequences. If left unaddressed, these costs can sap public support for policies of openness. Trade-related adjustment assistance has been a very small part of overall Aid for Trade to date, including in our own assistance. I believe that we need more discussion through the Aid-for-Trade Initiative on why this is the case and what can be done to scale up support in this area. I believe that we need to approach the process of adjustment not just in terms of managing costs but in building the resilience of economies and workers to participate in an open global economy. Here again, skills, education, and infrastructure are all essential ingredients, as experience teaches us that open, growing economies where new jobs are created are much better equipped to deal with adjustment than those that are uncompetitive and stagnant.

Through action in each of these five areas, I believe that Aid for Trade can help us ensure that trade continues to support economic growth and development while also fostering inclusion.

Of course, all this will need to be done in partnership, if we are to succeed. Aid for Trade must be looked upon as a value chain: its effective design and delivery requires the active contribution of a multiplicity of development partners, from international organizations at the global and regional levels, to the donor community, the private sector and a host of other key actors in academia and civil society. That is why gatherings like this Global Review are so important. they present an opportunity to take stock of progress so far and to tackle the challenges that still remain.

I wish you all the best for this year's Review and look forward to our discussions over the next few days. Thank you.

SESSION 1: Opening Plenary Panel "Promoting Trade, Inclusiveness and Connectivity for Sustainable Development". Organizer: World Trade Organization

MODERATOR

› **Catherine Fiankan-Bokonga,** Journalist, Correspondent of France 24, VicePresident of the Association of Accredited Correspondents at UN and of the Swiss Press Club

PANEL DISCUSSANTS

› **Philip Bennett,** First Vice President and Head of Client Services Group, European Bank for Reconstruction and Development

› **Pierre Guislain,** Vice-President for Private Sector, Infrastructure and Industrialization, African Development Bank

› **Bambang Susantono,** Vice-President, Knowledge Management and Sustainable Development, Asian Development Bank

› **Dimitris Tsitsiragos,** Vice President, New Business, International Finance Corporation

› **Dominik Ziller,** Director-General, International Development Policy, Federal Ministry of Economic Cooperation and Development, Germany and Chair, Development Working Group, G20

› **Antoni Estevadeordal,** Manager, Integration and Trade Sector, InterAmerican Development Bank

› **Kati Suominen,** Founder and Chief Executive Officer, Nextrade Group; Chairwoman of TradeUp Capital Fund and World SME Forum Board Member

The second panel of the opening plenary session featured a moderated discussion. The discussants reviewed the actions being taken to promote trade, inclusiveness and connectivity for sustainable development by the G20 under the German Presidency, by multilateral development banks (MDBs) and by the United Nations. Specific themes discussed included:

- Development initiatives launched by the Germany G20 Presidency to build resilience, improve sustainability and assume responsibility;
- How the MDBs are leveraging resources through collective action and outreach to private sector investors in publicprivate partnerships to promote the development of infrastructure as an asset class for institutional investors (as encapsulated in the Billions to Trillions agenda); and
- The challenges facing MSMEs, both in terms of digital connectivity and securing financing for trade operations. 58% of SMEs' requests for trade finance are rejected, against 10% for multinational companies. With the contraction of international networks of banks post-economic crisis, trade financing has become more difficult and a financing gap of the order of some US$1.4 to US$1.6 trillion (10-15% of the global market) has emerged.

Dominik Ziller, Director-General, International Development Policy, Federal Ministry of Economic Cooperation and Development (BMZ), Germany and Chair, Development Working Group, G20 outlined the development initiatives launched by Germany under its G20 Presidency to build resilience, improve sustainability, and assume responsibility. He referred to the G20 presidency motto "shaping an interconnected world" and noted that Germany had used the G20 Presidency to stress the benefits of trade openness. Germany promoted free and fair trade and a rules-based multilateral trading system with the WTO at its core.

To realize the full potential of trade for development, he noted six factors: (i) the importance of investment (both local and foreign). Here he gave the example of the "Compact with Africa", an initiative within the G20 finance track, which aims to improve the conditions for sustainable private sector investments in infrastructure and economic participation and employment. He stressed the ownership of these plans by African states and their alignment with the Africa 2063 agenda; (ii) social and ecological standards for the broader population to benefit from trade; (iii) removal of non-tariff barriers (NTBs). He referenced Germany's "Marshall Plan for Africa" which defines new corner stones for renewed cooperation between Africa and Europe, and how it also included significant elements on NTBs; (iv) vocational training to have a work force in place to provide qualified labour for investors; (v) technical standards that supported market access opportunities, including through quality infrastructure; and (vi) inclusion of women, especially in the digital sphere. He made reference to the G20 e-Skills for Women and Girls Initiative, an important initiative to bridge the gender gap. Only 20% of ICT training places were currently filled by women. Lastly, he mentioned the importance for more and better trade with Africa. Mr Ziller noted that with the G20 partnership with Africa, it was the right time to go forward with regional integration, trade facilitation and quality infrastructure. He concluded that more development was possible through trade.

During the discussion, Mr Ziller suggested that the Addis Ababa Action Agenda had been a contract undertaken on behalf of an absent third party (i.e. the private sector). The challenge was to really engage with the private sector. Public-private partnerships were promising, but would not generate the financing necessary to mobilize the trillions of dollars in financing required. As such, he further emphasized the importance of investment-friendly procedures to bring in the private sector. He stressed the possibility of creating win-win situations that made the case for both business and development needs. Here he highlighted the importance of putting a reliable tax system in place, doing away with unnecessary bureaucracy, addressing corruption and putting in place technical mechanisms for investors, such as one-stop shops and digital approaches. He underscored that the plan was to crowd in private investment. He identified the importance of derisking investments, by taking guarantees, leveraging through structured finance, and taking first losses. An important element of this process was finding solutions as to how to better create local currency financing. He recalled that Germany was one of the largest Aid-for-Trade donors. Germany's Đ5 billion per year in Aid-for-Trade spending offered an opportunity to crowd-in private money and make trade happen. Mr Ziller concluded with a strong appeal to the donor community to ensure that the multilateral development banks were equipped with the capital financing necessary to meet this challenge.

Kati Suominen, Founder and Chief Executive Officer, Nextrade Group, Chairwoman of TradeUp Capital Fund and World SME Forum Board Member remarked that she was impressed by the German G20 Presidency's support to digitalization. She emphasized the promise of digitalization and e-commerce for SMEs as it allowed the movement of goods and services with much greater ease, at lower cost and with greater speed. She highlighted the possibility of microwork sites for job creation quoting the McKinsey estimate that some 540 million new jobs would be created through microwork sites by 2020. This required an enabling environment that facilitated connectivity, online payments and e-commerce logistics. In terms of the next steps, she called for prioritization of digitalization and the uptake of e-commerce. She also noted the need for more analytical work and surveys on the needs of business, and the need to further cross-country learning in digital and e-commerce development. She indicated it was important to look into the numerous initiatives to determine what worked and then to scale these initiatives that were producing good results.

Ms Suominen noted the promise of public-private sector partnerships given the interest of ecommerce firms in expanding the digital market. Here she noted that there were numerous initiatives being taken by the private sector to develop e-commerce markets, often with long time frames and that contained exactly the triple bottom line characteristics that donors were looking to finance. She suggested that donors could try to scale these projects developed by the private sector. Digitalizing supply chain financing through technologies such as block chain was another area that she suggested that multilateral development banks examine. Micro financing solutions were also essential for SMEs and an area where multilateral development banks could partner with fintech and online financing companies.

Antoni Estevadeordal, Manager, Integration and Trade Sector, Inter-American Development Bank (IADB) picked up on the G20 Declaration and underscored the importance of preferential trade agreements and trade agreements being open, transparent and compatible with WTO rules. The Latin American case offers a good example on how this can be done. He referred to the Pacific Alliance between Mexico, Colombia, Peru and Chile, an agreement to eliminate tariffs and to harmonize rules of origin. He noted that members of the Pacific Alliance were already looking to build on the existing, innovative agreement amongst them by concluding agreements with other countries outside the region, building on the concept of an associated state a status that Australia, New Zealand, Singapore and Canada intended to pursue through negotiations beginning in September 2017.

Mr Estevadeordal highlighted the ambitious roadmap that the Pacific Alliance members had designed for an agreement with Mercosur. an agreement that would change the dynamics of regional integration in the Latin American region. He also stated how the Pacific Alliance members were implementing interoperability of the single window, which is important for the operationalization and practical implementation of the Trade Facilitation Agreement. Lastly, he mentioned that the Pacific Alliance members were looking beyond trade issues, at such topics as digital economy, financial integration, building infrastructure and investments. In closing, he underscored the importance of focusing on SMEs and the need to start thinking about innovative mechanisms. In this context, he referenced IADB's Connect Americas platform that was used by 25,000 Latin American MSMEs.

Pierre Guislain, Vice-President for Private Sector, Infrastructure and Industrialization, African Development Bank (AfDB) stated that the African Development Bank lent more than US$11 billion per year to both governments and to the private sector. He noted that many development solutions required both private and public sector interaction. He emphasized that Africa, a continent of more than 1.2 billion people, was too fragmented to take advantage of globalization. Of the 54 countries on the continent, 19 had populations of less than 5 million people. Development solutions to support Africa taking full advantage of trade opportunities, of digital development, of global integration needed to support African regional institutions and countries by developing stronger regional integration opportunities. Much of the work of the AfDB was related to regional and global transport infrastructure connectivity that served major international corridors.

Mr Guislain argued that it was not enough though only to support physical infrastructure soft infrastructure issues also had to be addressed so that infrastructure resulted in trade and investment outcomes through reduced time and cost. Regional integration was critical, and remained a core objective of the African Development Bank. He identified national regulations and policies that do not align well with the opportunities of the 21st century as an impediment to growth in regional trade. National policies, including those adopted in the digital domain and that typically dated back to when the internet had first been developed, needed to be more overhauled to be much more open, less telecoms-centric and more digitally focused. Mr Guislain reiterated the need to connect and strengthen Africa's disparate local capital markets. In closing, he stated that in the absence of a capital-strengthening, the AfDB would soon have to scale back lending operations.

Bambang Susantono, Vice-President, Knowledge Management and Sustainable Development, Asian Development Bank (AsDB) recalled the progress on poverty alleviation made in Asia and the Pacific. a region home to 4.5 billion people. Between 1991 and 2015, 90% of people in the region had moved from low income to middle income status. To promote trade in the region, AsDB targeted an efficient, reliable, and sustainable infrastructure focusing on three dimensions. The first dimension was physical connectivity. Transportation networks connecting to global supply chains were required to promote the seamless, efficient and reliable movement of goods and people. AsDB research suggested that the Asia Pacific region needed to invest around US$26 trillion until 2030 on infrastructure or some US$1.7 trillion annually. Available funding from all multilateral sources currently amounted only to some 2.5% of this total. It was clear that this financing needed to leverage additional finance, collaborate more and attract private sector for the development of physical infrastructure. The second dimension he emphasized was the importance of institutional connectivity. This related to harmonizing procedures, rules, regulations and laws, especially in such areas as customs, immigration, quarantine and security to enable the efficient movement of goods and people. The AsDB was working in this area through a series of subregional programmes in order to promote institutional connectivity, such as the Greater Mekong Delta Sub-region and Central Asia Regional Economic Cooperation and South Asia Subregional Economic Cooperation programmes. The third dimension to AsDB work was connecting market actors. This approach targeted trade stakeholders and focused on capacity building and knowledge sharing, and creating platforms to link trade actors. He outlined the various financial instruments that AsDB used to support member countries such as policy-based lending and private sector operations. Lastly, he emphasized the importance of supplementing these three aspects of physical connectivity with digital connectivity.

Commenting on private sector involvement in development financing, Mr Susantono emphasized that government needed to retain an important role. An AsDB study on infrastructure showed the government still dominated the financing of infrastructure and public goods. Government also had a key role to play in creating the regulatory environment that would crowdin private sector investment, by developing regulations that provided more certainty and clarity for the private sector. AsDB investments in private-public partnerships worked towards a "triple win". The first win was for the infrastructure users in terms of better quality and affordable infrastructure. The second win was for the public where funds previously targeting infrastructure could be allocated to education and health, thus providing fiscal space for public goods. The third win was in terms of development outcomes. He also commented on the role of SMEs in economic development and the shortfall in trade financing that amounted to US$900 billion in the Asian and the Pacific region. AsDB was doing a lot to improve trade financing support available for SMEs so that they could provide more jobs, increase women's participation in the economy, and promote equitable distribution of the dividends of growth.

Philip Bennett, First Vice President and Head of Client Services Group, European Bank for Reconstruction and Development (EBRD) provided a short overview of the EBRD an institution that had been formed in 1992 to deal with what he termed a politically defined region, i.e. the former Soviet Union and the Soviet-influenced countries that surrounded it. At the time, these countries had been inward-looking, disconnected, and their borders were not conducive to cross-border trade or travel. This constrained interconnectivity all the way from Asia through to Europe. The EBRD had been formed at a time when the market economy was the order of the day and its focus was set on the private sector, supporting market-orientated investment and development. EBRD invests about US$10 billion annually across 36 countries, mobilizing private sector capital for the benefit of private sector development. EBRD operations focus on market economy development that promoted competiveness, inclusiveness, green and environmentally friendly and well-governed economies. The EBRD promoted integration of the region to overcome the barriers created before it came into existence, i.e. physical, energy, communication and travel barriers. Banking systems in EBRD member countries in the early 90's were opaque, inwardlooking and state-controlled. After the 1998 financial crisis, this situation had deteriorated further and EBRD had launched its Trade Facilitation programme in response. Over the past 17 years, the Trade Facilitaion programme has conducted 20,000 individual transactions, and financed approximately US$14 billion of actual trade finance - much of it with small entities. Some 70% of its trade finance operations were under US$1 million in size and focused on providing access to finance guarantees for SMEs and building capacity. A big challenge he noted was a regulatory one for correspondent banking relationships as many partner banks were concerned about security and transparency legislation relating to financial flows. Some 50% of EBRD's banking partners stated that they were concerned about being cut-off from the global corresponding banking network. The EBRD's goal was to ensure these banks were connected and able to keep trading.

Commenting on the need to leverage private capital, Mr Bennett emphasized that EBRD did not provide concessional financing and as such did not need additional financing. The EBRD's goal was to find ways to leverage private sector capital into projects. Over the last 25 years, EBRD had succeeded in financing projects worth Đ360 billion with investments reaching just Đ115 billion. a ratio of 3-1. EBRD's approach had evolved to leverage private sector capital from pension funds and insurance companies. He gave the example of a project with the WBG's Multilateral Investment Guarantee Agency to finance an infrastructure project in Turkey, where the EBRD had provided liquidity guarantees on the greenfield element from capital investors. The EBRD was now trying to replicate this approach elsewhere in the EBRD region. In Africa and in Latin America, the multilateral development banks were using their special expertise to combine and create an instrument that would attract capital market investors. The challenge was to de-risk greenfield infrastructure investments in developing markets.

Dimitris Tsitsiragos, Vice President, New Business, International Finance Corporation (IFC) emphasized the role of the private sector in achieving the "billions to trillions agenda". He stated that the challenge was not finding financing, but how to marshal funds to support "bankable" projects. Multilateral development banks were trying to leverage this financing by developing a set of principles that crowded in private investment and maximized resources for the poor. Official development assistance (ODA) had plateaued at about US$135 billion a year, and could decline. He stated that much had been done in the last 15 years to lift people out of poverty, but a different model was needed that mobilized a far greater amount of private sector capital than in the past, combined with knowledge and technical expertise about countries and economies. Regulatory environments had to be created to enable the private sector to invest, particularly to the benefit of poor countries and poor people. The G20 had approved a set of principles to help multinational banks crowd-in private investment and maximize resources for the poor. principles that provided a framework for the multilateral development bank.

Mr Tsitsiragos outlined the WBG's goal as seeking to attract the commercial capital that was needed for development by developing and operationalizing a new approach to development finance that supported the G20 principles. This implied an increased and more systematic emphasis on upstream reforms at the country and sectoral level. Country ownership of these reforms was essential, together with a determination to focus concessional and public resources where it had the greatest impact. The WBG was also working at developing instruments that would de-risk investment and make it easier for the private sector to invest. At its core the idea was to put the private sector at the heart of development with the objective of maximizing finance for development while minimizing public sector debt and contingent liabilities. He called this the "Cascade Approach". This approach implied identifying a problem and seeing if private sector financing was available to pay for it. If not, then the WBG worked with the government on reforms that would make it less risky to invest. If this option was not available, then public-private partnerships could be attempted. The use of public funds was considered a final resort. He concluded by noting that the aim of this approach was not to displace the public sector, but to ensure that public financing was invested in sectors that needed it most. e.g. in the social sphere.

In the discussion, Mr Tsitsiragos noted that when it came to connectivity and SMEs, integration into Global Value Chains (GVCs) was important as it improved standards and created more access to markets. Of particular importance was to support SMEs as they created more than 90% of jobs in developing countries. Furthermore, he emphasized that if the environment was not right, then investment would not take place, or it would take place in a manner that was not sustainable. Mr Tsitsiragos closed the session by underscoring the need to talk about benefits of trade across the world with evidence that illustrated how trade could be of benefit to all.

SESSION 2: Thematic Focus: Sustainable Development Goals "Aid and Inclusive Trade: Financing Trade Connectivity and the SDGs". Organizer: World Trade Organization

MODERATOR

› **Julia Nielson,** Head, Development Division, Trade and Agriculture Directorate, Organisation of Economic Co-operation and Development

PANEL DISCUSSION

› **Tofail Ahmed,** Minister of Commerce, Bangladesh

› **Achille Bassilekin,** Permanent Secretary, Ministry of Commerce, Cameroon

› **Khurram Dastgir Khan,** Minister of Commerce, Pakistan

› **Ann Linde,** Minister for European Union Affairs and Trade, Sweden

› **Neven Mimica,** Commissioner of International Cooperation and Development, European Commission

› **Khemmani Pholsena,** Minister for Trade and Industry, Lao People's Democratic Republic

› **Grete Faremo,** Under-Secretary-General and Executive Director, United Nations Office for Project Services

› **Zhang Xiangchen,** Ambassador, Permanent Representative to the World Trade Organization, People's Republic of China

Successive Aid-for-Trade monitoring and evaluation exercises have highlighted that Aid for Trade can contribute to the achievement of the 2030 Agenda on Sustainable Development. This message emerged strongly again from the 2017 monitoring exercise, particularly with respect to the achievement of Sustainable Development Goal (SDG) 9 on industry, innovation and infrastructure, SDG 8 on decent work and economic growth, and SDG 1 on eradicating extreme poverty.

Integrating the 2030 agenda into Aid-for-Trade actions is an on-going task. Much action is already on-going both by developing countries and their development partners to tackle the issues targeted by the Sustainable Development Goals. Since its launch in 2005, the AidforTrade Initiative has been working to bring out the trade dimension to these needs and support to address them. The 2030 Agenda overlays these areas with a global framework and targets. Eradicating extreme poverty lies at the core of the Agenda. a target to which the multilateral trading system contributed strongly in the context of the Millennium Development Goals.

The 2030 Agenda is universal. It requires action by all. It also requires financing. Funding to meet the ambitious impacts outlined in the 17 SDGs. Resources are needed to ensure that the multilateral trading system continues to contribute to the eradication of extreme poverty. A key finding of the 2017 Aid for Trade at a Glance publication is that the better the physical and digital connectivity is, the more it contributes to market access, financial inclusion, women's economic empowerment, and poverty reduction.

The funding gaps to support physical and digital connectivity are daunting. Leaving no one behind requires investment to support the development of physical and digital network infrastructure to promote trade connectivity. The Addis Ababa Action Agenda provides a global framework for this action. On-going actions are needed by governments to mobilize resources. Another key finding of the AidforTrade monitoring and evaluation exercise is the growing focus on collaboration between the public and private sector to leverage aid to meet the sustainable development agenda.

Against this background, the session explored how the trade dimension to the SDGs can be financed and how Aid for Trade can be used to catalyze the funding needed to achieve the 2030 agenda.

Keynote Address: Neven Mimica, Commissioner of International Cooperation and Development, European Commission

Thank you for this opportunity to discuss the importance of trade, in supporting our efforts to deliver the 2030 Sustainable Development Agenda.

Since it was launched in Hong Kong more than ten years ago, the World Trade Organization's Aid-for-Trade Initiative has succeeded in raising awareness of the importance of boosting trade in our overall development efforts.

No country has ever developed without trade. And Aid for Trade has become an important tool to help countries overcome the obstacles which prevent them from engaging in, and reaping the benefits of, international trade.

Aid for Trade has ensured - and indeed increased - predictable flows of financing to help address these trade-related and productive capacity constraints. Since 2007, the European Union's total Aid for Trade has increased by 85 percent, reaching over Đ13 billion in 2015. Collectively we are by far the biggest Aid-for-Trade donor worldwide, contributing a third of the global total.

As another illustration of our commitment, I will sign three new contracts today for a total of more than Đ15 million. Đ5 million to support a network of trade advisers in African, Caribbean and Pacific countries and regions. And a Đ10 million contribution to the Enhanced Integrated Framework. our common partnership platform for the least developed countries.

However, there is no time for complacency. While deeper trade liberalization has helped to lift hundreds of millions of people out of poverty worldwide, the benefits have not been felt equally among people, regions and countries. especially those less able to adapt to change and competition.

Other urgent persistent and emerging challenges often compound the negative impacts associated with globalization. From climate change, human rights, and gender equality, to insufficient employment and education for young people, and economic growth which does not reflect demographic changes.

More than three-quarters of people in our partner countries are experiencing levels of inequality higher than they were 25 years ago. In 2015, the 48 least developed countries represented less than one percent of global exports in goods and services. And their trade deficit in exports was 14 times bigger than it was in 2006.

The reasons are numerous - and often relate to a lack of industrialization, regional integration, and diversification of economies, from a strong dependency on primary commodities, to more value-added activities. It also relates to domestic resource mobilization and redistribution mechanisms, which can still be improved for more fair and inclusive growth.

There is a clear need to improve the implementation of trade schemes by the least developed countries, and to better target support to productive investment. Sustainability should be more than ever at the heart of our action in favour of investment and trade. And, let's face it when it comes to sustainability, we are all developing countries.

We need to ask ourselves therefore whether the current Aid-for-Trade Initiative is still fit for purpose. The new 2030 Agenda for Sustainable Development is indeed a game-changer, in setting the framework for addressing the global challenges we face. Its aims, as such, are not new. But the complexity and interdependence of the 17 Sustainable Development Goals and their 169 targets, will require a smarter approach to mobilize all available instruments and means of implementation. And this includes more effective links between Official Development Assistance, trade and investment policies.

For our part, since the adoption of the 2030 Agenda, we in the European Union have been reviewing our policy frameworks, and in particular our development cooperation. Just over a month ago, the Presidents of the European Commission, Parliament and Council signed a revised European Consensus on Development - a new joint vision applicable and binding for the European Union institutions and our 28 member States.

It shows our renewed determination to work more effectively together, to adapt to new and emerging challenges and opportunities. It calls for an integrated approach. And it promotes crosscutting drivers, which have the potential for transformative change across the board, including trade and responsible investment. It looks at the impact and potential synergies between our development efforts and other policies. like trade, but also climate change, security, humanitarian aid and migration.

More than all of this, the new Consensus reaffirms our support for the multilateral system. And shows our commitment to play a leading role in honouring the pledges we made as an international community in 2015 - at a time when global leadership, ambition and solidarity are more important than ever.

Following the new European Consensus, the European Union and our member States are reflecting on how our joint 2007 European Union Aid-for-Trade Strategy can also better adapt to the new global framework. This reflection is in line with the European Union's revised "Trade for All" strategy presented in 2015. And a reflection paper we launched earlier this year on "harnessing globalization."

Our overall objective is to achieve greater impact in our Aid-for-Trade actions, while ensuring that trade can become a more effective enabler of sustainable development. More concretely, I believe we need to act around the following four strands:

Firstly, to increase the leverage of Aid for Trade we need to reduce the fragmentation of our operations and promote integrated, yet differentiated responses. We need to better connect Aidfor-Trade actors - in particular the private sector - and policy instruments, such as trade agreements and financing tools.

The EU will support our partner countries to take better advantage of our trade policy measures. where more than 39 developing countries are now covered by free trade agreements and over 90 benefit from unilateral preferential trade schemes.

We will also shortly start putting our new European External Investment Plan into action, which seeks to maximize the development impact of existing and new funding instruments. The new Investment Plan builds on our successful experience over the last decade of blending European Union grants with loans or equity from public and private investors.

The new Investment Plan seeks to build on this success, by targeting private investment in particular, in Africa and the European neighbourhood, particularly in fragile and risky environments where it would not otherwise flow. With a more systematic and strategic combination of financial, technical and policy support, the Investment Plan aims to channel typical Aid for Trade, improve the overall business environment, and create the right conditions for greater trade and investment opportunities and outcomes.

Secondly, we should also address in an integrated manner the new realities of trade and investment. This includes addressing traditional and emerging trade and productive capacity needs. such as trade policy, trade facilitation, or sanitary and phytosanitary measures.

However, at the same time we should seize the potential to incorporate truly sustainable development, for example, by supporting fair and ethical trade, more responsible supply chains, inclusive business models, gender equality, human rights, and labour and environmental standards.

Thirdly, we should better tailor Aid for Trade according to partner countries' different trade and productive capacity-related needs and specificities, and support the necessary reforms.

And finally, we must be guided by more effective and operational monitoring and reporting. We need to have a clear picture on the impact of our actions - what is working, and what can be improved or adapted.

We need to shift from focusing on quantitative inputs, to considering qualitative impacts at scale. in terms of increased trade, investment and employment. After all, Aid for Trade is about helping create lasting economic growth and decent job opportunities, in particular for women and young people. Ultimately, it's about more than aid, and more than trade. It's about supporting everyone's right to live in prosperity, security and human dignity.

Thank you very much for your attention. And as always, the European Union will remain a committed partner in these efforts.

Tofail Ahmed, Minister of Commerce, Bangladesh opened the discussion segment of the panel in reply to a question on financing for the Sustainable Development Goals and especially for physical and digital connectivity as a critical challenge in the trade agenda. In reply, he presented his Government's plans to meet current and future investment needs for physical and digital connectivity through the 7th five-year plan for the period 2016-2020. This policy had been devised to incorporate the 2030 SDGs and the eight goals set out in the national Bangladesh Vision 2021. Other actions taken by the government included an implementation strategy that mapped responsibilities of ministries and divisions by individual SDG targets and a data gap analysis for the SDGs. He explained that the implementation of the 7th five-year plan required some US$490 billion in financing. with an estimated 70% coming from private investment and 20% from public investment. Bangladesh faced challenges to mobilize the resources needed to implement the plan. As the economy was growing steadily, there was scope to identify new ways of leveraging financing for development which should not necessarily lead to a build-up of debt.

On specific aspects of the 7th five-year plan, he stated that on physical infrastructure it was clear that the government's development budget would not be sufficient to satisfy needs. The 7th five-year plan foresaw an increase in demand for transport investment from 1.6% of GDP in the baseline year to an average of 3% in the following years. In the energy sector there was a large gap, and investment needs were challenging. Total requirements in this sector reached 2.5% of the GDP annually, of which the public sector would cover only some 1.7% per year on average. Private sector investment in the energy sector for 2015-2020 would be mainly pursued through public-private partnerships (PPP) and should account for at least 1% of GDP per year in this period. The 7th five-year plan aimed to substantially increase the amount of PPP investment from an average of about 0.2% of GDP in 2015 to somewhere between 1.2% of GDP per year thereafter. Minister Ahmed emphasized the importance of turning Bangladesh into a "digital economy", with the 7th five-year plan focusing on strengthening ICT skills; investing in research and development; greater transparency; and responsible local governance, amongst other areas. The Minister also commented on Bangladesh's positive on-going cooperation with the EU.

In the question and answer session, Minister Ahmed noted that mobile banking in Bangladesh was well advanced. Digital Bangladesh was a reality and the government was giving importance to ICT development. Aid for Trade was important, but if the remaining key countries offered Duty Free Quota Free treatment to LDCs, there would be no need for Aid for Trade in his opinion.

Khurram Dastgir Khan, Minister of Commerce of Pakistan reported one of Pakistan's major breakthroughs was the transparent and open auction of its 3G and 4G services in 2014, unleashing a flood of connectivity across the country. Broadband penetration in Pakistan leaped from approximately 3 million users (mainly homebased, landline connected) in 2014 to 44 million today (mainly through smartphones) currently. For the last three years, telecom operators in Pakistan have to give up 1.5% of their revenue into a "universal support fund" to help finance connectivity in unserved and under-served rural areas. High digital penetration is enabling Pakistan to start thinking deeply about e-commerce. There is now a need to take up regulatory frameworks for e-payments and mechanisms to provide e-financing to MSMEs. Minister Kahn noted that Pakistan views e-commerce as an avenue to rural sellers to trade internationally. With assistance from the European Union and the World Bank, Pakistan is designing a regulatory framework to take e-commerce forward. Beyond digital connectivity, Pakistan is also working towards energy connectivity. Minister Khan noted the "Kasa 100 project" bringing 100 megawatts to Pakistan, Afghanistan, Tajikistan and Kyrgyzstan and the "TurkmenistanAfghanistanPakistanIndia Pipeline" (TAPI Gas Pipeline). Minister Khan also outlined the China-Pakistan Economic Corridor. a collection of transportation and energy infrastructure projects currently under construction throughout Pakistan, with support from China. He noted the geopolitical importance of connectivity with China by providing access for Central Asia to the Arabian Sea. It is not just Aid for Trade that works, trade concession can also be used to have very positive consequences. Pakistan has been afforded trade concessions for 10 years by the EU through the programme of special incentives for good governance and sustainable development.

During the question and answer session, Minister Khan highlighted that in a few years, ecommerce would change the landscape and the role played by banks in international trade. Pakistan was a leading member of the Friends of E-commerce for Development group at the WTO. One of the items being discussed was whether or not a common platform could be put together where e-commerce could take place particularly for small transactions to be traded across border without major bank interactions. Regulations currently put in place for banks would have to be looked into closely to reflect the changing trade landscape. E-commerce will become more and more important and the WTO is trying to catch up in terms of regulation. One interesting discussion is whether some groups of countries including LDCs could come together to create a joint e-commerce platform. Currently e-commerce in Pakistan is "e-ordering". where consumers purchase something on their phones to be paid in cash upon delivery. It would be highly beneficial if mobile e-payment solutions could be provided for those consumers. He suggested that one of the biggest gaps in optimally using Aid for Trade was in selecting the most dynamic domestic entrepreneurs and training them to trade internationally. There was a lack of institutions to vet domestic entrepreneurs and hold their hand to connect to the international market.

Khemmani Pholsena, Minister for Trade and Industry, Lao People's Democratic Republic noted that as an LDC, Lao PDR faces major development finance challenges. To meet physical and digital needs, Lao PDR is focusing on two areas of work: first, determining approaches to mobilizing ODA, and secondly, focusing on private investment facilitation. On mobilizing ODA, the government had established a platform to support a "dialogue process". with 10 Sector Working Groups under a Round Table Process. This is the main forum for policy dialogue between the Government and its development partners. For instance, the Trade and Private Sector Working Group had improved the business-enabling environment by providing a platform for a structured and ongoing public-private dialogue between the Government and the business community, and provided feedback and inputs on various government policies affecting the private sector. On attracting domestic and foreign investment, Lao PDR is focusing on three strategic pillars: further integration into the trading system, improving the business environment and enhancing competitiveness. Minister Pholsena suggested that physical and digital connectivity were both important for SME development. Trade facilitation is also vital in reducing trade costs. Finally, Lao PDR is currently developing and e-commerce law.

Achille Bassilekin, Permanent Secretary, Ministry of Commerce, Cameroon references his country's contribution to the Aid-for-Trade monitoring exercise, in which Cameroon had evaluated trade facilitation as one of its main Aid-for-Trade priorities. Cameroon had used aidfor-trade facilitation support to: establish its national Trade Facilitation committee; digitize its international trade procedures; meet standards for accessing foreign markets; and draft a new framework law on digital trade. At the core of Cameroon's national digital strategy was bridging the persistent access divide that affected the country in both its urban and rural territories. This remained true in spite of an upsurge in telecommunication operators that had recently entered the national market. Mr Bassilekin also highlighted that some 6,000 kilometres of fibre-optic cable had been laid, but cautioned that a further 8,000 needed to be laid to service the population. He argued that Aid for Trade could help Cameroon further digitize its international trade procedures, to align with international markets, and to adjust to new economic partnerships. One such partnership was being negotiated with the European Union. The EU supported Cameroon and its neighbours in furthering their regional integration through enhancement in transport infrastructure and through support to competitiveness.

Financing needs remained significant, particularly on account of falling commodity prices. In many African countries, commodities accounted for more than 70% of export revenue. Aid for Trade could play a role in mitigating the effects of commodity price effects. Because of the sheer size of the needs, Aid for Trade was likely to remain needed for many years to come, particularly if an alternative form of financing, either from the private sector or from donors, was not mobilized. Finally, he stressed the importance of e-money and linked it to the development of the informal sector. Formalization of informal electronic transactions could play an important role in enabling tax collection to support countries' transformational processes towards development.

Ann Linde, Minister for European Union Affairs and Trade, Sweden outlined how Sweden was bringing the private sector into its development financing and using aid in a catalytic way. She emphasized the role of "partnerships" in achieving the 2030 Sustainable Agenda, the need to find innovative financing and to partner with the private sector. She highlighted a few of SIDA's initiatives including: the SIDA Load Guarantee Instrument, SEDFUND (green investments), SIDA challenge funds and Swedish Leadership for Sustainable Development. In this regard, she outlined how more than 20 of the leading companies in Sweden had placed "sustainability" as part of the core agenda in order to assist meeting the 2030 Sustainable Development Agenda. She emphasized the importance of digital technology and ICT more broadly to attain the SDGs.

Sweden is actively seeking to make ICT and digital technology widely accessible to all, regardless of socio-economic factors. Basic conditions had been established in the 1990s with the phasing out of state monopolies which stimulated competition, growth and innovation in the ICT sector. The increased use of digital solutions in the public sector was another example of where Sweden is making a difference. The Swedish Government has developed a new broadband strategy with a view to making digital connectivity accessible to the whole population by 2025.

During the question and answer session, Minister Linde emphasized that donors did not have enough money to finance implementation of the SDGs. UNCTAD had calculated a gap of US$2.5 trillion to implement all the

SDG-related sectors. She cited the challenge as how to attract businesses to invest.

Zhang Xiangchen, Ambassador, Permanent Representative to the World Trade Organization, People's Republic of China profiled China's contribution to South-South development with a special focus on infrastructure, e-commerce, investment facilitation and trade facilitation. No trade could take place without the necessary infrastructure. This had prompted China to launch its well-known "Belt and Road Initiative" in 2013, a vast infrastructure project focusing on connectivity (including a series of overland and overseas corridors) across Eurasian countries. Another successful initiative was a railway program through which the products from Ethiopia could be delivered to the port of Djibouti, and then exported to the rest of the world. An affordable and reliable high-speed broadband infrastructure was also a necessary condition for countries to participate in e-commerce. Partnering with the private sector was key in this regard. He mentioned Huawei Technologies' experience in actively helping countries in their ICT development plans, and how Huawei had built more than half of wireless network base stations and 70% of the LTE high-speed mobile networks in Africa, and trained over 30,000 ICT personnel on the ground.

Investment facilitation was also key in that it helped host countries to attract the necessary investors and investments for their industrialization and ICT development plans. He underlined China's continued commitment towards South-South cooperation and development aid. Speed of transaction was key to ensuring trade facilitation. For instance, in 2017, China provided three sets of mobile container/vehicle examining systems for Tanzania, which had significantly improved the efficiency of customs clearance. In addition, the time spent on customs clearance of the agricultural products exported from Kazakhstan to China had also shortened by 90% as a result of trade facilitation. In 2016 alone, China had carried out more than 30 Aid-for-Trade programs, ranging from infrastructure construction of ports and roads, to capacity building for inspectors, and trained more than 3,000 officials from over 40 countries.

In the question and answer session, Ambassador Xiangchen stated that e-commerce was both an opportunity, and also a challenge. Aid for Trade could help seize the opportunities. but capital was limited. To achieve sustainable development, a business-friendly environment was a precondition. Combining domestic efforts and Aid for Trade would help achieve inclusive trade and sustainable development.

Grete Faremo, Under-Secretary-General and Executive Director, United Nations Office for Project Services explained that the 2030 Agenda is all about implementation, ensuring a sustainable future and inclusion. UNOPS is the operational arm of the UN with a focus on "implementation" of plans and projects, particularly in the most fragile states and conflict states. UNOPS ensured that ODA is used as efficiently as possible. She emphasized how UNOPS was the only UN agency with an explicit mandate to help build infrastructures, often doing so in fragile or conflict states. She stressed the need to attract and work with private capital for sustainable and more equitable development. In this regard, she stated how UNOPS had helped connect companies to governments and built capacity as well as innovation centres. For instance, currently, UNOPS operated three global innovation centres in China.

UNOPS had also signed partnership agreements with several academic and private institutions over the past year, such as Columbia University and MIT. This cooperation helped foster innovative solutions to assist UNOPS with implementing projects. Under-Secretary-General Faremo stated also that UNOPS was working with top tech companies to determine how to use artificial intelligence for innovative solutions. If UNOPS could find better solutions for payments, a lot would be saved in official development assistance. Currently, there were high losses due to currency conversions.

During the question and answer session, **Hamat Tallah, Representative of the Permanent Mission of Chad** commented that digital trade was an inescapable reality. Most vulnerable economies, such as LDCs, had to be proactive in driving their economies towards more modern ICT facilities. In this context, an important gap remained, at least in the case of Chad, and there were many more questions than answers. It was also evident that for countries in similar situations, bridging the gap in physical infrastructure would only be a first step towards progress. In Africa for instance, the digital economy was flourishing and had an important potential for growth. However, large corporations had crowded out markets, with little scope remaining for smaller players. With regard to the measures that fragile countries could implement in order to reap the benefits of digital trade, he commented that he found the case of Pakistan instructive.

Paul Batibonak, Representative of Cameroon, stressed the importance of digital trade as a game changer. for policy makers and users alike. and asked if Aid-for-Trade investments would suffice to bridge the digital divide. He also questioned if rule-making, which typically imposed obligations rather than promoted capacity-building, would improve the situation or in fact exacerbate it. By his estimation, new rules could serve in fact to further deepen the digital divide, not to close it. He also questioned if Members would benefit from the necessary policy space to develop industrial or digital policies and if new rules would be developed in the context of regional frameworks or within the confines of the WTO.

SESSION 3: Side event: "Digital Trade: How the private sector is improving efficiency, transparency and inclusion". Organizer: Australia

MODERATOR

› **Alisa DiCaprio,** Research Fellow, Asian Development Bank Institute

PANEL DISCUSSION

› **Jeremy Chee,** General Manager, Strategy and Business Development, 1Stop

› **Sandra Ernst,** Chief Executive Officer, Smart Funding

› **Shana Fatina,** Founder, ORA Dive Komodo

› **Chad Morris,** Manager, Investment and Tourism, Pacific Islands Trade and Invest

› **Mark Staples,** Group Leader Software Systems, Data61, Commonwealth Scientific and Industrial Research Organisation

OVERVIEW

The objective of this session was to discuss how, in digital trade, the private sector was improving efficiency, transparency and inclusion. Private sector experts from Australia, Indonesia, the Philippines, Singapore and the Pacific region participated in the panel. They described some of the challenges faced by SMEs engaging in digital trade. These challenges consisted primarily in the lack of internet access (*de facto* restricting access to digital financial technologies and investment), complex government regulations, and inadequate investment policies. Based on their experience, speakers then offered actionable policies aimed at encouraging secure, inclusive and efficient implementation of future trade.

Short summary

Trade is being disrupted. Over the past five years, technologies introduced by the private sector have made the process more inclusive and efficient. E-Documents, blockchain, and fintech are just a few of the ways that digital trade processing can support development goals. But much of this innovation is happening in silos. As a result, it is not always evident how governments can encourage the development and uptake of new approaches to trade facilitation. This panel introduced the concepts of some of the new technologies being used in trade facilitation. Speakers from the private sector discuss their use of electronic processing for port logistics in the Philippines, blockchain for Single Window and working capital lending to SMEs. The objective was to offer actionable policies, based on private sector experience that can encourage secure, inclusive and efficient implementation of the next chapter of trade.

Summary

Alisa DiCaprio, Research Fellow, Asian Development Bank Institute introduced the session by recalling that Aid-for-Trade donors sometimes struggle with identifying the specific business needs of SMEs and to help them to tackle day-to-day problems.

Sandra Ernst, Chief Executive Officer, Smart Funding introduced her Singapore-based fintech company that hosts an online investment platform that connects potential investors with SMEs that are too big for micro-finance, yet too small to interest banks. Her company conducts the credit assessment of SMEs, reviews their business history and puts all the relevant information on the platform, where investors can evaluate and consequently, invest in SMEs and their projects. As most of SMEs are unaware of the existence of such technologies and opportunities, governments have a role to play in educating them.

Jeremy Chee, General Manager, Strategy and Business Development, 1-Stop discussed how his firm provides solutions to improve container traceability. The solution consists in switching the format of the documentation used for containers along the supply chain. Previously done on paper, the information is now electronic, and more importantly, shared among trade partners along truck routes. This represents some 350 million messages to date, savings of around US$200 million for firms but also for governments who see a better use of the existing infrastructure. Another specific improvement was brought at the port of Manilla, Philippines. Traffic became so bad along the road to the port that it was damaging the economy. Putting in place a simple technological solution, akin to the ones used in airports, in collaboration with the Government, streamlined processes at the port of Manila, thus reducing trade costs. The solution is now being rolled out in all the ports of the country.

Shana Fatina, Founder, ORA Dive Komodo, an ITC SheTrades entrepreneur, discussed the benefits brought by digital trade on the popular destination island of Komodo, Indonesia. The rapid development of technology has impacted tourism in the region. Visitors have increased from 60,000 to 150,000 per year with a larger and growing proportion of Indonesian visitors who now represents 30% of all visitors. Digital trade has improved the professionalism of not only how the tourism experience is delivered, but also of how marketing is done with the use of digital media. Despite the efforts of the Government to develop digital literacy in citizens, the area still suffers from lack of connectivity and inadequate infrastructure. Digital trade has improved trade by reducing information asymmetry. Instagram and other social media have attracted additional tourists as they can access other visitors' positive evaluations.

Chad Morris, Manager, Investment and Tourism, Pacific Islands Trade and Invest runs a programme called Digital Tourism which, since 2012, had built 250 websites in 14 countries. In 2016 alone, the revenue generated equaled US$5.5 million. The point of the programme is to build the capacity of the tourism sector, provide website facilities, and equip them with digital marketing. This initiative is motivated by the importance of tourism in the region. In 2016 alone, tourism spending reached US$1.5 billion, a much needed income to drive up growth and job creation in the region with multiple effects on the local economy and positive impacts on the livelihoods of people, in particular women.

Mark Staples, Group Leader Software Systems, Data61, Commonwealth Scientific and Industrial Research Organisation presented blockchain, sometimes called distributed ledger technology. Blockchain is a technology in its early stage of penetration into the trade sphere, (e.g. in the area of supply chain). Industries are adopting the blockchain technology to ensure transparency in supply chain transactions and to trace the history of products, hence preventing imitations and malpractice. Reliable data on products can be secured through the application of blockchain technology, which in turn helps businesses to establish food safety, build their quality brand and secure trade. A number of developing countries have already been using blockchain. In Georgia, for example, it has been used for land titles and to developing land registry. In Indonesia, it has been introduced to implement a sustainable supply chain for tuna fishing.

In the question and answer session, a comment was made about the volume and complexity of governmental regulations relevant to digital trade. These regulations often contradict each other between and among different levels of governmental authorities (local, state, federal etc.), sectors of the economy (tourism, industry, information and communication technology, etc.) and countries. Given the fast pace of change in digital trade, governments should have practitioners and professionals of digital trade who understand the nature and the essence of the industry and come up with pragmatic solutions. Access to internet and digital trade in developing countries should be facilitated through the right investment policies. Investment in telecom and finance was considered vital by some participants.

Other comments focused on how many new technologies require more than a single ministry or agency to regulate - and the good practice of data sharing was not consistently taken. Data protection, privacy and sovereignty were all challenges. In these, as in other areas, governments had a role to play. For instance, although their regulatory role was important to prevent money laundering, they needed to take into account that start-ups required special and lighter treatment. Technological systems, such as blockchain, could also contribute to the fight against money laundering, by aiding governments remove cash from circulation. It also reduced the cost of establishing new transactional relationships.

With regards to fintech, one speaker highlighted the difficulty of performing credit assessment on SMEs in such a way as to ensure that the accompanying interest rate on fintech products were risk-based. Fintech and digital tourism directly targeted SMEs. The Pacific Islands Trade and Invest digital tourism programme had a focus on women entrepreneurs. Blockchain and port logistics had less focused client bases and did not target specific groups. However, there were a number of blockchain pilots being launched in developing Asia, including a land title registry in the Republic of Georgia and bitcoin for remittances in the Philippines. Scaling technologies was mentioned as a challenge by all speakers. Fintechs faced trouble launching beyond a single market. Digital trade should be as inclusive as possible. Women and SMEs should be the target of digital revolution.

It was further noted that regulation could be a barrier to the development of digital trade. These regulations include certification (licensing) of fintech companies, anti-money laundering, data sovereignty and data privacy measures. Governments needed to work together to have common approaches on how to regulate digital trade and hold an inclusive dialogue with the private sector. Scalability was identified as one of the main issues of SMEs operating in digital trade. To address this issue, products and services of digital SMEs should be diversified; new platforms should be established to reduce the costs of logistics and connectivity. The panel closed by noting that as businesses increasingly go digital, it would be important to gather more data about them. With more data on fintech, it would now become possible to strategically analyse the periodicity and reasons for credit defaulting.

SESSION 4: Side event: "Clicks need Bricks. Promoting trade through quality infrastructure". Organizers: German Federal Ministry for Economic Cooperation and Development (BMZ), World Bank Group, United Nations Conference on Trade and Development, International Centre for Trade and Sustainable Development

OPENING REMARKS

› **Dominik Ziller,** Director-General International Development Policy, Federal Ministry of Economic Cooperation and Development, Germany and G20 Chair Development Working Group

MODERATOR

› **Reinhard Weissinger,** Senior Expert Research and Education, International Organization for Standardization

PANEL DISCUSSION

› **Shamika Sirimanne,** Director, Division on Technology and Logistics, United Nations Conference on Trade and Development

› **Erik Wijkström,** Counsellor, Trade and Environment Division, World Trade Organization

› **Hermogène Nsengimana,** Chairperson, Pan African Quality Infrastructure and Secretary General, African Regional Organisation for Standardisation

› **Joachim H. Ullrich,** President, German National Metrology Institute

› **Wafa'a M. Aranki,** Senior Private Sector Specialist Business Environment, World Bank Group

› **Bernardo Calzadilla-Sarmiento,** Director for Trade, Investment and Innovation, United Nations Industrial Development Organization

› **Deborah Vorhies,** Managing Director, International Centre for Trade and Sustainable Development

OVERVIEW

The ability to participate in global trade depends increasingly on compliance with quality standards and technical regulations of export markets. The inability to demonstrate compliance with these standards and regulations often translates into significant technical barriers to trade.

While IT and connectivity. "clicks". offer great trade potential, basic quality infrastructure "bricks". are still essential to market access. A well-functioning and reliable quality infrastructure system. consisting of standardization, metrology, testing, quality management, certification and accreditation. is increasingly becoming a *sine-qua-non* for trade. Yet, this basic support system is not always available or fully-functional in developing countries. In consequence, small and mediumsized enterprises either incur high costs and lengthy procedures to acquire the necessary services abroad or are prevented altogether from exporting. Therefore, the development of an internationally recognized quality infrastructure is crucial for a country wanting to connect to global value chains.

The event discussed solutions adapted to a country's specific needs that do not require every country to establish and maintain a fullfledged quality infrastructure. It presented existing offers of technical assistance for quality infrastructure within the framework of the Aidfor-Trade Initiative and highlighted the options and possibilities for countries looking to lay the necessary "bricks" for trade.

Short summary

The session addressed the importance of quality infrastructure (QI) in light of the growing challenge to comply with quality standards of export markets. QI, consisting of standardization, metrology, testing, certification and accreditation, has become fundamental for proving this compliance and thus, for trade. Opening the session, Dominik Ziller (BMZ) reflected on the role of QI as one priority of the German Aid-for-Trade Strategy. The growing importance of QI was further highlighted by UNCTAD. 85% of Non-Tariff Measures are today related to SPS measures or TBTs. While their products may comply with these measures, companies are unable to prove this because QI is lacking. Conformity assessment is crucial for creating trust in product safety, especially in global value chains. According to WTO, trade concerns are increasingly related to conformity assessment by QI. Joachim H. Ullrich (PTB) emphasized that not every country should establish a fullfledged QI. Instead, burden-sharing and division of labour within regions prove to be more efficient. An example for Panafrican cooperation on QI was then given. The World Bank presented its market-driven approach to QI reform, relying on a thorough assessment of existing capacities and demand and prioritizing accordingly.

Summary

UNIDO shared its experience of developing and implementing a National Quality Policy that should guide the governance of a QI system. ICTSD put the need for QI into the broader context of sustainable value chains, highlighting the challenges of standards compliance and the role of Aid for Trade. The final discussion confirmed the growing importance of QI for free trade.

In his opening remarks, **Dominik Ziller, Director-General International Development Policy, Federal Ministry of Economic Cooperation and Development, Germany and G20 Chair Development Working Group** reflected on Germany's experience as the largest bilateral donor in the area of quality infrastructure and the role of quality infrastructure as one of the corner stones of the new German Aid-for-Trade Strategy.

According to **Shamika Sirimanne, Director, Division on Technology and Logistics, United Nations Conference on Trade and Development**, 85% of Non-Tariff Measures are today related to SPS measures or TBTs. While the quality of their product may in fact be good, companies are prevented from exporting when they are not able to provide the necessary proof due to a lack of quality infrastructure. In order to bring down trade costs related to SPS Measures and TBTs, Ms Sirimanne proposed to focus on harmonization and mutual recognition of standards and regulations between countries, strengthening the international standards regime, creating more regulatory transparency and integrating quality infrastructure into Trade Facilitation activities whenever standards and testing procedures are concerned.

The importance of conformity assessment for creating trust in product safety, especially in global value chains, was highlighted by **Erik Wijkström, Counsellor, Trade and Environment Division, World Trade Organization**. Quality infrastructure is necessary to make conformity assessment possible. At the WTO, more and more trade concerns are today related to conformity assessment such as testing, inspection and certification, which is provided by quality infrastructure. While it is difficult to put an exact number of the gains of having quality infrastructure in place, the costs of not being able to prove the quality of one's products are all too tangible.

Joachim H. Ullrich, President of the German National Metrology Institute (PTB), responsible for implementing quality infrastructure projects on behalf of the German government for 50 years, presented PTB's systemic approach to the development on quality infrastructure. He emphasized that not every country can nor should establish and maintain fully-fledged quality infrastructure. Therefore, PTB advocates for approaches of burden-sharing within regional networks and division of labour between neighbouring countries.

An example of this type of regional cooperation was given by **Hermogène Nsengimana, Chairperson, Pan African Quality Infrastructure and Secretary General, African Regional Organisation for Standardisation,** with reference to the Panafrican Network of Quality Infrastructure (PAQI).

Wafa'a M. Aranki, Senior Private Sector Specialist Business Environment, World Bank Group presented their approach to quality infrastructure reform, relying on a market-driven approach of assessing a country's existing capacities as well as demand and prioritizing reforms accordingly. Ms Aranki announced that World Bank and PTB are currently developing a toolkit on quality infrastructure reform that combines a diagnostic tool and a reformer's guide to quality infrastructure.

Bernardo Calzadilla-Sarmiento, Director for Trade, Investment and Innovation, United Nations Industrial Development Organization presented UNIDO's experience of developing and implementing a National Quality Policy that should guide the governance of a national infrastructure system. Emphasis was on consumer orientation and the real needs of the private sector in creating infrastructure that is fit for purpose.

Deborah Vorhies, Managing Director, International Centre for Trade and Sustainable Development placed the need for quality infrastructure within the broader context of sustainable global value chains. One of the roles that Aid for Trade can play in this respect is to support an internationally recognized infrastructure that provides the necessary conformity assessment.

The presentation was followed by a lively question and answer discussion that confirmed the growing importance of infrastructure for reaping the benefits of free trade. Issues raised in the course of discussions included: concerns on the increased trade burden on SMEs dues to the fragmentation of standards and certification requirements; private standards; the role of services trade in infrastructure development; and the importance of regulatory cooperation.

SESSION 5: Side event: "Tourism for Development in Least Developed Countries". Organizers: Enhanced Integrated Framework, International Trade Centre, United Nations World Tourism Organization

KEYNOTE ADDRESS

› **Márcio Favilla Lucca de Paula,** Executive Director, United Nations World Tourism Organization

MODERATOR

› **Dale Honeck,** Counsellor, Trade in Services Division, World Trade Organization

Joint presentation EIF-UNWTO-ITC:

› **Ratnakar Adhikari,** Executive Director, Enhanced Integrated Framework

› **Zoritsa Urosevic,** Representative to the United Nations in Geneva, United Nations World Tourism Organization

› **Marion Jansen,** Chief Economist, International Trade Centre

PANEL DISCUSSION

› **Joe Natuman,** Deputy Prime Minister and Minister for Tourism, Trade, Commerce, Vanuatu

› **Axel M. Addy,** Minister of Commerce and Industry, Liberia

› **Armand Tazafy,** Minister of Commerce, Madagascar

› **Deepak Dhital,** Ambassador, Permanent Representative to the World Trade Organization, Nepal

› **David Walker,** Ambassador, Permanent Representative to the World Trade Organization, New Zealand

› **Paul Akiwumi,** Director, Division for Africa, Least Developed Countries and Special Programmes, United Nations Conference on Trade and Development

OVERVIEW

This side event launched the joint EIF/UNWTO/ITC study "Tourism for Development in Least Developed Countries: Mobilizing and Coordinating Resources for Tourism with the Enhanced Integrated Framework".

Tourism is one of the largest and fastestgrowing service sectors, representing nearly 10% of the world's gross domestic product and 30% of global services exports, providing one out of every eleven jobs in the world. As an export category, in 2015 tourism ranked third after fuels and chemicals. Tourism now represents 7% of the least developed countries' total exports of goods and services, and for non-oil exporters, the figure stands at 10%.

Tourism's role for sustainable development has been emphasized in the Sustainable Development Goals and 2017 declared the International Year for Sustainable Tourism. As shown in the study that was presented in this session, the vast majority of Diagnostic Trade Integration Studies also emphasize the large potential of tourism for increased and more diversified trade.

The session discussed how donor co-ordination, collaboration between tourism and trade stakeholders and smart design of support programs can contribute to building tourism activities in least developed countries that are economically, socially and environmentally sustainable. The World Tourism Organization and the International Trade Centre work with the Enhanced Integrated Framework to design and implement a new generation of tourism export strategies to sustain such efforts.

Short summary

The launch of the joint EIF/UNWTO/ITC report entitled "Tourism for Development in Least Developed Countries" marked a significant milestone for the International Year of Sustainable Tourism for Development. Following a presentation on key recommendations from the report, LDC Ministers, Ambassadors and Development Partners shared their experiences on how tourism contributes to job creation, economic growth and development.

Summary

In his keynote speech, **Márcio Favilla Lucca de Paula, Executive Director, United Nations World Tourism Organization (UNWTO)** stressed the importance of tourism in achieving all 17 Sustainable Development Goals, particularly goals 8 (inclusive and sustainable economic growth), 12 (sustainable consumption and production) and 14 (sustainable use of oceans and marine resources). The UN nominated 2017 as the International Year of Sustainable Tourism for Development, aiming to support a change in policies, business practices and consumer behavior towards a more sustainable tourism sector. Mr Favilla noted the importance of tourism for LDCs representing 7% of total exports of goods and services. Forty-five out of 48 Diagnostic Trade Integration Studies (DTIS) analyzed for the report include tourism as a key sector for trade development. While 11% of the EIF investment portfolio for the productive capacity-building projects is focused on tourism, capturing trade-related technical assistance towards tourism remained a challenge because tourism and trade tend to fall under different line ministries. Mr Favilla stressed that achieving inclusive and sustainable growth in the LDCs would require leveraging additional resources for tourism. The EIF, UNWTO, and ITC could all contribute through increased co-ordination and collaboration in designing and implementing tourism export strategies.

Ratnakar Adhikari, Executive Director, Enhanced Integrated Framework (EIF) noted that tourism's under-representation in international financing for development flows remained a critical obstacle to unlocking its full development potential. Despite its wide-reaching and welldocumented socio-economic impacts, tourism still received insufficient attention as a tool for development (between 2006 and 2013, only 0.09% of total Official Development Assistance (ODA) and 0.4% of total Aid-for-Trade disbursements were reported by donor countries to be allocated for tourism). Mr Adhikari cited key tourism-related findings from the DTIS identified in the study: i) need for a full integration of tourism into national development plans; ii) more consultations with private sectors and tourism sector employee representatives; and iii) need to improve assessments on climate change. He also noted that the trade community considered the DTIS as a useful vehicle for better understanding tourism-related issues and that national tourism stakeholders viewed the DTIS as a successful trigger for new and fresh thinking with regard to tourism.

Zoritsa Urosevic, Representative to the United Nations in Geneva, United Nations World Tourism Organization reiterated that tourism ranked third in the world export earnings category, accounting for 10% of global GDP, 7% of world exports and 30% of services exports. In 2015, LDCs received 29 million international tourist arrivals accounting for US$20 billion in exports. However, there are a number of challenges for tourism development ranging from infrastructure and access to policy regulations to investment and business environment. In order to raise the profile of tourism, Ms Urosevic provided several recommendations including tourism mainstreaming, dialogue between tourism and trade stakeholders, presence of tourism-related institutions, resource-leveraging, and initiation of sector-specific strategies.

Marion Jansen, Chief Economist, International Trade Centre noted that tourism was yet to become a major priority for donor countries, with Japan and the EU being the main tourismrelated Aid-for-Trade donors. According to donor facilitators, there was a need to ensure alignment to each country context, involve stakeholders from the tourism sector and provide guidance on how to take tourism into account in the DTIS. Ms Jansen made four recommendations: i) reinforce the involvement of tourism-related institutions with trade institutions at the national level during the formulation of action matrices; ii) raise awareness at the level of tourism ministries or relevant line ministries of the DTIS process and its relevance for fundraising; iii) initiate donor consultations by the Donor Facilitator at the formulation of the DTIS concept note; iv) facilitate mechanisms that trigger the initiation of sector-specific strategies as a direct follow-up to action matrix validation.

During the panel discussion, **Joe Natuman, Deputy Prime Minister and Minister for Tourism, Trade, Commerce and Ni-Vanuatu Business, Vanuatu** noted that tourism accounts for 40% of GDP in Vanuatu. Reconstruction of the seafront project funded by New

Zealand and the EIF would support greater inter-sectoral linkages and will contribute to the country's socio-economic development.

Axel M. Addy, Minster of Commerce and Industry, Liberia shared Liberia's experience of developing a tourism strategy as part of the post-WTO accession deliverables. He also noted that Liberia had launched a new website: http://experienceliberiantourism.com/ to raise awareness of the country's tourism opportunities.

Armand Tazafy, Minister of Commerce, Madagascar presented a video of Madagascar tourism opportunities. Half a million tourists arrived in Madagascar in 2016 and contributed 8% of GDP. Currently, the country was focusing on sustainable tourism development.

Deepak Dhital, Ambassador and Permanent Representative of Nepal to the WTO emphasized the role of public-private partnerships and resource leveraging for tourism development.

Building on Vanuatu's intervention, **David Walker, Ambassador and Permanent Representative of New Zealand to the WTO** reiterated that development of the seafront in Vanuatu enabled important linkages for infrastructure development.

Paul Akiwumi, Director, Division for Africa, LDCs and Special Programmes, United Nations Conference on Trade and Development, shared key findings of the recent UNCTAD Economic Development in Africa 2017 Report - Tourism for Transformative and Inclusive Growth. He stressed that continental and intraregional tourism in Africa is increasing opportunities for economic and export diversification by boosting the competitiveness of destinations. Finally, harnessing peace and stability for tourism is equally important, he noted.

The Q&A discussion revolved around good practices and innovative ideas related to tourism supply chains as well as the challenges facing tourism-related legal and regulatory reforms.

SESSION 6: Side event: "Inclusiveness and Connectivity Dimensions of EU-ACP Trade and Development Co-operation". Organizers: African, Caribbean and Pacific Group of States, European Union

MODERATORS

› **Viwanou Gnassonou,** Assistant Secretary General Secretariat, African, Caribbean and Pacific Group of States

› **Axel Pougin de la Maisonneuve,** Deputy Head of Unit, Private Sector and Trade-Directorate General for International cooperation and Development, European Commission

PANEL DISCUSSION

› **Catherine Krobo-Edusei,** Chief Executive Officer, Eden Tree, Ghana

› **Jane Ngige,** Chief Executive Officer, Kenya Flower Council

› **Hermogene Nsengimana,** Secretary-General, African Organisation for Standardisation

› **Tadeous Tafirenyika Chifamba,** Ambassador, Permanent Representative to the Organisation for the Prohibition of Chemical Weapons, Zimbabwe Co-President of ACP-EC Trade & Commodities Sub-Committee

The structured EU–ACP trade and development cooperation arrangements have contributed to trade growth and development in the partner countries, by:

- Enhancing the Productivity Agenda for industrialization, trade expansion, diversification, and effective integration into the global economy;
- Addressing effectively the key determinants of trade competitiveness and connectivity;
- Promoting macro-economic policies for inclusive growth, value addition and trade expansion; and
- Harnessing the blue economy.

ACP countries' greater trade integration into the EU and the global economy remains one of the key objectives. This provides greater impetus to the ACPs' sustained export expansion, effective penetration into the regional and global value chains, sustainable development, and effective negotiation of multilateral and regional trade agreements and implementation of these agreements for their benefit.

The update of the EU Aid-for-Trade Strategy aims precisely at enhancing the effectiveness and impact of Aid for Trade by linking it to investment and trade drivers such as the External Investment Plan and new Free Trade Agreements, and by addressing new realities of international trade.

Going forward, political commitment will be required to translate these trade and cooperation agendas into sound policy and modalities for effective implementation of the Aid-for-Trade commitments. As the ACP-EU partnerships demonstrate the huge gains attainable, ACP countries would, with the continued structured partnership with the European Union, endeavor to accelerate the pace of integration into the regional and global economies.

Short summary

Panellists discussed the most recent dimensions of Aid for Trade in ACP countries and how to foster connectivity and inclusiveness. For the last 60 years, trade expansion and diversification have been key areas of the well-structured cooperation and relationships that link ACP countries and the European Union. Today the Aid-for-Trade Initiative is called to address the new realities of international trade and to help ACP countries overcome the remaining barriers to accessing the global economy.

During the session, challenges were identified in several areas: logistics and digital connectivity; low level of expertise and lack of availability of skilled labour; lack of adequate infrastructure; lack of compliance with standards; high costs of certification and access to product testing facilities; lack of access to finance and ad-hoc financing instruments for SMEs; lack of awareness on the role of quality infrastructure in trade and how standards could increase the quality of production and exports; need for capacity building for companies and exporters to better understand the Trade Facilitation Agreement as well as the technical requirements for exports; sustained focus on inclusiveness and inclusion of the most vulnerable parts of populations into the economy; need for framework harmonization in the area of standards and conformity assessment procedures to foster regional integration and exchanges; and, the benefits of demand-driven interventions to design effective support programmes in response to real needs in ACP.

It was concluded that Aid-for-Trade and underlying related policies must remain connected to ACP realities. Aid for Trade also needed to adapt to the needs of ACP trade actors with a view to maximizing the beneficial impact of aid and provide further impetus for greater integration of the ACP economies into the global economy.

Summary

Viwanou Gnassonou, Assistant Secretary General Secretariat, African, Caribbean and Pacific Group of States (ACP Group) opened the session by highlighting the ACP Group's longstanding relationship with the EU. He insisted on the need to add value to ACP products to create wealth and move from the traditional approach of exporting raw products towards more sophisticated, processed goods. This new approach to ACP commodities aimed to build profitable value chains and generate revenue gains for operators. To bolster the inclusiveness and connectivity dimensions, EU-ACP stakeholders were looking forward to boosingt effective implementation of Aid-for-Trade commitments. He requested panelists to consider the following questions: What were good practices and lessons that had been learnt from EU-ACP cooperation modalities on trade inclusiveness and connectivity? Where did the future of the EU-ACP Aid for Trade lie; in enhancing the connectivity of ACP private sector actors to regional and international markets?

Tadeous Tafirenyika Chifamba, Ambassador, Permanent Representative to the Organisation for the Prohibition of Chemical Weapons, Zimbabwe and Co-President of ACP-EC Trade & Commodities Sub-Committee discussed the vision of the ACP Group of States in terms of trade and economic development and how EU support measures could help progress towards this vision. He recalled that the Cotonou Partnership Agreement stated that trade should contribute to the gradual integration of ACP states into the global economy. Trade should go further and support the equitable and balanced integration of ACP countries. The international division of labour was unbalanced with most countries supplying raw materials to others to process. Most developing countries remain suppliers, with employment available at only the lowend of the market. Generally, people failed to escape the poverty trap due to low revenue. Support to trade has usually focused on infrastructure and logistics. The focus should be on the integration of producers within international and regional value chains. There should be space to support agri-businesses, to better link Small and Medium Enterprises to global markets and to increase the volume of intra-ACP exchanges, which was key to reinforcing regional integration. In line with the SDGs, inclusiveness had to be taken into account and attention dedicated to women and youth. To improve competitiveness, producers needed help to cut costs, to improve yields, to upgrade product quality (and consistency) in order for them to access new markets. SPS and TBT requirements were also needed to be addressed. Emphasis must be put on improving competitiveness and assisting producers to enhance product quality. On sustainability, he asked how to support climate-smart technologies and preserve biodiversity. Here are some success stories in Kenya that could be replicated across the continent. On financing, he suggested that the future did not rely on donations, but on mutually beneficial relationships. Donor funding was needed, but should decrease gradually over time. ACP countries needed also to play their part, notably through their domestic policies by making affordable capital available to economic actors. The EU-ACP private sector facility was currently being reviewed. He noted that blending was not a new instrument, and it should not limit SMEs' access to funding. As such, he argued that further reflection was how to adapt adapted tools to that target group.

Catherine Krobo-Edusei, Chief Executive Officer, Eden Tree profiled her company, a Ghanaian SME, which had started doing business 20 years ago. She explained how, at the time, the only option to finance the launch of the business was a bank loan with an interest rate of 25% – a bank loan which had also been refused! In the last 3 years, Eden Tree had started to work with partners and opened the company's capital to foreign investors. Eden Tree produces, processes and packages fruit and vegetables which are sold to local supermarkets. In the words of the CEO, everybody is following Eden tree in Ghana and they must face tough competition. The main challenges she identified regarding regional and international value chain integration were: within West Africa the cost of transportation is even more expensive than trading with the EU; corruption in the capital market is prevalent; there is no access to working capital; there is low availability of skilled labour; there are weak policies at local level to enhance understanding of trade agreements in the face of weak institutions and infrastructure connectivity; and certification schemes are very costly.

The CEO explained that though Eden Tree is a well-established company, able to regularly pay taxes, it benefits from no help from the state. The introduction of minimum standards was positive but assistance was needed to comply with certifications. Hence, technical assistance and capacity building in this area were extremely important. In Ghana, production yields were low. A common issue to several SMEs was getting enough produce to supply local demand. There was a need for tailored support to SMEs to improve production techniques and therefore increase production levels and quality. In a nutshell, there were plenty of SMEs which had the ideas and the energy to be successful, but lacked some of the fundamental knowledge and access to appropriate support instruments to transform these positive dynamics into real life successes.

Jane Ngige, Chief Executive Officer, Kenya Flower Council explained that the horticultural industry in Kenya was one of the country's largest source of foreign exchange revenue. It was also a major source of employment. Exports represented 4-7% of total export revenue and 2% of total GDP. One of the major success factors of the flower industry in Kenya came from the sector's ability to meet market requirements (in terms of quality, performance and sustainability) which translated into a specific and very robust quality scheme (the Kenya Flower Scheme). The Kenya Flower Council was also considering a national standard, which, mandatory for exporters, would support the creation of a national brand. Through the scheme, the Kenya Flower Council would be able to communicate to a wide range of stakeholders and, therefore, enjoy an environment of acceptance from NGOs, civil society and labour unions. The Council was now considering expanding this scheme to fruits and vegetables. The certification system was helping expand the Kenyan flower industry. A robust traceability system was also in place that ensured production quality. Nevertheless, the cost of certification and traceability can discourage investors. Public investment was needed to lighten the producers' load and attract more finance. The amount of investment that went into compliance was tremendous. There is a lot of pressure on companies and producers to almost replace governments in building schools and providing healthcare in rural communities. These companies and producers needed support from development partners to lessen the burden that these additional costs entailed. They were unlikely to be able to continue to support small-scale farmers if they were obliged to support the entire cost of inclusiveness. As for the operators, they still needed support to increase their product quality and protect the Kenyan origin in order to reap the full benefits of the investments made so far.

Hermogene Nsengimana, Secretary-General, African Organisation for Standardisation (ARSO) argued that quality infrastructure was fundamental. Certification for SMEs was crucial today to access markets. Without it, trade was impossible. Conformity assessment was key in connecting products and markets and, in this area, QI had not been sufficiently supported so far. While in ACP countries, conformity assessment was mainly a public service delivered by national standard bodies, it was operated by the private sector in developed countries. ACP countries should be more present when establishing the standards and designing the conformity assessment procedures. It was important for ACP countries to deal with the issues faced by SMEs in terms of compliance. If not, ACP countries would never be able to deal equitably with their partners. There was a need to harmonize standards and conformity assessment procedures at regional level. Standards and QI were still not fully understood by both the public authorities and the private sector. It was key to raise awareness of the role of QI in trade and the benefits of compliance with internationally recognized standards. Many companies send product samples to the EU to be tested because it was cheaper than to reach a national or regional laboratory. if even that option was available. Connectivity should definitely be enhanced. Infrastructure was essential, but regional coherence was crucial to improve physical connectivity. Informal trade represented a very large part of the economy in ACP countries, and it was too often left behind by support programmes. How do we assess intra-ACP trade vs. global trade? How do we gather information about these dimensions and statistics? There was a need to improve systematic data collection system and make the information available and accessible. ARSO received support from the ACP-EU TBT Programme to develop an online Africa Trade Portal. In 2012, manufacturers in East Africa ranked quality infrastructure as their number one priority. ACP countries faced higher costs than their competitors and still had to face unfair competition from players which were not compliant. The fragmentation of aid and support to ACP institutions was an issue to be addressed too as it tended to weaken institutions. Donors must take into consideration the existing environment when intervening (treaties, protocols,…). A regional integration route should be preferred. Currently, negotiations for the African Free Trade Agreement were ongoing and should be soon finalized. If ACP countries moved into a free trade area, a harmonized standardization framework would be essential.

Axel Pougin de la Maisonneuve, Deputy Head of Unit, Private Sector and Trade, European Commission Directorate General for International Cooperation and Development recalled the close ACP-EU relationship, and its evolution over time. Aid for Trade had always been at the centre of this relationship. In 2015, funds directed to the ACP represented 34% of the total AidforTrade budget of the EU. ACP states were also the seventh largest economic partner of the EU (4,5% of total trade), and ranked higher than, for instance, Mercosur (2,4% of total trade with the EU). In relation to connectivity and digital technologies, the EU had recently released its new strategy "Digital for development" that would enable development policy interventions along four key priorities: (1) Digital infrastructure, (2) Digital skills, (3) Digital entrepreneurship and (4) Digital accessibility. Official Development Assistance (ODA) was not only about running initiatives but also about leveraging public sector finance to raise funds from the private sector. EU blending programmes have been in place since 2007, with a leverage ratio of approximately Ð1 for 11 (public to private). The EU external investment plan looked at neighbouring countries and Africa to attract EU private sector investments. Support to SMEs to access finance formed a core part of EU aid. Inclusiveness means that the most vulnerable populations in developing countries could benefit from globalization and escape extreme poverty. Too often, revenues from international trade only benefited a small proportion of the population. Trade must be as inclusive as possible to ensure growth and increase in the population income. The EU needed to support entrepreneurship which includes women and youth. In conclusion, reference was made to EUfunded projects in Benin that accompanied over 50 local SMEs in implementing food safety schemes. The project led to an increase in production, and in consequence, to revenue for hundreds of families.

During the question and answer session, support for ACP livestock value chains was discussed, including training for smallholder farmers to improve the quality of food production. It was noted that non-tariff trade barriers were still present. Policy support to foster mutual recognition would be extremely useful, together with support in the area of standards implementation and compliance - costs that currently were left exclusively on SMEs' shoulders. Guy Stinglhamber from ColeACP made a brief intervention to explain how they supported SMEs from the agriculture sector ACP. Through development assistance programmes like EDES and PIP, over 1500 initiatives had been implemented in support of farmers and small producers. Today ColeACPp was focusing its support to increase competitiveness and compliance with quality standards.

In closing, Ambassador Chifamba recalled that EU technical assistance was a complex process and that much aid did not reach the operators in ACP countries that really needed it the most. He concluded his remarks by asking how to ease the access for SMEs to additional funding sources. Assistant Secretary General Gnassonou closed stating that that new policies had to be implemented by the EU and ACP that were adapted to the changing environment.

SESSION 7: Side event: "How can Aid for Trade connect SMEs more effectively to value chains in green goods and services?". Organizers: European Bank for Reconstruction and Development, World Trade Organization

OPENING REMARKS

› **Philip Bennett,** First Vice President and Head of Client Services Group, European Bank for Reconstruction and Development

MODERATOR

› **Josué Tanaka,** Corporate Director, Energy Efficiency and Climate Change, European Bank for Reconstruction and Development

PANEL DISCUSSION

› **Agata Habel,**Public Relations Manager, Grupa Allegro

› **Aik Hoe Lim,** Director, Trade and Environment Division, World Trade Organization

› **Andrii Mitchenko,** Chief Executive Officer, Ecosoft SPC.

› **Syed Tauqir Shah,** Ambassador, Permanent Representative to the World Trade Organization, Pakistan

OVERVIEW

Small and medium-sized enterprises are key drivers of economic activity around the world. They could play an important role in bolstering global efforts to make economic growth more inclusive and environmentally sustainable, as envisaged by the UN Sustainable Development Goals.

The ability of SMEs to achieve better economic and environmental outcomes hinges partly on their connectivity to global markets. In particular, new and more sustainable technologies can help SMEs to improve their performance and to benefit from the rapidly growing global market in green goods and services.

Aid for Trade can act as a powerful tool to deepen the connectivity of SMEs to global value chains and help them to seize the resulting trade opportunities.

This side event, organized by the European Bank for Reconstruction and Development, in collaboration with the World Trade Organization Secretariat, aimed to identify the bottlenecks that limit the trade integration of SMEs, in particular with regard to green value chains. The session also discussed the role of Aid for Trade in helping overcome these bottlenecks, for example through e-commerce platforms.

Short summary

Moderated by the EBRD, the panel featured speakers from two of EBRD's client enterprises as well as an Ambassador to the WTO and a WTO Secretariat representative. Introducing the topic, the first two speakers highlighted the importance of growing trade in green goods, but also the challenges SMEs might face in benefitting from these trends. Both speakers highlighted the importance of supporting SMEs, by equipping them with the skills and means to respond to emerging challenges. The private sector speakers highlighted the particular role of standards and regulations, often creating a burden of compliance for SMEs, but also the potential arising from new trends such as digitalization and e-commerce.

Summary

Opening remarks were given by **Philip Bennett, First Vice President and Head of Client Services Group, European Bank for Reconstruction and Development** to set the scene, speaking on EBRD's role in supporting SMEs and promoting green production. He noted that one of the remaining challenges was the trade integration of SMEs. Climate change and digitization also presented challenges, but EBRD saw these challenges as potential business opportunities: SMEs expanded market access by selling their products online, and sustainable energy production and business practices were growth industries that provided export opportunities even to SMEs. EBRD had provided US$18 billion in direct and indirect financing to green SMEs and planned to increase these investments in coming years.

The discussion was moderated by **Josué Tanaka, Corporate, Director, Energy Efficiency and Climate Change, EBRD.** The first panelist to talk was **Syed Tauqir Shah, Ambassador and Permanent Representative of Pakistan to the WTO**. He commented on the challenges and opportunities arising from such new trends, and the need to support SMEs' ability to respond to them. **Aik Hoe Lim, Director, Trade and Environment Division WTO**, provided some further background on the growing markets in environmental goods and associated services, but raised concerns that following the "digital divide" in ICT, there would next be a "green divide" with emerging countries struggling to catch up. The EBRD had invited two representatives of client companies to discuss challenges and opportunities for SMEs arising from these two trends. **Andrii Mitchenko, CEO, Ecosoft SPC** commented on particular challenges for SMEs. Ecosoft manufactures water filters, and he discussed the challenges of accessing markets with complicated regulatory environments. **Agata Habel, Public Relations Manager, Grupa Allegro**, discussed benefits of e-commerce to SMEs. Allegro offers a sales platform to SMEs, and providing technical assistance has helped ensure SMEs are able to successfully transition into e-commerce.

Worldwide e-commerce B2C sales exceeded a US$1 trillion in 2013 and was still growing fast, underlining the importance of digital trade. However, in some countries, companies. and especially SMEs. faced limited access to the internet, knowledge and technologies. Trade in "green" goods and services had also grown fast but not equally in all countries. Participants agreed that going forward, it would be essential to prepare SMEs for future challenges in order to avoid a "green divide". Speakers especially noted the trend towards more demanding standards and environmental regulations which might be difficult to comply with for SMEs.

To promote the interaction with the audience, the organizers had asked participants at the beginning to vote on different types of obstacles for trading SMEs. "Tariffs, regulations & standards" clearly came out as the top obstacle, resonating with the direction of the speakers' statements as well as the Q&A session afterwards. Participants agreed that several points would be crucial in addressing these issues:

- First, governments and international institutions could work to make regulations more transparent and agree on common standards across countries to lower the burdens for the private sector;

- Second, global access to platforms and tools (e-commerce sites, payment systems, etc.) will be essential to enable SMEs globally to benefit from emerging opportunities;

- Finally, direct support will be essential to equip SMEs with the necessary skills and resources to face new challenges to promote stronger global integration and connectivity.

SESSION 8: Development Hub: "The Physical Dimension to Digital Connectivity". Organizer: World Trade Organization

SPECIAL GUEST

› **Andrew Blum,** Author of "Tubes: A Journey to the Center of the Internet"

MODERATOR

› **Yinka Adegoke,** Africa Editor, Quartz

DISCUSSANTS

› **Konstantinos Komaitis,** Director, Policy Development, Internet Society

› **Jean-Luc Vuillemin,** Senior Vice President, Orange International Networks, Infrastructures & Services, Orange

› **Nicolas Gresser,** Director, Regulatory Affairs, Etisalat

› **Alastair Westgarth,** Head of Project Loon, Google

› **Simon Lacey,** Senior Expert, Trade Facilitation and Market Access, Huawei

› **Vanessa Gray,** Head, Least Developed Countries, Small Island Developing States & Emergency Telecommunications Division, International Telecommunication Union

CLOSING REMARKS

› **Kati Suominen,** Founder and Chief Executive Officer, Nextrade Group; Chairwoman of TradeUp Capital Fund and World SME Forum Board Member

OVERVIEW

Many of us use the internet on a daily basis, but few of us know what it is or how it works. What is the cloud? What's the difference between 2G and 4G? What is 5G? How will it change connectivity? How has connectivity changed over time? Why do landlocked countries face specific problems? Come and ask these and all the other questions you always wanted to ask to a panel of top industry experts. Understand the physical networks that underpin digital connectivity, how they have changed and how these networks are predicted to change in the future with the advent of 5G. The panel held an interactive session with questions drawn from a live audience.

Special Guest: Andrew Blum, author of "Tubes: A Journey to the Center of the Internet" told his story about his realization that the internet was not an abstract intangible thing but an actual physical connection of wires, cables, servers and physical locations. He stressed the importance of acknowledging that the internet is a man-made network. This started when a squirrel chewed through his internet cable and prompted him to follow the cable and find out who built the internet. His enquiry lead Blum to a Western Union building in New York, one of the dozen buildings in the world where internet cables physically connect to each other through miles of fibre optic cables and routers. The internet did not happen magically, it required physical connections between networks and these connections were man-made. Someone had to plug these cables together. A similar building was located in London (Telehouse) and was a hub between East and West. Ninety-nine percent of all communication was conducted through submarine internet cables connecting countries and continents. The installation of a cable required special ships, the cables were first floated on balloons before they were sunk into the water. It is impossible to think of the internet as a cloud, one has to recognize this is a completely physical thing. Looking at the undersea cable map, each of the dots on the map requires manual labour on the seabed and shoreline.

Vanessa Gray, Head, Least Developed Countries, Small Island Developing States & Emergency Telecommunications Division, International Telecommunications Union explained how ICT technology had changed the way we live, communicate and do business. Today most people no longer went online, they were online. ICT provided enormous opportunities. The digitalization of the world had transformed the ICT industry, created new businesses and business models. In 2006, Microsoft was the only ICT company ranked in the top 10 in terms of market capitalization. By 2016, this changed to a total of 6 out of 10 companies (Google, Amazon and China Mobile, among others). Not everyone was part of this digitalized world and not everyone would benefit from the opportunities it offers. In 2016, just under half of the world population was not using internet. That was a key challenge because ICT and the internet were incredible tools for development. They increased productivity, drove innovation and provided access to services. There are many other divides such as the gender divide. People with higher incomes and education tended to have better access to the internet. A number of factors influenced connectivity. Backbone infrastructure was one. There have been incredible advances in the technology for fixed or mobile networks. Today, 95% of the world's population was covered by mobile cellular networks and increasingly people had access to mobile broadband services (85% of the world's population). But in rural areas it was much lower. High prices for internet devices and subscriptions could also constitute a barrier for accessing the internet. A further issue was language and content. Without appropriate content that was relevant to people's lives, the internet use would remain low. Users needed skills to use the internet. Education was a major issue, not just digital, but also analogue skills. She concluded by noting that every country is different and user groups faced different issues. When looking at policy recommendations to improve participation, it was important to have granular and broken down data.

Konstantinos Komaitis, Director, Policy Development, Internet Society highlighted the importance of common rules to the internet. These rules were called internet protocols. They applied to small things such as Internet Protocol numbers (IP) and to larger concepts such as the Internet Exchange Points (IXP). The data sent through the internet was pulverized into tiny blocks taking different paths. Using internet protocols devices knew how to put the information back together in the original message. Whether one particular network was overloaded or broken did not matter. The data sent would still reach its final destination because one of the major principles of the internet was that it is decentralized. Data moved from one network to another through a shared platform called internet exchange points (IXPs). Those were shared platforms where various organizations (governments, telecom operators, financial institutions, internet service providers, broadcasters, etc.) met. Traffic needed to run fast, smoothly and to facilitate the various interconnections that were taking place. This was why the IXPs were joined. The point where organisations met to exchange the traffic, lower the cost and facilitate the interconnection was called "peering". It was this multi-stakeholder model that enabled the lower cost of the selfgoverning system and for it to be safe, secure, stable and predictable. The basic principal of the internet was that it was open, decentralized and neutral. No one governed it. All of us were part of how the internet was governed. During the Q&A, Komaitis made a strong case for the free flow of data.

Nicolas Gresser, Director, Regulatory Affairs, Etisalat gave an operator's perspective on digital connectivity and explained how digital connectivity and trade were mutually reinforcing. His presentation focused on how digital connectivity could help inclusive trade and sustainable development, and how in turn trade could help digital connectivity get to the next level. Digital connectivity was a whole ecosystem that included telecom operators, application and content providers, devices (IXPs). The role that telecom operators play in that ecosystem was fundamental. They constituted an enabling platform. Without operators there was no digital service. In the last decade, we had seen many digital innovations (iPhone, ebooks, etc.) which led to an exponential and continued growth of the traffic carried by operators. The mobile industry had invested up to US$1.2 trillion since 2012 to keep up with the pace of innovation. These innovations had transformative impact on societies and individuals. An example of a service launched by Etisalat was "Mobile Baby" that helped women living in remote areas in Africa. It allowed midwives and pregnant women to keep in constant contact with physicians located miles away from their homes. This service had saved lives. The impact of mobile connectivity was broader that the health care sector and looking at the 17 SDGs, each of them was affected to a certain extent by mobile connectivity. Industry had acknowledged its responsibility and the role it played in this ecosystem and in 2016 it was the first sector to commit to the SDGs. Every year, the industry is also measuring the progress it is making against the SDGs.

The next big thing to happen would be 5G internet which was much more than just one more "G". It was a whole new ecosystem taking all the innovations made in the last decade, (cloud, IOT (Internet of Things), telecoms) and putting them together into a coherent platform. This was going to change the role of mobile operators as they would shift from being just a connectivity platform to an innovation platform. It also enabled new production models. 5G did not have to be produced domestically anymore because of the shift to a cloud infrastructure. Cloud factories would become regional hubs providing services across many different countries. For LDCs, this meant that they could benefit from 5G even though they did not have the income at the customer level to shift to 5G or the market potential because it was produced somewhere else. Trade would make this happen. But, for 5G to be able to help connectivity issues, two major policy challenges had to be confronted. The first was cross border data transfer. Data needed to flow freely from one country to another. In emerging markets, that was not possible. The second was national security. With this new model, countries would rely on each other's infrastructure and there needed to be security cooperation agreements between them.

Jean-Luc Vuillemin, Senior Vice President, Orange International Networks, Infrastructures & Services, Orange gave a history of the development of submarine cables and how they were first built in the 19th century. A plant called Pallaquium Gutta, grown in Indonesia and Malaysia, was the first natural isolation material and was used as the basis of the invention of the cable in 1843. The first cable was simply made with copper, rope and Gutta. As of 1850, cables were used to connect people and countries. Today, 99% of data flowing across the internet is transmitted by cables on the ocean floor; with the remaining 1% by satellite. Over the years, the capacity of the cable had increased a lot and made it more competitive to use than satellite. Today, there are close to 1 million km of cable. Cables continued to be installed every day, especially in the most common cable road between the US and Europe. In Africa, the driver for installing cables was less about capacity but more about connecting more countries and giving them access to the internet. It was a booming sector, and if a country wanted to invest today in the installation of cables, no ship would be available before 2019. In the past, it was mainly telecom operators that installed cables. More recently, working through a consortium had become the norm because of the high level of investment and risks associated with the operations. The price of a cable went from Ð400 million to Ð1 billion and the consortium helped to share the risk. Microsoft and Facebook had recently invested in their own cables in the Atlantic. For African countries, the value of internet cables was the same as an airport or a commercial harbour because it was a way to open a country to the digital economy. Orange had connected many African countries to submarine cables and had seen the economy booming as a result.

Simon Lacey, **Senior Expert, Trade Facilitation and Market Access, Huawei** described the development of the internet and highlighted the importance that there are two levels of activity. The first was building a network (manufacturing and selling the equipment, procurement and purchasing, installation, testing and certification work), and the second level was providing a service on top of this infrastructure (ebooks and movies, applications, etc.). Real economic activity happened in the second level. He stressed the importance of trade policy principles in providing digital connectivity: market access; non-discriminatory trade and investment regime, limiting investment reviews to only the most strategic assets, limiting the use of national security exceptions; and allowing foreign operators and investors to join local business associations. Publicprivate partnerships were key in policy development. So too was engagement with civil society.

Other issues were important when it came to developing digital connectivity, including building skills, and physical infrastructure. The e-commerce revolution in China had been made possible because the country built a road infrastructure in the last decade. Logistics were therefore key.

Alastair Westgarth, Head of Project Loon, Google discussed how Project Loon was addressing major connection and coverage challenges. Project Loon was part of X, which itself was part of Google, and aimed to give internet access to everyone. With faster and reliable internet there were a lot of things you could do. A 10% increase in broadband access was associated with a 0.5% increase in GDP. Access to wireless broadband was associated with a 50% improvement in crop yields. One in 20 Google searches in the world was on health care. Access to the internet was inequitable. In the developed world, 70-80% of the population had ready access to broadband internet, and in developing countries it was around 30-32 %. The problem was mostly coverage, and even the developed world was still 50% uncovered geographically. The cost of providing coverage in areas where there was not a low population density was extremely high. That was why Loon had been created. It was a stratospheric balloon carrying 4G connectivity, floating at 20 km in the atmosphere and covering a large area of 5,000 square kilometres of ground. The project had developed over the last 5 years and today, balloons could fly for more than 100 days. The next step was to learn how to navigate and steer them. Balloons could be sent anywhere on Earth. The team had had to learn how to make a 4G connection that was scalable. The Loon team had to be able to launch many balloons reliably, steering them and recovering them on a repeatable basis. Now a balloon could be launched every 20 to 30 minutes.

To develop the project, the Loon team collaborated with many different entities such as national aviation agencies, the ITU and governments. Alastair Westgarth cited a case study of a flood in Peru where thousands had been able to re-connect to the internet through Project X's balloons. Most recently, the balloons were flying in Latin America. They were launched in Puerto Rico and flew south with the support of countries in the region who allowed the balloons to fly, to land and to be collected. When the floods hit in Northern Peru earlier this year, the balloons were in a great position to help. They served 200GB of data to 100,000 people over an area the size of Switzerland; that was enough data to send and receive 30 million WhatsApp messages or 2 million emails. This was a huge breakthrough for Loon as balloons had never connected ordinary people at this scale before the floods. This was also a triumph of partnership between the Government and the private sector. It could not have happened without Telefonica, O3b, Level 3, Ecologistica, or the Peruvian Government - but they could not have done it alone either.

Closing Remarks, Kati Suominen, Founder and Chief Executive Officer, Nextrade Group; Chairwoman of TradeUp Capital Fund and World SME Forum Board Member To illustrate why the internet is today vital for companies to grow, Kati cited the example of a Mexican company selling goods locally to pupils and how by getting connected and using the internet services, it had grown from a little local company outside Mexico city, to a regional company in Latin America selling its products to major multinationals. But not many companies were using the internet globally. And the numbers were illuminating: 72% of companies in developing countries used email versus 94% in developed countries; 44% of companies in developing countries had a website (33% in Africa) compared to 78% in developed countries and 16% in LDCs were using ecommerce as opposed to 50% in developed countries. The gap needed to be bridged.

SESSION 9: Side Event: "Enhancing Connectivity in the Bay of Bengal Region and Beyond". Organizer: CUTS

KEYNOTE SPEAKER

- **Naindra Prasad Upadhaya,** Commerce Secretary, Ministry of Commerce, Nepal

CHAIR

- **Rashid S Kaukab,** Executive Director, CUTS International, Geneva

PRESENTATION

- **Bipul Chatterjee,** Executive Director, CUTS International

MODERATOR

- **Shamika Sirimanne,** Director, Division on Technology and Logistics, United Nation Conference on Trade and Development

PANEL DISCUSSION

- **Kazem Asayesh,** Senior Adviser on TIR and Trade Facilitation, International Road Transport Union
- **Yann Duval,** Chief, Trade Facilitation Unit, Trade, Investment and Innovation Division, United Nations Economic and Social Commission for Asia and the Pacific
- **Pranav Kumar,** Head, International Trade Policy, Confederation of Indian Industry
- **Hang Tran,** Coordinator, Enhanced Integrated Framework
- **Kamalinne Pinitpuvadol,** Executive Director, Institute for International Development, Thailand
- **Marcus Bartley Johns,** Senior Private Sector Specialist, World Bank Group

OVERVIEW

The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) comprising Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka and Thailand accounts for 21% of the world's population. Though this provides a huge potential for trade, intra-BIMSTEC trade is less than 10% of their total trade. Two crucial reasons inhibiting intraregional trade growth are: a) low levels of economic integration; and b) shortage of traderelated infrastructure, especially transport connections and transit initiatives. A key driver of trade-led growth for countries in the Bay of Bengal region lies in their ability to take advantage of economic opportunities presented by their neighbours, in terms of regional integration and trade-related infrastructural development.

This session discussed existing transport and transit initiatives in the Bay of Bengal region and their implications for trade inclusiveness and sustainable development, particularly development dimensions such as reduction in time and cost of doing trade, and employment generation. It also looked at how regional initiatives for transport and transit connectivity could be better harnessed by international instruments (such as the WTO Trade Facilitation Agreement, the TIR Convention), not just within this region but in the larger Indian ocean region and beyond."

Short summary

The main insight of the session was that connectivity initiatives could help the BIMSTEC region to harvest its true economic potential by enhancing investment and intra-regional trade, and reducing its time and cost. The panellists agreed that ensuring efficient connectivity could be done through aligning digital and physical infrastructures. They reviewed the already existing connectivity initiatives such as the BBIN (Bangladesh, Bhutan, India, Nepal) Motor Vehicles Agreement and the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) Cross-Border Paperless Trade Facilitation Agreement.

Despite a number of important initiatives, various critical issues are still impeding efficient connectivity of the region: the absence of guarantee mechanisms: misalignment between multiple initiatives; and the institutional and regulatory connectivity gaps. In order to overcome those challenges, the panellists suggested solutions to enhance intra-regional trade and investment and help achieve the Sustainable Development Goals. Doing regional studies under the Enhanced Integrated Framework initiative on Aid for Trade, aligning private and the public sectors' efforts, including a people-to-people perspective, and enhancing cross-border collaboration among regulatory agencies would be critical to ensuring the effectiveness of transport and transit initiatives.

Summary

Chairing the session, **Shamika N Sirimanne, Director of the Division on Technology and Logistics, of the United Nations Conference on Trade and Development**, underlined why connectivity should be the key driver of intra-regional trade and investment and how various forms of connectivity should work in tandem to provide maximum benefit.

Bipul Chatterjee, Executive Director, CUTS International, recalled the importance of transport and transit initiatives in a global context where connectivity was key. He started by reviewing the already existing initiatives in the region and highlighting their importance in reducing trade time and cost. That led to the assessment of strategic connectivity issues in the region such as the misalignment among those multiple initiatives, and institutional and regulatory connectivity. He then presented the CUTS connectivity project on enabling an inclusive policy and political economy discourse for trade, transport and transit facilitation in and among Bangladesh, Bhutan, India, Nepal and Myanmar. This project aims to identify the corridor-specific impediments towards the implementation of the BBIN Motor Vehicles Agreement and similar connectivity initiatives in the region - and to contribute to an effective implementation of transit protocols with an inclusive and participatory approach. Mr Chatterjee finished his presentation by offering insights about the possibility of fostering tourism and regional value chains through those initiatives.

Naindra Prasad Upadhaya, Commerce Secretary, Nepal gave keynote remarks. He recalled the important potential of the BIMSTEC region in terms of human, water and natural resources. In order to harvest its potential through investment and intra-regional trade, BIMSTEC members should further their efforts to connect transport, energy and trade. Like Mr Chatterjee, he underlined the role of existing initiatives in the region and the role of Nepal among them. He also pointed out the issue of transport costs and the still-existing digital divide, which should be bridged by enhancing the linkages between physical and digital connectivity. Furthermore, Mr Upadhaya focused on the importance of enhancing quality infrastructure to ease access to markets. He finished his speech by recalling the importance of a joined effort between private and public stakeholders.

Kazem Asayesh, Senior Advisor on TIR and Trade Facilitation, International Road Transport Union, focused on the importance of the TIR Convention, which is a globally agreed transit system, in enhancing physical connectivity among countries of the Bay of Bengal region. He addressed both the issue of the length of administrative procedures, and the efficient implementation of transport agreements, since in so many cases those agreements remained on paper. He suggested that a major reason impeding operational implementation was the lack of guarantee mechanisms, which gave guarantees to customs for duties and taxes. To overcome this gap, the TIR system provides mechanisms such as, if any irregularity took place during the journey, the TIR system provided a strong guarantee chain that supported government revenue.

Yann Duval, Chief, Trade Facilitation Unit, Trade, Investment and Innovation Division, United Nations Economic and Social Commission for Asia and the Pacific, agreed that administrative procedures were a major barrier toward efficient trade performance. In this context, he underlined the importance of the United

Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) cross-border electronic trade facilitation initiative. It consisted of using electronic documents instead of paper ones in cross-border administrative procedures. While this paperless initiative facilitated trade and decreased administrative impediments by unifying different countries' data and improving trade compliance especially in landlocked countries challenges remained due to the lack of legal recognition of electronic documents.

Tran T T Hang, Coordinator, Enhanced Integrated Framework Secretariat, detailed work that the EIF was doing in the BIMSTEC region. It consisted of analytical work, policy and institutional support through capacity building projects and Sustainability Support Grants, reducing supply side constraints by assessing e-trade readiness in Bhutan and Nepal for example, supporting LDCs to leverage additional resources for development, and promoting a gender-aware, sustainable and inclusive trade. She also addressed the possible areas for a regional-level collaboration in terms of analytical works, project formulation, policy and support mechanisms through exiting projects. At the end of her presentation, she suggested undertaking regional diagnostic studies for more effective utilization of the EIF support.

Kamalinne Pinitpuvadol, Executive Director, International Institute for Trade and Development, Thailand highlighted the role of Thailand and Myanmar in promoting connectivity in the region. He reviewed on-going regional programs to promote connectivity and advised to learn from the existing ASEAN experience. He raised issues such as the effectiveness of enforcement, and the importance of also addressing people-to-people connectivity, especially through education.

Marcus Bartley Johns, Senior Private Sector Specialist, World Bank Group offered two interesting insights in the discussion. First, and like Ms Sirimanne, Mr Chatterjee and Mr Upadhaya, he focused on the importance of joining both physical and digital infrastructure, especially trade facilitation and services. Second, he underlined the importance of addressing the connectivity issue in an inclusive and poverty-reducing perspective. In order to ensure more efficient connectivity, he suggested making assessments, which permit identifying regional priorities, and enhancing cross-border collaboration by aligning national and regional efforts in terms of mutual recognition and trade facilitation.

Pranav Kumar, Head, International Trade Policy, Confederation of Indian Industry gave a private sector voice by raising questions regarding the coordination mechanisms linking connectivity initiatives and the need to generate financial resources as a main challenge toward developing infrastructure. He also mentioned India's regional integration plans.

The discussion addressed critical issues such as the lack of the right kind of soft infrastructure on trade, and the importance of conformity assessment to international trade standards. Mr Chatterjee concluded by the impact of connectivity initiatives on people and argued that unless there was local buy-in for such initiatives, their true potential may not be realized.

Overall, this session gave interesting insights and different perspectives regarding the potential of connectivity initiatives in the Bay of Bengal region. The topic addressed is a part of a wider dialogue about the promotion of trade, inclusiveness and connectivity, which was the main theme of the Sixth Global Review of Aid for Trade.

SESSION 10: Side Event: "Financing Sustainable Transport Infrastructure and Services as a Key Enabler for South-South Trade: The Role of Development Finance Institutions". Organizers: Global Network of Export-Import Banks and Development Finance Institutions, United Nations Conference on Trade and Development

KEYNOTE SPEAKER

› **Abubakar Abba Bello,** Honorary President, Global Network of Export-Import Banks and Development Finance Institutions

MODERATOR

› **Frida Youssef,** Chief, Transport Section, Trade Logistics Branch, Division on Technology and Logistics, United Nations Conference on Trade and Development

PANEL DISCUSSION

› **MacDonald Goanue,** Director, Research and Strategic Planning Department, ECOWAS Bank for Investment and Development

› **Gonzalo de Castro,** Senior Executive, Finances, Development Bank of Latin America

› **Henrique de Azevedo Avila,** Senior Advisor, Office of the Executive Director, Brazilian Development Bank

› **Mavis Chaile,** Chief Investment Officer, Development Bank of Zambia

OVERVIEW

Transport underpins trade and competitiveness and is essential for access to markets, market connectivity, and economic integration (at national, regional and global levels).

Sustainable transport, including freight transport, is essential to realizing almost all the Sustainable Development Goals and the 2030 Agenda for Sustainable Development. Although transport is not represented by a particular SDG, it is mainstreamed across several SDGs and targets, especially those related to food security, health, energy, climate, infrastructure, cities, and oceans. This illustrates the important cross-cutting role of transport within sustainable development.

Global freight transport volumes are projected to grow threefold by 2060, driven in particular by economic growth in developing countries and between developing countries (Source: OECD). At the same time, estimates for future investment needs in the transport sector are assessed to be around US$1.1 trillion per annum worldwide over the period 2014-2025 (Source: PricewaterhouseCoopers and Oxford Economics). However, current investment flows are insufficient to meet transport needs in support of economic growth and development in many developing regions.

Based on successful experiences and opportunities, the event discussed the important role of development finance institutions in enabling and scaling-up access to finance for sustainable transport infrastructure and services development.

Short summary

The session was co-organized by G-NEXID (Global Network of Export-Import Banks and Development Finance Institutions) and the United Nations Conference on Trade and Development (UNCTAD). The purpose of the session was to discuss the importance of transport as a key enabler for trade and sustainable development and the challenge to access to financial funds from different stakeholders. South-South regions still face many challenges in the transport sector and Development Finance Institutions (DFIs) have an important role in enabling sustainable development growth through transport infrastructure development. Panelists indicated the different ways that DFIs could support sustainable transport infrastructure which include providing financial advisory assistance, project structuring, joint financing arrangements, insurance, guarantees and others. Examples were provided on how development banks are cooperating with other financial institutions and partnering with the private sector in order to ensure integration.

Summary

The session was moderated by **Frida Youssef, Chief, Transport Section, Trade Logistics Branch, Division on Technology and Logistics, United Nations Conference on Trade and Development** and co-organized by G-NEXID and UNCTAD. Ms Youssef explained that G-NEXID was created in 2006 following the UNCTAD 11th Ministerial Conference to support South-South trade and investment flows. The purpose of the session was to discuss the importance of transport as a key enabler for trade and sustainable development and the challenge to access to financial funds from different stakeholders.

Abubakar Abba Bello, Honorary President, Global Network of Export-Import Banks and Development Finance Institutions (G-NEXID) provided an overview of the transport infrastructure in South-South regions. He highlighted that transport remained critical in the regions and that its development was needed to increase trade as transport impacts on productivity, competitiveness and efficiency. He emphasized the importance of South-South regions to joining global value chains in order to add value in traded products and reduce the dependence on primary goods. This could not happen if any one particular region did not improve its transport infrastructure, especially in a sustainable manner that supports economic development and human well-being. He underscored that in order to bridge the transport investment gaps in the region, DFIs would need to scale up and develop innovative financing, looking at areas like pension and sovereign wealth funds, and develop partnerships. Areas where DFIs could support sustainable transport infrastructure included financial advisory services, project structuring, joint financing arrangements, insurance and guarantees, ensuring minimum returns where investment in PPPs were involved, advocacy, etc. He pointed out that while road was virtually the only source of transportation for intra-regional trade in Africa, there was an opportunity for investment in shipping. He remarked that transportation was the only way intraregional trade could grow and enhance participation in GVCs. Responding to a question regarding how to attract private sector investment in long-term projects, like in transport infrastructure, he recalled that DFIs could guarantee minimum returns, especially in PPP investments.

MacDonald Goanue, Director, Research and Strategic Planning Department, ECOWAS Bank for Investment and Development (EBID) shared experience on how EBID was promoting sustainable transport infrastructure in the sub-region of ECOWAS, stressing that there was no agreed definition on sustainable transport infrastructure as it depended on many factors, some of which cultural. He pointed out that intra-African trade was below the desired levels, between 11-15%, due to the lack of transport infrastructure in the region. This limited access to consumers and hampered trade. He stated that DFIs had an important role in financing transport to enable South-South trade, especially in policy additionality, financial additionality, demonstration effect, and design projects. At ECOWAS-level, projects had been in place to increase road transport network, railway and air transport sectors. He stated that EBID had invested in the transport sector in the region, by building the road network using a line of credit from the government of India, and also that transport was a priority in the institution strategic plan. He also mentioned different EBID programs for the coming years with the objectives to connect the ECOWAS region through investment in road, railway and maritime networks.

Gonzalo de Castro, Senior Executive, Finances, Development Bank of Latin America provided an outlook on the economic situation in Latin America and explained how the policies of the United States, European Union and China impacted the region. He remarked that infrastructure was a powerful tool for development and development banks had a role in financing it. In the Latin American region, there was low productivity on account of scarce transportation and logistics. Without the private sector it would not be possible to close this gap. As in the case of Africa, Latin America had low intra-regional trade and was not participating in GVCs. He explained that CAF had been growing as one of the main sources of infrastructure finance in the region using different financial instruments. They were actively cooperating with other Southern development agencies.

Henrique de Azevedo Avila, Senior Advisor, Office of the Executive Director, Brazilian Development Bank (BDES) provided an overview of the different roles that BDES play in supporting Brazilian exports. He demonstrated an example of how the Brazilian Government cooperated with the Government of Ghana in the transport sector, under the supervision of the IMF. The project was the result of two years of negotiation and Brazil had provided US$200 million. In the project participated three different Brazilian Government institutions. Ghana used its national budget to assume the local costs. He stressed the necessity of developing countries changing the institutional environment in order to facilitate PPPs to mitigate the risks of such projects. He hoped that new opportunities would be able to share the project with other local and regional financial institutions and with the private sector.

Mavis Chaile, Chief Investment Officer, Development Bank of Zambia (DBZ) provided an overview of the different functions of the Development Bank of Zambia. She stated that the DBZ had not been able to provide major funds to the transport sector, due to a lack of resources. However, DBZ had supported road construction by providing guarantees since those were short-term instruments. She explained that Zambia was landlocked by 8 countries and had many challenges in terms of transport, especially in the rail network. She pointed that out that the government was working to develop air transportation by building airports. She highlighted how most of the region's transport infrastructure had been achieved through PPPs. She stated that DFIs had a role in promoting infrastructure in advisory services, in managing and sourcing funds.

During the discussion segment, the vice-president of the Banque de Développement des Etats de l'Afrique Centrale (BDEAC) stated that DFIs had a prominent role in making the case for investment for the transport sector, especially in PPPs. African countries should focus on all the four modes of transport (air, road, rail and maritime). Mr Abba Bello agreed that more needed to be done in all modes of transport, however, in his opinion, investments should first go to the maritime sector which was the most cost-effective for trade, and then, it would make sense to graduate to other sectors.

On the presentation by DZB, Mr Abba Bello said that he preferred to see Zambia as a landlinked country and that integration with the eight surrounding markets bordering Zambia would be possible once the right infrastructure would be put in place. Also, Mr Goanue emphasized that DBZ should take part in long term projects in infrastructure to attract PPPs. Ms Chaile responded that they did not have suitable funds for those purposes and could only finance projects for up to ten years.

SESSION 11: Regional Focus Session: "Promoting Connectivity In Africa. The Role of Aid for Trade in Boosting Intra-African Trade". Organizers: African Development Bank, United Nations Economic Commission for Africa, World Trade Organization

MODERATOR

› **Uzo Madu,** Founder, What's in it for Africa?

PANEL DISCUSSION

› **Stephen Karingi,** Director of Capacity Development Dimension, United Nations Economic Commission for Africa

› **Pierre Guislain,** Vice-President for Private Sector, Infrastructure and Industrialization, African Development Bank

› **Albert M. Muchanga,** Commissioner for Trade and Industry, African Union Commission

› **Benedict Okey Oramah,** President and Chairman, African Export. Import Bank

› **Joakim Reiter,** Group External Affairs Director, Vodafone

› **Christopher Thornley,** High Commissioner to Nigeria, Canada

› **Jean Lucia Bussa Tongba,** Minister of External Trade, Democratic Republic of the Congo

OVERVIEW

This regionally focused plenary session launched the United National Economic Commission for Africa report on "Promoting Connectivity in Africa. the Role of Aid for Trade in Boosting Intra-African Trade". Discussions were based on how promoting connectivity can contribute to the implementation of Africa's regional integration, notably in the context of the Action Plan for Boosting-intra African Trade. Physical and digital connectivity could help promote effective regional integration in Africa, thereby concretely reaping the trade and development gains which the establishment of the African Union Continental Free Trade Area (CFTA) promises. Connectivity could also help expand economic opportunities particularly for women, youth and small and medium-sized enterprises as envisaged in the 2030 Agenda for Sustainable Development.

Short summary

This regionally focused plenary session launched the joint United National Economic Commission for Africa and WTO report on "Promoting Connectivity in Africa. the Role of Aid for Trade in Boosting Intra-African Trade". Discussions were based on how promoting connectivity can contribute to the implementation of Africa's regional integration, notably in the context of the Action Plan for Boosting-intra African Trade (BIAT) and the African Union Continental Free Trade Area (CFTA).

It was noted that current Aid-for-Trade flows were largely in line with the continents trade agenda. However, more needs to be done in the areas of export diversification and industrialization. Physical and digital connectivity could help promote effective regional integration in Africa. Connectivity could also help expand economic opportunities particularly for women, youth and small and medium-sized enterprises as envisaged in the 2030 Agenda for Sustainable Development.

The digital age would require investment in digital skills and improving human capacity in innovation, technology and entrepreneurship. The private sector was already very engaged in the development of digital connectivity in Africa, including through FDI. For the investment to link with the local economy, skills gaps needed to be addressed. The opportunities emerging with ecommerce would also require providing an environment supporting innovation. Special attention should be paid in enabling women's participation in trade, production and political decision making.

Summary

Stephen Karingi, Director of Capacity Development Division, United Nations Economic Commission for Africa (UNECA) provided an overview of the joint UNECA/WTO report on "Promoting Connectivity: The Role of Aid for Trade in Boosting Intra-Africa Trade". The report showed a good alignment of Aid for Trade to Africa's trade agenda as presented in the Action Plan for Boosting-intra African Trade (BIAT) and the African Union Continental Free Trade Area (CFTA), most notably in the areas of infrastructure and productive capacity. To ensure that this alignment was maintained and improved, the various continental programmes and frameworks, such as the Programme for Infrastructure Development in Africa (PIDA) should be used. There was also scope to increase support to export diversification and industrialization. With the possible conclusion of the CFTA at the end of 2017, Aid for Trade to regional integration was expected to rise. Finally, he noted that digital connectivity was expected to grow in importance and respondents viewed e-commerce as having a positive impact on MSMEs and women's economic empowerment. He emphasized that as trade priorities evolved overtime, the BIAT Action Plan needed to remain flexible.

Albert M. Muchanga, Commissioner for Trade and Industry, African Union (AU) Commission noted that the first priority for Africa was to conclude the CFTA in December 2017. The AU was also in the process of finalizing the draft on trade facilitation in line with the WTO Trade Facilitation Agreement. He emphasized that trade was an integral part of connectivity; it connected goods, people and markets. He stated that the AU was rolling out a continent-wide domain name, including elements of cyber security. There would also be an Annex of the CFTA on trade in services. In 2018, the AU would also be developing a pan-African competition policy.

Joakim Reiter, Group External Affairs Director, Vodafone noted there was an exaggeration of the digital challenge in many parts of Africa; Vodafone estimated approximately 50% of Africans would own smartphones by 2020 and that applications were rapidly evolving and well-advanced. There was a large digital infrastructure gap in Africa but there was also appetite to invest. To meet current challenges, he urges the AU to add the element of services when creating the right regulatory framework at a continental level. A big concern for Vodafone was cybersecurity in Africa thus hindering the potential uptake of the technology. He stressed the importance of developing a pan-African cyber security platform. Finally, he recommended vast investment in digital skills.

Pierre Guislain Vice-President for Private Sector, Infrastructure and Industrialization, African Development Bank, echoed that the services industry was generally neglected and segmented yet was the main driver to Africa's growth and development. He emphasized that investment in digital connectivity remained a private sector business. Development partners could help break into new areas, overcome traditional barriers and open markets even more. He called for a single digital space in Africa. an area where AfDB's future work could focus. Finally, he noted that digital technology had a potential to be a source for social inclusion.

Benedict Okey Oramah, President and Chairman, Africa Export-Import (AfricEXIM) Bank noted that the average African businessman prefers to trade with Europe and Asian markets due to fragmentation in the continent. Afri-EXIM Bank's intra-African trade agenda was built on three pillars: create (production), connect (production to get to the buyer) and deliver (logistics and infrastructure). Afri-EXIM Bank facilitated the emergence of private sector-driven export companies. Afri-EXIM would launch an intra-African trade platform at the end of the year to provide a marketplace, allow for foreign and local transactions and create linkages to the African diaspora. Afri-EXIM Bank was also financing air transport to facilitate the movement of goods and people.

Jean Lucien Bussa Tongba, Minister of External Trade, Democratic Republic of the Congo provided a country perspective on promoting connectivity, including through public-private partnerships (PPPs). He opined that trade could not be dynamic if the private sector itself was not dynamic. In turn, a dynamic private sector could not exist without development-friendly institutional frameworks. He outlined a number of challenges that marred African connectivity, including developing the continent's physical infrastructure. He reminded the audience of the geography of his country (2,3 million square kilometres. 80 times the size of Belgium). Surrounded by nine countries, the DRC's trade potential, as tremendous as it was, critically depended on sound physical infrastructure. a primary concern and a priority for the Government. These transport links would allow the country to increase trade volumes. Overall the development of the DRC's trade capacity would have a direct impact on the nine neighbouring countries, and by extension, on the rest of Africa.

Mr Tongba then discussed digital connectivity. He highlighted how over the past decade, his country had gone from one million connected to the 23 million today. This had been the result of a praise-worthy and dynamic private sector that had taken high risks in investing in the post-conflict environment. Now that the political climate had settled, there were enormous opportunities to tap into, not only in telecommunications but also in finance and other sectors. Parliament was discussing a draft law aimed at opening the DRC economy to public-private partnerships. He invited investors to consider the assets of his country, namely: 80 million hectares of arable land which, alone could feed the entire African population; lower investment costs; and business registration times that had been cut down to two days. These improvements, together with others, bore testimony to the country's efforts to develop its economy based on the DRC's institutional capacity to set up a favourable business climate, and to create positive externalities for the private sector. notably through infrastructure upgrading.

Christopher Thornley, High Commissioner to Nigeria, Canada stated that real improvements will happen if there was a favourable investment climate, namely, greater investor confidence. Infrastructure, particularly energy, was a major challenge. Countries could leapfrog in energy innovation as had been done with mobile phones. In addition, investors were discouraged by governance issues, namely corruption. On women's economic empowerment, women's participation in political decision-making was just as crucial as their participation in economic development. Through the G7 and G20, Canada would be supporting a women entrepreneurs' financing initiative to leverage private sector investment. Finally, he stressed the importance of building human capital. Canada was supporting the African Group of Mathematics and the Sciences to foster science and innovation for the youth.

Participants enquired how proposed rules at the WTO would help meet Africa's structural transformation, export diversification and industrialization objectives. Joakim Reiter (Vodafone) noted that FDI has been the largest driver of the telecommunications revolution. On policy space, he underlined the importance of creating the right business environment. Anything that governments could do in terms of policy that undermined the profitability of telecoms investors would deter investments. There was a fragmented market in Africa due to differing policies making it difficult to build scale. The WTO Telecoms Reference Paper contained a number of best practices.

Albert M. Muchanga (AU) noted that regional trade agreements provided for in the context of the WTO meaning that there is ample policy space. Much intra-Africa trade was in manufactured goods as opposed to Africa's trade with the rest of the world which was mainly based on commodities. On FDI, he emphasized that the development of the region would be determined by its citizens. The AU was working on a programme to tackle illicit financial flows, which annually exceeded ODA flows. On concerns regarding negotiations capacity gaps for the conclusion of the CFTA, he noted various capacity-building institutions the AU is working with to increase Africa's and AU's capacity to negotiate.

SESSION 12: Regional Focus Session: "Islamic Development Bank Group Promoting Connectivity for Sustainable Development". Organizers: Islamic Development Bank, World Trade Organization

KEYNOTE ADDRESS

› **Aja Fatoumatta Jallow Tambajang,** Vice President, The Gambia

OPENING REMARKS

› **Saleh bin Eid Al-Hussaini,** Ambassador, Permanent Representative to the World Trade Organization, Kingdom of Saudi Arabia

› **Amr Ramadan,** Ambassador, Permanent Representative to the World Trade Organization, Egypt

› **Christopher Onyanga Aparr,** Ambassador, Permanent Representative to the World Trade Organization, Uganda (tbc)

PRESENTATIONS

› **Syed Habib Ahmed,** Advisor to the Chief Executive Officer, International Islamic Trade Finance Corporation

› **Nicolas Gresser,** Director, Regulatory Affairs, Etisalat

› **Torbjörn Fredriksson,** Chief, ICT Analysis, Technology and Logistics, United Nations Conference on Trade and Development

› **Ahmed Al Qabany,** Senior Transport and Urban Development Specialist, Islamic Development Bank

› **Elmostafa Aitamor,** Senior Cooperation Specialist, Cooperation and Resources Mobilization Department, Islamic Development Bank

CLOSING REMARKS

› **Hani Salem Sonbol,** Chief Executive Officer, International Islamic Trade Finance Corporation

OVERVIEW

This event reflected the theme of "Promoting Connectivity for Sustainable Development" and provided an in-depth analysis of Islamic Development Bank (IDB) Group strategic objectives in financing infrastructure investment for enhancing connectivity, regional integration and trade development. The event was a platform to present the IDB Group Report and discuss the support for development of productive capacities in Member countries and IDB's assistance to them to overcome supply side constraints.

The event was also an opportunity to bring together experts and partners to share experiences and exchange ideas on ways to overcome the key obstacles that hinder the growth and connectivity among Member countries. In addition, this session addressed the key issues specifically in low-income countries, including their technical capacity and human resources needs, overregulation and logistical constraints.

The IDB Group Report on "Promoting Connectivity for Sustainable Development" was presented as part of the Aid-for-Trade agenda.

Short summary

This session emphasized the importance of connectivity in achieving the sustainable development goals, the challenges that persist in the area of connectivity (physical and digital) in developing countries, and the evolving nature of the IDB group's interventions. Discussions centred on the need for a systematic approach to programmes which ensured that financing in this area contributed to increase trade amongst developing Member countries. On digital connectivity, participants discussed some of the regulatory and skills gaps that exist and need to be addressed in order for countries to derive the most benefit from e-commerce and the digital economy.

Summary

The session provided an in-depth analysis of the Islamic Development Bank's (IDB) Group strategic objectives on financing infrastructure investment for enhancing connectivity, regional integration and trade development. The session was also a platform to formally launch the IDB Group Report on Promoting Connectivity. It was split into two panels both of which chaired by **Hani Salem Sonbol, Chief Executive Officer, International Islamic Trade Finance Corporation**.

The first panel in the session covered country experiences and views on how Aid for Trade is supporting countries to improve connectivity. Speakers emphasized the role of Aid for Trade in achieving the SDGs.

Aja Fatoumatta Jallow Tambajang, Vice President, The Gambia, delivered the keynote address, noted the importance of the Global Review in tracking progress in developing countries and mapping the way forward in terms of Aid for Trade. She noted the importance of trade projects in the achievement of the SDGs, and the important role of Aid for Trade in increasing the participation of women and youth in trade.

Saleh bin Eid Al-Hussaini, Ambassador and Permanent Representative of the Kingdom of Saudi Arabia to the WTO welcomed the focus of the Review on the trade dimensions of the SDGs. He highlighted the contribution of trade to infrastructure, education and other sectors. Key for development he noted in particular was women's employment. He reiterated the Kingdom of Saudi Arabia's commitment to integrating LDCs into the global economy. In this regard, the Kingdom of Saudi Arabia supported the IDB group's programme on Aid for Trade for Arab states and EIF Phase 1 and Phase II.

Amr Ramadan, Ambassador and Permanent Representative of the Arab Republic of Egypt to the WTO, emphasized that Aid for Trade was an important instrument at a time where huge gaps existed between developing and developed countries. He noted that with global trends in trade leaning downwards, the role of trade in promoting inclusive growth and sustainable development was paramount. Aid for Trade has, he said, created opportunities for job creation and the implementation of the SDGs. He noted that IDB's Aid-for-Trade interventions have promoted trade, economic integration, energy, transport, ICT infrastructure, and knowledge-sharing in its developing Member countries. Noting that work undertaken by the ITFC has provided over US$35 billion to Member countries in the area of energy, agriculture and is supporting the private sector.

Discussion in the second panel focused on the opportunity enhanced connectivity provided and some of the key obstacles that hindered growth and connectivity within countries. The participants benefitted from the presentations of **Syed Habib Ahmed from the International Islamic Trade Finance Corporation (ITFC)** on the IDB Group's Aid–for-Trade projects on connectivity and sustainable development. These included the Aid for Trade for Arab States (AfTIAS) and Arab Africa Trade Bridge. **Nicholas Gresser from Etisalat Group** presented on enhancing economic inclusion through digital connectivity and highlighted two obstacles in this area, the absence of data protection frameworks, and the need for cooperation between countries on issues of national security**. Torbjörn Fredriksson from UNCTAD** presented on e-commerce and inclusivity. On challenges he noted the lack of available data B2B e-commerce and the need to address the digital skill gap in least developed countries. **Ahmed Al Qabany and Elmostafa Aitamo**r, both from the **ITFC** presented on IDB groups evolving interventions in partner countries to promote connectivity. Along with aligning the IDB Group programmes with the SDGs, going forward with the IDB group Aid-for-Trade programmes are also evolving in three streams: first, infrastructure interventions will move towards a more regional approach; second, programmes will also address the soft components of infrastructure, by following up on infrastructure investments with studies on the hurdles that obstruct connectivity; thirdly, the IDB will be enhancing trade linkages between different regions covered by the Bank.

Discussions highlighted the importance of skills for e-commerce, supporting the development of payment services, and improving access to finance for SMEs.

SESSION 13: Regional Focus Session: " Aid for Trade in Asia and the Pacific: Promoting Connectivity and Inclusive Development". Organizers: Asian Development Bank, World Trade Organization

KEYNOTE ADDRESS

› **Bambang Susantono,** VicePresident, Knowledge Management and Sustainable Development, Asian Development Bank

Presentation of the Report: Aid for Trade in Asia and the Pacific: Promoting Connectivity and Inclusive Development: Cyn-Young Park, Director of Regional Cooperation and Integration, Asian Development Bank

MODERATOR

› **Shishir Priyadarshi,** Director, Development Division, World Trade Organization

PANEL DISCUSSION

› **Hiroshi Kuniyoshi,** Deputy to the Director General, United Nations Industrial Development Organization

› **Arnold Jorge,** Director, Multilateral Aid-for-Trade Section, Australia

ROUNDTABLE DISCUSSANTS

› **Tofail Ahmed,** Minister of Commerce, Bangladesh

› **Arzybek Kozhoshev,** Minister of Economy, Kyrgyz Republic

› **Tuifa'Asisina Misa Lisati Leleisiuao Palemene,** Associate Minister of Commerce, Industry and Labour, Samoa

› **Tan Yee Woan,** Ambassador, Permanent Representative to the World Trade Organization, Singapore

OVERVIEW

Since the launch of the Aid-for-Trade Initiative, Aid for Trade has been an important part of the Asian Development Bank's support for sustainable development, and regional cooperation and integration in Asia and the Pacific. This regional focus session launched and discussed key findings from the 2017 report on Aid for Trade in Asia and the Pacific. Under the overarching theme of promoting connectivity for inclusive development, this session reviewed the latest trends in Aid-for-Trade disbursements and trade costs in the region, particularly for the geographically challenged land-locked and sea-locked economies of Asia and the Pacific. Moreover, given the importance of trade and investment linkages in helping achieve inclusive growth, the session also featured a discussion of how Aid for Trade could be further leveraged to facilitate trade in services.

In this regard, the discussion explores future intervention areas for Aid for Trade, including support for the required regulatory reforms and cutting-edge trade facilitating solutions such as e-commerce.

Short summary

This regional focus session launched and discussed the key findings from the 2017 ADB report on Aid for Trade in Asia and the Pacific. Under the overarching theme of promoting connectivity for inclusive development, the session highlighted the emerging trends in Aid for Trade in the context of evolving trade performance in Asia and Pacific. The role of Aid for Trade in promoting the growth and tradability of services, as well as the rise of e-commerce and digital technology and their economic potential and policy implications for trade facilitation and efficiency, were discussed. In particular, policy implications of the experiences of the region's geographically challenged economies along the dimensions of trade costs, Aid for Trade, trade in services, and the digital economy were presented. The keynote address was delivered by ADB's Vice President for Knowledge Management and Sustainable Development, Mr Bambang Susantono. The report was presented by Ms Cyn-Young Park, Director of ADB's Regional Cooperation and Integration Division. A panel discussion followed highlighting the key aspects of Aid for Trade in promoting connectivity and women's economic empowerment and as a catalyst for inclusive growth particularly in landlocked and sea-locked countries. A roundtable discussion was subsequently taken forward and joined by the representatives from Bangladesh, the Kyrgyz Republic, Samoa, and Singapore.

Summary

In his keynote speech, **Bambang Susantono, Vice-President, Knowledge Management and Sustainable Development, Asian Development Bank**, stated that international trade had been a key driving force behind the remarkable economic growth in the region that had lifted more than a billion people out of poverty over the last two decades and stressed that the Aid-for-Trade Initiative could play an important role in sustaining this trend by maximizing opportunities for further trade growth and broadening the resulting economic gains. He identified the reduction of trade costs as a key factor to integrate developing—and especially least developed—countries into global and regional trade and value chains. He emphasized the significance of accelerating trade facilitation reforms, building trade infrastructure, improving the business climate, implementing regulatory reforms, and strengthening legal institutions to reduce trade complexities and costs and enhance cross-border trade. Moreover, he underscored that progress on these fronts, along with improving ICT infrastructure, creating an enabling regulatory environment for services sectors, and strengthening Aid for Trade in services, could further improve connectivity and help the region move towards a more inclusive growth.

Cyn-Young Park, Director of Regional Cooperation and Integration, Asian Development Bank, presented the main findings from the 2017 ADB report on Aid for Trade in Asia and the Pacific. Aid for Trade was an integral part of official development assistance to developing countries, which aimed to help recipients maximize the benefits of trade liberalization by improving their trade and productive capacities, infrastructure, and institutions. Aid-for-Trade flows to the region had been growing steadily and had mainly targeted the transport and storage, energy, and agriculture sectors. Aid for Trade enhanced trade performance and helped reduce the burden of trade costs. Trade costs had been falling in general, but further progress could be made, particularly in trade facilitation, vital to promoting trade and inclusive development.

In her view, trade could deliver inclusive growth and quality jobs. International trade and FDI generated economic opportunities for socially vulnerable groups including women, with Aid for Trade properly targeted at employment policies to help these groups benefit from participation in trade and related economic activities. Evidence was compelling that participation in global value chains generated more jobs for women when labor-intensive work in manufacturing and business processing were part of international production networks. Empirical findings also showed that Aid for Trade benefited women—a 10% increase in Aid-for-Trade disbursement was associated with a 1.77% increase in the labor force participation rate for women. Aid for Trade could support targeted policies that increased opportunities for women including policies that fostered labor market efficiency and flexibility, and penalized discriminatory employment practices.

Fast growing e-commerce presented abundant growth opportunities for the region. Retail ecommerce sales in Asia and the Pacific were estimated to have grown 31.5% in 2016 — double the pace in North America, currently the second largest e-commerce regional market. The region was forecast to remain the world's largest market for e-commerce, with an estimated US$1.0 trillion in 2016 sales expected to reach US$2.7 trillion by 2020. Growth of e-commerce had been driven by an expanding middle class, growing mobile and internet penetration, and improving logistics and infrastructure. The growth, however, had not been uniform across Asia and the Pacific and ecommerce in many countries was still at a nascent stage and largely domestic. Technology could be leveraged to improve inclusiveness of trade-driven growth. Other essential preconditions for ecommerce to grow in Asia and the Pacific included: the availability of secure electronic payment systems; quality logistics and efficient customs procedures; and adequate, coherent and consistently applied legal and regulatory frameworks. Mainstreaming gender into ICT initiatives could promote women's entrepreneurial activities by allowing them to capitalize on online networking and outsourcing opportunities. Aid targeted at tradable services sectors could be an important catalyst in promoting inclusive economic growth and structural transformation.

Targeted Aid for Trade can boost trade in services. Aid that enhanced economic infrastructure and boosted productive capacity was positively correlated with services trade across Asia and the Pacific. Empirical analysis showed a statistically and economically significant impact of Aid for Trade on services trade across all subregions, most pronounced for South Asia and Southeast Asia. Integrated and coherent policies— together with more trade liberalization and regulatory reform— were critical for services trade. Not only do they promote productivity and competitiveness, services also helped form productive linkages between services sectors and the general economy. Instances of regulatory reform in telecommunications, energy, transport, and financial services had boosted services trade in many Asia and Pacific economies.

Promoting connectivity was a priority to expand trade in services and achieve inclusive growth in geographically challenged economies of Asia and the Pacific. Geographically challenged (landlocked and sea-locked) economies of Asia and the Pacific had made visible progress in ease of doing business and reducing trade costs. Landlocked economies in particular have made greater strides than sea-locked economies in lowering border and documentary compliance times to trade. Aid for trade promoted growth and trade in services in geographically challenged economies with the most pronounced impact on tourism services for sea-locked economies and business services for landlocked economies.

The Central Asian Regional Economic Cooperation Trade Policy Strategic Action Plan recognized the expansion of trade in services as a core policy goal to help reduce barriers faced by landlocked Central Asian economies. Some crucial actions for promoting services exports include developing human capital for skilled services, enhancing cultural endowments that attract tourists, improving infrastructure (especially telecommunications networks that facilitate service delivery), and raising institutional quality. Sea-locked economies could benefit from developing their tourism industries. Some of the crucial actions for this included establishing tourism linkages with the local economy, enhancing tourism management capacity through institutional and human capacity development, tapping private sector resources, and pursuing regional integration strategies. Aid for Trade should target (i) further improving infrastructure, (ii) building an enabling policy and regulatory environment to advance growth in trade in services, and (iii) promoting the integration of geographically challenged economies into regional and global markets.

A panel discussion followed highlighting the key aspects of Aid for Trade in promoting connectivity and women's economic empowerment and as a catalyst for inclusive growth, particularly in landlocked and sealocked countries.

Hiroshi Kuniyoshi, Deputy to the Director General, United Nations Industrial Development Organization made a statement on digital connectivity and women's economic empowerment. He stated that these two key aspects of Aid-for-Trade were important in the achievement of the Sustainable Development Goals. He also highlighted the role of manufacturing and industry-related services for socio-economic development and stable employment creation for women. There was a strong linkage between digital connectivity and women's economic empowerment as ICT offered access to all areas enabling online trade and reliable market information. However, there was still a need to increase private sector participation to bridge the digital divide, reinforce public-private collaboration for boosting connectivity, and strengthen partnerships between and among stakeholders including governments and international institutions in implementing national and regional frameworks. To enhance women's participation in international trade, measures such as gender-focused training also needed to be put in place as the risk of increasing inequalities was still pending.

Arnold Jorge, Director, Multilateral Aid for Trade Section, Department of Foreign Affairs and Trade, Australia highlighted the significance of services as a catalyst for inclusive growth, particularly in the creation of employment opportunities and economic diversification, which in turn improved a country's resilience. Secondly, he emphasized the importance of services, such as marketing, finance, and logistics services, in enabling goods trade. The analysis of ADB in Asia and the Pacific showed that Aid-for-Trade had a positive impact resulting in overall increase in services trade. He also discussed the challenges facing sea-locked and landlocked countries, including greater distance to major markets, higher border administration cost, relative size of domestic markets, limited resource endowments, and lack of access to finance, among others. To address these issues and take advantage of the benefits offered by e-commerce and digital trade, there was a need to modernize ICT and related infrastructure, increase capacity building in the use of ICT technologies, and encourage collaboration with the private sector for innovation of new technologies. Aid for Trade should also be informed by the country and regional context; learning and knowledge-sharing of best practices from other regions/contexts was also crucial.

A roundtable discussion joined by the Ministerial representatives from Bangladesh, the Kyrgyz Republic, Samoa, and Singapore then followed.

Tofail Ahmed, Minister of Commerce, Bangladesh stated that e-commerce was constantly growing with the progress of technology and connectivity. Connectivity created jobs especially for young entrepreneurs, increased production capabilities, and improved services quality. There was a need for regional and global cooperation to address the digital divide in the region, limited market access and supply-side constraints, and differences in the advancement of infrastructure that existed between different countries. Obstacles identified include inadequacy in ICT and transport infrastructure and trade logistics, inefficient payment solutions, limited access to finance for SMEs, and lack of e-commerce strategy and legal frameworks. To enable e-commerce growth in developing countries, there was a need to increase investments in ICT infrastructure, including electricity and transport infrastructure. Bangladesh presented a successful case on the benefits of the growth of the ICT industry and services sectors in economic development.

Arzybek Kozhoshev, Minister of Economy, Kyrgyz Republic stated as a landlocked country, his country had to face the issue of high logistics costs. One effective tool to increase and develop international and bilateral trade was the Trade Facilitation Agreement. The Kyrgyz Republic ratified the Trade Facilitation Agreement in the end of 2016. The agreement aimed to streamline procedures and increase the export potential of economies. Full implementation required developing countries to have relevant infrastructure and legal basis. One of the country's strategies to boost international trade was to work towards enhancing digitalization. ADB had conducted projects in the Kyrgyz Republic to simplify and modernize customs procedures allowing collaboration across different government agencies. ADB helped develop harmonized systems of pre-arrival processing and create national single window that was extensively used by the private sector.

Tuifa'Asisina Misa Lisati Leleisiuao Palemene, Associate Minister of Commerce, Industry and Labour, Samoa stated that liberalization and modernization of the telecommunications sector in Samoa has made it one of the leading economies in the Pacific islands. The 2005 liberalization of the telecommunications sector had contributed to its modernization. It had also presented opportunities for the country to capitalize on its ongoing efforts for the sector's development and resulting gains, including increased e-commerce activities and improved usage of the internet by businesses and governments. In the case of the private sector for example, affordable and fast internet connection and reduced calling rates were crucial to keeping costs low for businesses and improve communications with clients.

Tan Yee Woan, Ambassador, Permanent Representative to the WTO, Singapore, stated that the experience of the ASEAN community demonstrated that with sufficient political will, a region could progress together economically, including in new areas such as e-commerce. ASEAN recognized that e-commerce was and would be a key driver of economic growth. ASEAN also recognized the significance of infrastructure development and the distributive benefits of the digital economy. Ecommerce had the potential to benefit even the smallest of economic actors and propel them to engage into regional and global markets. To this end, ASEAN focused on infrastructure development and regulatory cooperation to boost regional e-commerce growth. The ASEAN ICT Masterplan illustrated the region's goals towards a digitally-enabled, inclusive, and integrated ASEAN community. It comprised five key goals to be reached by 2020: (1) an accessible, inclusive and affordable digital economy (through digital education, digital inclusion and social equality); (2) deployment of next-generation ICT as enablers of growth; (3) sustainable development through Smart City technologies; (4) multiple ICT opportunities across a single regional market; and (5) secure digital marketplaces and safe online communities.

SESSION 14: Regional Focus Session: "Connecting the Latin American and Caribbean Dots: What Countries Are Doing to Facilitate Trade". Organizers: Inter-American Development Bank, World Trade Organization

MODERATOR

› **Antoni Estevadeordal,** Manager, Integration and Trade Sector, Inter-American Development Bank

PANEL DISCUSSION

› **Alexander Mora,** Minister of Foreign Trade, Costa Rica

› **Alwyn Nicely,** Permanent Secretary, Caribbean Customs Law Enforcement Council

› **François Martins,** Government Relations, Mercado Libre

› **Ambassador Carlos González,** Colombia

› **Joaquim Tres,** Integration and Trade Lead Specialist, Inter-American Development Bank

OVERVIEW

This Session reviewed Latin American and Caribbean countries' efforts to make trade more efficient and reduce unnecessary trade costs. Panelists discussed what hurdles had been overcome, how countries could cooperate with one another, how governments maintained political will across administrations, what role was being played by the private sector to advance trade facilitation, what they planned to do next to reduce trade costs further.

Short summary

The panelists gave detailed accounts of the state of regional integration and implementation of the Trade Facilitation Agreement in Latin America and the Caribbean. They also spoke about the national experiences of Costa Rica, Colombia and Jamaica. The main themes mentioned were connectivity, the institutions in charge of implementing the Trade Facilitation Agreement, cooperation with IFIs, enforcement of customs laws, capacity building and e-commerce. A representative from the private sector spoke about the challenges and opportunities that implementation of the Trade Facilitation Agreement could bring to businesses in Latin America. A representative of the IADB spoke about capacity building for trade facilitation from the bank's perspective.

Summary

Antoni Estevadeordal, Manager, Integration and Trade Sector, Inter-American Development Bank, who moderated the session, said that in Latin America there were big connectivity gaps, which impacted the region's trade. In the last 20 years, Latin America's share of global trade had remained at 6-7%. Also, there was little intra-regional trade. Nevertheless, much had been done in terms of trade facilitation. He asked the panelists to share their experiences in this area.

Alexander Mora, Minister of Foreign Trade, Costa Rica, said that Central America had an integration mechanism which had allowed the region's countries to embark on a process of gradual integration. The Trade Facilitation Agreement would be a part of this integration. Costa Rica considered the Trade Facilitation Agreement as a very ambitious tool to fight against trade barriers. The country ratified the Agreement in May 2017. Now they are working on the institutions that would be in charge of its implementation. The National Council for Trade Facilitation was the relevant body, with 40% participation of the private sector. The Council had hard tools because it could enforce binding decisions. They were working closely with the SIECA Secretariat regarding implementation of the Trade Facilitation Agreement. They were also working on a digital platform for Central American trade with support from the IABD and the EU. Costa Rica understood that successful implementation required strong coordination between countries and institutions.

Alwyn Nicely, Permanent Secretary, Caribbean Customs Law Enforcement Council said that his organization had learned important lessons from the implementation of the Trade Facilitation Agreement. Inefficiency in processes could create gaping loopholes, opportunities for corruption, and revenue leakage for the government. The private sector wanted predictability for the release of their goods. The government wanted duties to be paid. Most of the tenets of Aid for Trade required legislation. In the Caribbean, many countries had not had any legislative changes since their independence. Jamaica was working to repeal and replace the Customs Act with private sector involvement. This led to trust, because the private sector felt that their interests were being taken into account and that they were helping in the legislative process. Political will was necessary to push the Aid for Trade and to commit resources towards its implementation. There was also a need for a champion who must be a person or group which was neutral, trusted by both sides and goal oriented.

Ambassador Carlos González, Colombia said that trade facilitation had been very important for his country for a long time. A single window had been established as early as 2005. This facility incorporated 21 government offices and since 2005 there had been 4.5 million operations. They ratified the Trade Facility Agreement and had notified every provision in Category A except for those relating to second tests and perishable goods. Also, the concepts of the TFA were already included in Colombia's Free Trade Agreements (FTAs). Regarding the Pacific Alliance, of which Colombia was the pro tempore President, it had already recognized phytosanitary certificates and certificates of origin. They were working on recognition of digital signatures and customs declarations.

François Martins, Government Relations, Mercado Libre, said that his company had been founded in a garage in Buenos Aires 12 years ago and now was a US$12 billion company listed on the NASDAQ. He said that in Latin America there were still numerous cross-border barriers. Hence, they focused on trade within countries. For the company, data was very important. Every user had an ID and a scoring card. Interactions, questions and reviews were available. They had developed an e-payment tool whereby the platform took custody of buyers' payments until the goods were received. The company was now working on a platform to try to connect buyers and sellers directly in case of disputes to avoid legal fees.

Joaquim Tres, Integration and Trade Lead Specialist, Inter-American Development Bank, said that the main drivers of trade in Latin America were an increased number of FTAs and the growth of the private sector. The main costs had less to do with tariffs than with logistics and transport, which could be up to 30% higher. Integration with Asian countries had been a challenge to Latin American productivity but had also contributed with a huge market for exports of raw materials. The IADB was giving support for legislative reforms and physical integration deficits, but these had to be tackled at a regional level.

Minister Mora added that FTAs had resulted in a huge trade platform which brought three elements of pressure to the Costa Rican system. First, trade and transport of raw materials. Second, e-commerce with countries such as China. In this sense, on specific dates, such as Thanksgiving, customs collapse. The usual response was to shut everything down, and this is something that they must work on. Third, imports were seen as competition for national industries, so there was an increased pressure to use trade barriers. There was also additional pressure when negotiating as part of Central America, because internal issues had to be resolved first.

Ambassador González said that in the last 10 years, Colombia has concluded 12 FTAs. Talking about the Pacific Alliance, he said that it was the 8th largest exporter in terms of GDP and had a market of 220 million people. As such, the region attracted investments and also had a positive impact for its members in terms of origin when dealing with third parties. Canada, New Zealand, Australia and Singapore were associated countries.

Alwyn Nicely said that capacity building was very important. He used risk management as an example. He said that spending 80% of customs resources inspecting cargo was not efficient. On the other hand, customs authorities were good at collecting data, so resources could be used for authorized economic operator (AEO) programmes. Another tool that could be used was postclearance audit. Shipments could be allowed to enter countries with minimal obstacles but an audit could be carried out later. For example, in Jamaica there was a seven year period for this. This kind of programme was positive because it built confidence among importers about goods being released in a timely manner and bolstered customs confidence in their efficiency. Ease of passage of goods was granted but the slightest breach was dealt with severely. AEO operators were thus keen to comply with customs requirements to avoid losing their status.

Joaquim Tres spoke next about capacity building. He said that the nature of trade had changed dramatically. Nowadays customs faced millions of small packages instead of containers. Furthermore, their tasks have been expanded from only revenue collection to safety and security, among others. The Bank offered 40-50 tutored courses per year relating to trade facilitation issues. Participants had an 84% success rate and of these, 51% were women.

François Martins said that e-commerce had to do with more than customs and cross-border trade. He added that capacity building in the area of payments was needed since the Latin American region was very good at putting up barriers to financial transactions. Also, capacity building was needed for government agencies and private businesses to be able to respond to new demands that they were not built for. As an example he cited the case of a customer who paid US$100 for a pair of shoes and then returned them because they were the wrong size or color. According to most Latin American countries' laws, he should be entitled to a full refund, but would be lucky if he got US$60 back because of taxes and charges.

Minister Mora said that we should start thinking about the future of technologies such as automation, robotics and 3-D printing, and the impact they will have on trade. Alwyn Nicely said that e-commerce provides an excellent opportunity for the government and private sector to work together in its legislation since the beginning. Referring to the problem mentioned by François Martins, he asked who would cover the costs of processing the shoes at customs?

In reply to the question about integration plans between the Pacific Alliance and the Andean Community and MERCOSUR, Ambassador González answered that the implementation of the TFA brought opportunities and challenges for Colombia. Some of the areas where trade policy was focusing in the country were SMEs and the links between e-commerce and development

Finally, Minister Mora said that Costa Rica was working with the IADB to rebuild their air, land and sea border facilities, as were most of the Central American countries. Also, there was work underway with the OECD to standardize procedures and apply international practices.

SESSION 15: Thematic Focus: LDCs: "Promoting Connectivity for Least Developed Countries". Organizer: World Trade Organization

MODERATOR

› **Yinka Adegoke,** Africa Editor, Quartz

PANEL DISCUSSION

› **Joe Natuman,** Deputy Prime Minister and Minister for Tourism, Trade, Commerce, Vanuatu

› **Amelia Kyambadde,** Minister of Trade, Industry and Cooperatives, Uganda

› **Alexander Mora,** Minister of Foreign Trade, Costa Rica

› **U Aung Htoo,** Deputy Minister for Commerce, Myanmar

› **Anir Chowdhury,** Policy Advisor, Access to Information Programme, Bangladesh

› **Sonia Jorge,** Executive Director, Alliance for Affordable Internet

› **Wenche Agerup,** Executive Vice President, Head of Group corporate Affairs, Telenor Group

CLOSING REMARKS

› **Ratnakar Adhikari,** Executive Secretary, Enhanced Integrated Framework

OVERVIEW

The full potential of the Internet remains untapped, especially in lower-income countries. Globally, 3.9 billion people, constituting more than half the world's total population, are still offline. many of whom live in least developed countries. While mobile-cellular penetration has reached over 70% in LDCs, mobile-broadband penetration stands at just below 20%, compared to close to 50% globally and 90% in developed countries.

The digital divide is also a market access divide, as people who are offline are excluded from the global market that the world wide web represents. The divide is seen both between countries and within countries: between rural and urban populations, women and men, and small and large firms. Failure to address these divides risks reinforcing existing inequalities.

The Internet's potential as an instrument for more inclusive trade is yet to be fully explored. A key objective of the UN 2030 agenda is to "significantly increase access to information and communications technology and strive to provide universal and affordable access to the Internet in least developed countries by 2020". This session discussed the gaps that exist for LDCs. in terms of infrastructure, connectivity and quality of service.

Short summary

With the rapid growth and widespread use of e-commerce, it is important that LDCs are able to seize this opportunity and use it to improve their economic growth. E-commerce is a platform that will help domestic producers and buyers connect to markets across the globe, promoting better connectivity and trade. Nevertheless, this opportunity comes with its own challenges and obstacles. Lack of basic infrastructure, outdated government policies, absence of trust in cyber security are a few of the many such hurdles faced by LDCs.

The session brought together high level representatives from the Governments of Bangladesh Costa Rica, Myanmar, Uganda and Vanuatu to provide insights on their policies and advancement in internet penetration. Furthermore, companies from the private sector such as Telenor discussed their models and success stories in increasing and promoting connectivity in countries like Myanmar. This session highlighted that Public-Private Partnerships are essential in building and promoting connectivity in LDCs, amongst the many other reforms that are required to promote connectivity.

Summary

In the opening remarks the moderator **Yinka Adegoke, Africa Editor, Quartz**, presented statics about LDC connectivity and internet penetration. Those who have access were well-off and the poor were left behind. This divide needed to be bridged for development to be inclusive. He reasoned that access to the internet and mobile services provided a platform for LDCs to improve their economies as their producers and buyers would secure access to global markets. With this in mind, he asked, how could LDCs meet the demand and supply of internet services along with improving infrastructure and effective trade policies that were essential for further development.

Wenche Agerup, Executive Vice President, Head of Group Corporate Affairs, Telenor Group, showcased how the model developed in Myanmar was a success in terms of dealing with the challenges of infrastructure and policy. To begin with she insisted on the fact that connectivity was important and with the rapid integration of the internet in day to day life, it was crucial that it was accessible. The model that had been developed in Myanmar was a small scale one. They had received an overwhelming response which encouraged them to expand on this model and develop supply capacity on a bigger scale. This case study indicated that the private sector could play a huge role in promoting connectivity by taking initiatives and risks. Nevertheless this could only be facilitated with the government's responsiveness and policies that supported the private sector and promoted connectivity.

U Aung Htoo, Deputy Minister for Commerce, Myanmar emphasized the need for private and public partnership in promoting connectivity in LDCs. He acknowledged the work done by Telenor and its success in the telecommunication industry as it was the largest service provider in Myanmar. The risk that Telenor took by investing in Myanmar helped changed attitudes. Facebook was widely used by small entrepreneurs to promote and sell their products. This would not have been possible without accessible services. The telecommunications sector now contributed 5% to Myanmar's GDP. Furthermore, it had created new jobs and expanded the economy. With all these developments, the Government of Myanmar recognized the need to support and promote connectivity and e-commerce.

Joe Natuman, Deputy Prime Minister and Minister for Tourism, Trade, Commerce, Vanuatu gave credit to the public - private relationships which were crucial in promoting connectivity. A better working relationship between government and the private sector helped to establish ICT policies encouraging companies to expand and invest in LDCs. However, these policies had to be strengthened to deal with cyber-crime and maintain trust.

Alexander Mora, Minister of Foreign Trade, Costa Rica mentioned that Costa Rica faced similar challenges despite not being an LDC. Most of the urban areas had high mobile penetration in Costa Rica but the more remote coastal areas faced challenges similar to LDCs. Reallocation of resources, development of stronger policies and removal of monopolies in the telecommunication industry had helped expand internet access from 47% to 70% of the population.

Amelia Kyambadde, Minister of Trade, Industry and Cooperatives, Uganda emphasized the Government's initiatives to promote connectivity and address the questions of affordability and accessibility to the internet. For e-commerce she supported the need for a nontariff programme to facilitate trade in LDCs. She also urged other African states to work towards increasing connectivity for further development and economic prosperity.

Sonia Jorge, Executive Director, Alliance for Affordable Internet stated that economic prosperity was deeply associated with widespread connectivity. Low penetration rates could hinder LDCs from enjoying the economic benefits of internet usage. There were several factors that led to this situation, such as outdated policies, which further led to a lack of attraction of FDI. Furthermore, the reality was much worse than the figures presented. There was vast inequality between the rural and urban areas. An attempt needed to be made to improve existing regulations promptly as policy change meant long term results and was essential to attract investment and support from the private sector to promote connectivity.

Anir Chowdhury, Policy Advisor, Access to Information Programme, Bangladesh highlighted the importance of government initiatives. The community internet centres started through this programme showed how small initiatives could bring about big improvements. They had started with 2 centres in 2007, and 10 years later in 2017 had 5,000 across the country. Active public-private partnerships had helped promote connectivity through this programme. Furthermore, regional entrepreneurs played a crucial role in running these centres. The government ensured the service was provided and the private sector provided efficiency and quality. He highlighted the need to aim for inclusive bottom-up development in rural areas.

In his closing remarks, **Ratnakar Adhikari, Executive Secretary, Enhanced Integrated Framework**, **WTO** summarized the ways in which LDCs could move forward in promoting connectivity. First came regulation, which gave incentives for investment and ecommerce. These involve trade-related liberalization such as reduction in border or consumption taxes. Other regulations related to cyber-security helped to develop a sense of trust amongst producers and buyers. The next step was implementation. This was one of the major challenges for LDCs. It required a transparent and corruption-free system in place. The last was political will. Without the following political will in place, deriving benefits of connectivity was difficult.

SESSION 16: Development Hub: "Trade, Refugees and Migrants: Unlocking the Potential of Displaced People Through Trade and Strengthening Humanitarian Relief". Organizers: Mission of Sweden to the World Trade Organization, International Trade Centre

MODERATOR

› **Heba Aly, Director,** IRIN Humanitarian News and Analysis

DISCUSSANTS

› **Ann Linde,** Minister for European Union Affairs and Trade, Sweden

› **Arancha González,** Executive Director, International Trade Centre

› **Annemieke Tsike-Sossah de Jong,** Head of Portfolio, Ikea Foundation

› **Benedict M. Nganga,** Country Director, Heshima Kenya & Representative, Maisha Collective

› **Rania Kinge,** Founder of Damascus Concepts

OVERVIEW

We are currently witnessing the highest levels of displacement ever, as an unprecedented 65.3 million people of refugees, displaced persons and migrants are unable to return to their previous lives. Due to their condition, access to economic activities is often limited. There is an increasingly urgent need to address how these communities can upgrade their skills, access dignified livelihood opportunities, become active economic actors and contribute to their host country as well as to their country of origin.

Trade plays a pivotal role in creating business opportunities and employment. Refugees, displaced people and migrants possess education, skills and experience which represent a great economic potential. As entrepreneurship is growing in many refugee camps, new ideas and partnerships are required to promote empowerment and create market opportunities both in-camp and outside.

Trade policy can foster economic initiatives by enabling refugees and migrants to generate income and improve their daily existence to build a new economic future. Strengthening the economic resilience of these populations requires sound policies to support refugee livelihoods. Within this context, the session explored concrete initiatives from different actors, including governments, private sector and international organizations.

Short summary

On average, 20 people are displaced per minute around the world. Refugees and migrants are agents of economic change, and sustainable trade initiatives can foster their social and economic inclusion. Nevertheless, there is a gap between trade and migration policies worldwide. The traditional humanitarian toolkit needs to be complemented by initiatives that drive the economic potential of refugees. Women in particular need to be given due consideration. The session provided practical examples of how connectivity through partnerships and cooperation, including private sector engagement, has improved the social and economic well-being of displaced persons in Kenya and Syria. More importantly, these examples emphasize how trade and migration can work together to increase the income and opportunities available to displaced populations.

Summary

Heba Aly, Director, IRIN, Humanitarian News and Analysis, in her introductory remarks, explained that on average around 20 people were displaced per minute around the world. Refugees and migrants could be agents of change, and trade could help generate income and opportunities for refugees and their communities. Supporting displaced people, she added, resulted in the economic development of society as a whole, as refugees had skills and talents that were in demand and could benefit everyone. Against this background, she asked, what does the trade-migration nexus look like?

Ann Linde, Minister for European Union Affairs and Trade, Sweden acknowledged that there was a gap between trade and migration policies. However, she highlighted that welcoming refugees was an economic opportunity and referred to the *Jordan Compact* as one policy example of how trade can benefit refugees. As such, in addition to the traditional humanitarian toolkit, she noted the need to determine how refugees would become economic actors, and mentioned the promotion of women in particular which needs to be given due consideration. She said that development aid and private sector commitments needed to be adequately channeled towards building resilience and trade links around the world. ICTs, she stated, also had the potential to reduce some barriers to financial inclusion, through for example, remittance flows.

Arancha González, Executive Director, International Trade Centre emphasized the importance of connecting refugees to markets by tapping into their range of skills and capacities. She listed three lessons learned from ITC's work: (i) partnerships were important, for example ITC works with UNHCR and the Norwegian Refugee Council, to help people at the base of the pyramid to access markets; (ii) interventions needed to be designed to match individual skills to market demand; and (iii) host country- centered approaches were important as the integration of refugees would work more effectively if they complement the economic fabric of the host country. Finally, she underlined the importance of building economic resilience and highlighted how this corresponded to the objective of the Aid-for-Trade Initiative.

Annemieke Tsike-Sossah de Jong, Head of Portfolio, Ikea Foundation explained that IKEA's work with the humanitarian community echoed with the vision of the company - to make everyone's life easier. The Foundation was expanding its humanitarian initiative from shelters to other initiatives particularly geared towards the social integration of women. They were also working to ensure that efforts to support refugees went beyond IKEA to other companies, as it was necessary to develop meaningful business partnerships in this area. She also noted that there were opportunities for refugees when market-based demand was considered, and mentioned the *Jordan Compact* as a case in point.

Benedict M. Nganga, Country Director, Heshima Kenya & Representative, Maisha Collective provided a practical example of how Heshima was supporting refugees and empowering young women and girls in Kenya to live sustainably. For example, refugees were enrolled in basic education classes, courses in Swahili and English, and courses in financial literacy and management. Heshima also sourced internships for the women and encouraged them to build their own businesses. He referred to two cases of women who had started successful food and scarves businesses. In terms of the interaction between refugees and the domestic labour force, Benedict noted that Heshima had a system of spokespersons who shared the positive work done by the refugees in local communities. In addition, Heshima also encouraged the refugees to work and to partner with Kenyan businesses to help bridge social divides.

Another practical example came from **Rania Kinge, Founder of Damascus Concepts**, which is a Syrian social enterprise helping displaced women to earn income through training, social education and the textile trade. Rania listed a range of obstacles she encountered on a daily basis such as: cultural and religious indoctrination of internally displaced women; low levels of trust making women apprehensive about being exploited; international sanctions on Syria resulting in trade barriers; financial barriers including restrictions on bank access; and the ongoing threat of terrorism. She noted that more people were in poverty since the war, and with climate change, land fertility was also low, leaving peasants with no form of income. Rania was grateful to ITC's Ethical Fashion Initiative as it supported Damascus Concepts' participation in an ITC exhibition. Their simple donation, she mentioned, increased the number of women in the enterprise from 20 to 108.

The Office of the United Nations High Commissioner for Refugees made a short intervention to share how they were working with ILO to make value chains more compatible with the refugee situation. UNHCR was working downstream and upstream with partners on the ground and international retailors. They were also working with the UN Capital Development Fund to facilitate financial inclusion, and also cooperating with several partners to promote climate-smart agricultural production and achieve food security in poor areas.

The International Organization for Migration, in their intervention, noted that the SDGs recognized the valuable contribution migrants made to the development of their host countries and countries of origin. IOM emphasized that migrant entrepreneurs were innovative and diaspora communities had a connection to people who may be affected or displaced. All dots needed to be connected to provide opportunities for refugees and migrants.

In her closing remarks, Arancha González, reiterated the importance of trade and how it was working to help displaced people. She stated that these were examples of why trade mattered. Ann Linde, in her closing remarks, mentioned that Sweden had welcomed around 163,000 refugees in 2015. The Swedish Government was now making it easier for refugees to learn Swedish, facilitating "fast track" apprenticeships, and the Ministry of Labour was now the Ministry of Labour and Establishment. She stated that determination and political will were necessary from governments to support the integration of refugees and migrants.

SESSION 17: Side Event: "Opening Opportunities. Aid for Trade Donors' Strategies Towards SDGs 2030". Organizer: Mission of Germany to the World Trade Organization

- **Dominik Ziller,** Director-General International Development Policy, Federal Ministry of Economic Cooperation and Development, Germany and G20 Chair Development Working Group
- **Gerald Guskovsky,** German Ministry of Economic Cooperation and Development
- **Hans Docter,** Ministry for Foreign Trade and Development Cooperation, Netherlands
- **Axel Pougin de la Maisonneuve,** Deputy Head of Unit, Private Sector and Trade, European Commission Directorate General for International Cooperation and Development
- **Patric Shirzadi,** KfW Development Bank
- **Kolawole Sofola,** Principal Programme Officer Trade, Economic Community of West African States
- **Cezary Sowiński,** International Trade Facilitation and Compliance Europe, DHL Express

PLENARY DISCUSSION & LIVE EXCHANGE VIA MOBILE APP

OVERVIEW

New framework agreements, first of all the Sustainable Development Goals, ushered in a new paradigm for international development cooperation and trade. The ambition to 'leave no one behind' is at the heart of the SDGs and trade inclusiveness becomes more important than ever.

Germany presented its new Aid-for-Trade strategy which highlighted trade facilitation, quality infrastructure and promoting investment and competition and provided insights into the role of financial and technical cooperation for its implementation. Participants were invited to discuss the six fields of action defined in the strategy, the links to specific SDGs, as well as the future of Aid for Trade.

How the business community can contribute to the SDGs and Aid for Trade was illustrated through a project on Trade Facilitation that was implemented in cooperation with the private sector. Key issues from the European Commission Staff Working Document on Aid for Trade gave additional context and input to the discussion. Recipient countries presented lessons learned and showed what had been successful in the past and how to learn from practical cases and empirical experience for the future.

Short summary

The German Government presented its new Aid-for-Trade strategy and then focused on how the business community could contribute to Aid for Trade and the UN's Sustainable Development Goals. The focus was on trade facilitation, building quality infrastructure and promoting investment and competition reform.

Summary

The German Government launched its new Aid-for-Trade strategy during this session and focused on how the private sector can help developing country governments make better use of Aid for Trade so that it supports the UN's SDGs and its Agenda 2030.

Dominik Ziller, Director-General of International Development Policy, German Federal Ministry of Economic Cooperation and Development, **and G20 Chair Development Working Group**, launched the strategy and explained that Aid for Trade was an important subject during Germany's G-20 presidency and that a compact with Africa was a clear result of recent activity. The focus of the compact was on securing more private sector investment for Africa and continuing with economic reforms. The compact included a focus on rural development and agriculture and placed emphasis on girls and connectivity and, more generally, on women and their engagement with modern communications technology.

The German Government wanted to use its Aid-for-Trade strategy and sustainable development to eradicate poverty. The strategy tried to integrate free trade and fair trade in the pan-African free trade zone and emphasized pro-poor measures which included human rights and social standards. There was also a focus on the deeper integration of LDCs and MSMEs into international trade. There were six main areas of the Aid-for-Trade strategy: regional integration; economic infrastructure; increasing trade facilitation capabilities and enhancing export competitiveness; building global alliances to overcome trade facilitation barriers; building productive capacity; and sustainable production models and local and international investment.

Hans Docter, Ministry for Foreign Trade and Development Cooperation, Netherlands said that official development assistance (ODA) had limits and that any development aid must be bolstered with financing from the private sector. The Dutch Government had begun its new aid and trade policy four years ago. It had sought a policy where aid went alongside with trade. The policy has been praised at a recent OECD Development Assistance Committee review and had a strong focus on private sector development and generating more investment. A central objective was increasing job creation and tax revenue in developing countries.

Axel Pougin de la Maisonneuve, Deputy Head of Unit, Private Sector and Trade, European Commission Directorate General for International Cooperation and Development said that trade played an important role in the EU's global strategy and new development policy. Trade facilitation was at the core, alongside the EU's efforts to further build on its Economic Partnership Agreements (EPAs). The policy looked at innovative ways of supporting trade, and of using Aid for Trade as a way to encourage investment, leveraging loans and building trade opportunities. Creating more and better jobs in a sustainable and inclusive manner was another goal. Human rights, labour rights and gender rights were all factors that need also to be taken into account.

Kolawole Sofola, Principal Programme Officer for Trade, Economic Community of West African States, stated that ECOWAS was currently focusing on building human and institutional capacity, including trade negotiation capacity, and coordinating larger infrastructure projects. He said there was a need to ensure that regional initiatives were coherent with broader international goals such as the SDGs. At the same time there needed to be a focus on demand driven projects and on addressing national specificities.

During the first discussion, Mr Ziller said that more efforts needed to be placed on building better taxation systems so as to ensure that wealth was properly shared. With regard to gender, he said more attention was now being paid to the role of women as entrepreneurs.

The second part of the session focused on how the private sector could assist with building trade capacity and with the SDGs.

Gerald Guskovsky, German Ministry of Economic Cooperation and Development (GIZ) explained that there were a broad range of projects taking place in more than 40 African countries. He welcomed the government's new Aid-for-Trade strategy and its focus on making trade work for development. He said his agency was supporting the ECOWAS commission with a focus on organizational development, peace and security, trade including customs and common external tariffs and harmonizing customs procedures. Tangible results had been achieved insofar as 13 out of the 15 ECOWAS members had now implemented the common external tariff structure. More than 2,600 customs officials and members of the private sector from all 15 states had been trained.

Patric Shirzadi, German KfW Development Bank, explained how his bank tried to work with finance ministries to provide micro finance, as well as to find financing for building economic infrastructure such as the recent bridge project between Namibia and Zambia. The Bank also supported companies with their export activities. He said there was a great need for more private investment in Africa, especially to build trade capacity.

Cezary Sowiński, International Trade Facilitation and Compliance Europe, DHL Express explained how his company was working with the GIZ to establish trade development projects in south eastern Europe, such as the one for Montenegro involving a goods clearance project. The country had recognized the need for an early warning system to detect risk for the passage of goods and was interested in developing faster clearance procedures. A detailed plan for pre-arrival processing (in line with the Trade Facilitation Agreement) and a subsequent workshop resulted in an increase from 25 to 65% in the number of consignments cleared in one hour. The project received ground level support and, as part of its implementation, bylaws needed to be changed. It was of interest to note that the project was open and did not favour any single company and focused on a data-driven approach. He said that GIZ's participation was critical to the success of the project. He added that a key message coming from the project was that business expectations had to be managed and an appropriate balance found with regulators. Open communication channels with the government were critical in this regard.

SESSION 18: Side Event: "Structural Transformation, Green Economy and Connectivity in the African Union". Organizer: African Union Commission

MODERATOR

› **Catherine Fiankan-Bokonga,** Journalist, Correspondent of France 24, VicePresident of the Association of Accredited Correspondents at UN and of the Swiss Press Club

PANEL DISCUSSION

› **Marc Yombouno,** Minister of Commerce, Guinea

› **Yonov Frederick Agah ,** Deputy Director-General, World Trade Organization

› **Albert M. Muchanga,** Commissioner for Trade and Industry, African Union Commission

› **Godfrey Nzamujo,** Founder, Songhai Centre

› **David Luke,** Coordinator of the African Trade Policy Centre, United Nations Economic Commission for Africa

OVERVIEW

Structural transformation is the stated goal of the African Union's Agenda 2063. Key elements towards that structural transformation include the effective use of all of Africa's natural resources, including its green economy, in a sustainable manner. At the same time, connectivity lies at the heart of the vision of the African Agenda 2063, with a vision of an interconnected Africa, united and integrated on its journey for sustainable economic development.

The session featured a panel discussion examining the interlinkages between Africa's structural transformation, the green economy and connectivity in the African Union. Speakers explored the key issues, challenges and policy recommendations for African Union countries in this regard.

Short summary

This session discussed industrialization in Africa. Participants were of the view that Africa has a great opportunity to leapfrog old technology, undertake a faster industrialization process and adopt green technology. Energy remained the key component for Africa's development. Whereas, water was considered a key enabler in driving economic growth. there was a need for greater harvesting and conservation efforts of this precious resource. In addition, integrated transport systems were critical for regional integration and development on the continent. It was also noted that inclusiveness was required to ensure structural economic transformation. Currently, African internet penetration stood at 28% and broadband usage below 1%. Access to resources such as microfinancing and the availability of standard regulatory bodies and inadequate land registers remained a challenge.

The WTO was recognized as providing an overall framework which domestic policies need to lock into and this was seen to be essential so that Africa was not left behind in its industrialization efforts. It was also pointed out that connectivity did not mean only digital connectivity, but it should also include physical connectivity, whereby importance should also be placed on building physical infrastructure. The discussions stressed the need for political will in order to achieve structural transformation in Africa.

Summary

Marc Yombouno, Minister of Commerce, Guinea stated that Africa should not to repeat the mistakes made by other countries during their industrialization processes. He highlighted that in order to exploit Africa's significant resources, there needed to be a reliable supply of energy. Sustainable development was vital for development on the continent and there needed to be a strong political will. He urged for the development of the science and technology curriculum in the African education system, in order to achieve this structural transformation. He also stressed the need to promote growth in agriculture. Lastly, he noted that the green economy can provide jobs, stating that by 2050, Africa will have the largest market in the world and this should provide enough incentive for Africa to promote intra-regional connectivity and trade.

Yonov Federick Agah, Deputy Director-General, World Trade Organization noted that the WTO provided an opportunity to Africa by creating a predictable external trade environment, which could be used to develop the continent. However, trade alone was not enough; there was a need to have complementary policies and most importantly there had to be a business-friendly environment. Without open markets, it was very difficult to access technology, and at the same, if there was technology but no market access, the production effort was futile and the products wasted. DDG Agah noted that an Agreement on Environmental Goods would greatly assist Africa in acquiring green technology. He recommended the harmonization of policies on green technology at the continental level. Finally, DDG Agah underscored the importance of technical assistance, including initiatives such as the Standards and Trade Development Facility, which could assist in reducing costs and enable trade.

David Luke, Coordinator of the African Trade Policy Centre, United Nations Economic Commission for Africa highlighted a number of initiatives set out in a 2016 report on "Greening Africa's Economy". These included using green technology/practices such as solar and hydro power that could assist the African continent in achieving the UN SDGs by 2030 and the AU's Agenda 2063. He noted that Africa was a late industrializer, but that it had the opportunity to avoid the pitfalls of industrializing with respect to environmental protection. Africa also had the ability to leapfrog old technology and adopt green technology in its industrialization process. He indicated the development of green technology was currently taking place at a regional level through regional integration under the Continental Free Trade Agreement (CFTA). In addition, the CFTA provided an opportunity to enable technology transfer on the continent through the promotion of intra-regional trade. UNECA was currently advocating e-commerce negotiations in the second phase of CFTA negotiations. He reiterated that energy and water remained the key components for the development of Africa and therefore efforts need to be put in the harvesting and conservation of these precious resources. An integrated transport system was critical for regional integration and development on the continent.

Albert M. Muchanga, Commissioner for Trade and Industry, African Union Commission stressed that the first task of the AU was to strengthen Africa's economy. The Organization expected intra-Africa trade to double: from 15% (currently) to 30% by 2021. He noted a number of ongoing initiatives to promote connectivity including the Program Infrastructure Development for Africa (PIDA). PIDA promoted various connectivity initiatives such as rail, airports and seaports. An example was the hydropower interconnection plan between Ethiopia, Kenya and Uganda as well as between Zambia and the Democratic Republic of Congo (DRC). There were also some solar energy power interconnectivity initiatives. In terms of digital connectivity, Mr Muchanga noted plans to have African unified mobile phone sim cards, a cybersecurity initiative and the creation of an African domain name registry.

Godfrey Nzamujo, Founder, Songhai Centre presented his organic farming project in Songhai, Benin. The farm had grown from 1 hectare to 65 hectares in 30 years, growing crops year-round with the help of fertilizers. The farm also served eco-tourism and provided jobs to the youth, increasing incomes and reducing rural-urban migration. With the help of the Government of Benin, the centre was replicating this project in various locations around Benin over 200 hectares. He added that in order for Africa to attain structural transformation, African businesses needed to trade amongst themselves before they traded externally.

SESSION 19: Thematic Focus: "Tourism and Travel Facilitation and Connectivity". Organizer: United Nations World Tourism Organization, International Trade Centre, World Trade Organization

KEYNOTE SPEAKERS

- **Arancha González,** Executive Director, International Trade Centre
- **Márcio Favilla Lucca de Paula,** Executive Director, United Nations World Tourism Organization

MODERATOR

- **Shishir Priyadarshi,** Director, Development Division, World Trade Organization

PANEL DISCUSSION

- **Hamat Bah,** Minister of Tourism and Culture, The Gambia
- **Pierre Guislain,** Vice-President for Private Sector, Infrastructure and Industrialization, African Development Bank
- **Viwanou Gnassounou,** Assistant Secretary General, African, Caribbean and Pacific Group of States
- **Alexandre de Juniac,** Chief Executive Officer and Director General, International Air Transport Association
- **Dimitris Tsitsiragos,** Vice President, New Business, International Finance Corporation
- **Monica Rubiolo,** Head of Trade Promotion, State Secretariat for Economic Affairs, Switzerland
- **Xiangchen Zhang,** Ambassador and Permanent Representative of China to the WTO

OVERVIEW

Tourism is one of the fastest-growing and most important economic sectors worldwide, contributing an estimated 10% to world GDP and generating one in ten jobs globally through its direct, indirect and induced impacts. Tourism's capacity to drive sustainable development has been recognized with the inclusion of the sector in three targets (in Goals 8, 12 and 14) of the Sustainable Development Goals of the 2030 Agenda - a universal plan of action for people, planet and prosperity.

As an export category, tourism ranks third after fuels and chemicals, accounting for 30% of the world's exports in services and 7% of all exports in goods and services. The United Nations World Tourism Organization (UNWTO) forecasts international tourist arrivals to grow by 3.3% per year to 2030, with LDCs expected to grow even faster.

Tourism and air transport are potential engines for growth and economic development. Accessing tourism destinations is of primary importance for tourism growth and development, therefore connectivity is a powerful enabler to boost transportation and tourism. UNWTO research shows a clear link between travel facilitation, economic growth and job creation in the economies of the G20 and ASEAN.

The Session discussed how to create the right environment for tourism to support resilient and sustainable economic growth and the required investment in infrastructure, ICT and facilities; issues related to bridging air transport and tourism policies in facilitating travel; and innovative business models in line with the digitalization of the market.

Short summary

In the International Year of Sustainable Tourism for Development (2017), tourism is already one of the fastest growing and most important economic sectors worldwide, contributing an estimated 10% to world GDP and generating on in ten jobs globally through its direct, indirect and induced impacts. The United Nations World Tourism Organization forecasts international tourist arrivals to grow by 3.3% per year to 2030, with arrivals in LDCs expected to grow even faster. Tourism and air transport are engines for growth and economic development. Accessing tourism destinations is of primary importance for tourism growth and development, therefore connectivity is a powerful enabler to boost transportation and tourism. UNWTO research shows a clear link between travel facilitation, economic growth and job creation in the economies of the G20 and ASEAN. The session discussed how to create the right environment for tourism to support sustainable economic growth via:

- investment in infrastructure and technology;
- simplifying visa requirements and reducing transport costs;
- the creation of a Global Code of Ethics for Tourism that should soon become a convention.

Summary

Shishir Priyadarshi, Director, Development Division, WTO opened the session by stating that tourism plays an "extremely critical role" in the development of Least Developed Countries and accounts for around 7% of global trade, while only benefiting from around 1% of the total Aid-for-Trade funding.

In his keynote remarks, **Márcio Favilla Lucca de Paula, Executive Director, United Nations World Tourism Organization** noted that the United Nations had designated 2017 as the International Year of Sustainable Tourism for Development to advance the 2030 Agenda for Sustainable Development and the SDGs. He stated that tourism accounted for 1/10th of global jobs and was now the third largest "export" after chemicals and fuel. International arrivals rose from 930 million in 2010 to 1,235 billion in 2018, and were projected to rise by a further 3.5 to 4% in 2017 and to continue growing thereafter. He stated that tourism and air transport had a mutually dependent, "symbiotic", positive impact on Balance of Payments, national and local economies. Travel facilitation, particularly through the simplification of visa policies, was vital for the development of tourism with, for example, South-East Asia, East Africa, the Caribbean and Oceania currently the most open areas, as opposed to Central Africa, North Africa and North America. The percentage of tourists needing visas to enter a country decreased from 77% in 2008 to 58% in 2016. In conclusion, he noted that travel facilitation helped economic growth and was in turn supported by the ongoing digital revolution that was leading to technological innovations, e.g. e-visas, and offered new perspectives for the growing number of tech-savvy youth around the world, including in LDCs.

Arancha Gonzalez, Executive Director, International Trade Centre noted that tourism already outperformed many other sectors and would further benefit from connectivity among policy stakeholders and disadvantaged youth, women and communities. She emphasized that tourism was not just a national endeavour, nor simply a matter for ministers in charge of tourism, but rather that the sustainable development of tourism required ongoing collaboration across ministries, as well as between countries to ensure increased opportunities and benefits. To this end, ITC and the UNWTO had collaborated on a publication aimed at helping craft tourism strategies. She added that tourism involved many small and micro-enterprises, often run by women, that can benefit from the increased connectivity afforded by recent technological advances. She stressed that while counting the number of tourists arriving can provide useful data, we also need to start looking at the impact on communities. ITC's Inclusive Tourism project in Myanmar aiming to enhance trade competitiveness of the tourism sector in Kayah State was an example. The community had seen an increase in international tourist arrivals of about 140% as well as increases in spending and jobs.

Hamat Bah, Minister of Tourism and Culture, The Gambia underlined the importance of respecting the local culture and environment, as well as understanding the expectations of tourists, to ensure their needs and those of the local traders can be met. The importance of having decent infrastructure and policy was amply illustrated by the negative effects of eliminating infrastructure and introducing stricter visa requirements in The Gambia. **Viwanou Gnassounou, Assistant Secretary General, African, Caribbean and Pacific Group of States** talked of the importance of using local products and ensuring aviation safety.

Alexandre de Juniac, Chief Executive Officer and Director General, International Air Transport Association noted the significant improvements in aviation safety in sub-Saharan Africa with zero incidents so far this year. When IATA planned conferences, it assessed visa requirements and costs in the candidate host country as a first step. New technologies were increasingly being used to mitigate such potential barriers and multinational structures had a major role in continuing this progress.

Pierre Guislain, Vice-President for Private Sector, Infrastructure and Industrialization, African Development Bank (AfDB) indicated that the Africa Visa Openness Report 2016 showed that citizens of African countries required visas at departure for 55% of other African countries making it unlikely the goal of visa free or visa on arrival for all Africans will be met by the 2018 target. Moreover the low connectivity of West Africa and the incomplete implementation of the Africa Open Skies agreement would require further hard work on infrastructure and visa liberalization policies.

Dimitris Tsitsiragos, Vice President, New Business, International Finance Corporation (IFC) noted that tourism is the second largest employer in the world with a higher percentage of women and young people than other comparable industries. High end hotels tended to employ 3-5 times more staff than smaller enterprises and tried to mitigate their environmental impact in ways that governments did not. Finally hotel building could be funded through the capital markets and could be considered as "business infrastructure". **Monica Rubiolo, Head of Trade Promotion, State Secretariat for Economic Affairs, Switzerland** noted that economic, social, environmental sustainability and the involvement of small and medium-sized enterprises were all essential for developing tourism.

In the discussion, Minister Hamat Bah noted the need to protect against tourism that exploits people, especially children and young women.

In closing **Xiangchen Zhang, Ambassador and Permanent Representative of China to the WTO** noted that the Global Code of Ethics for Tourism would hopefully be converted into a full blown convention at the 22nd Session of the UNWTO General Assembly in Chengdu, China in early September 2017.

SESSION 20: Side Event: "The Need for Ex-Ante Gender Assessment of Trade Reforms: The Trade and Gender Toolbox". Organizers: Mission of Sweden to the World Trade Organization, United Nations Conference on Trade and Development

INTRODUCTORY REMARKS

› **Mukhisa Kituyi,** Secretary-General, United Nations Conference on Trade and Development

› **Ann Linde,** Minister for European Union Affairs and Trade, Sweden

PRESENTATION OF THE TOOLBOX

› **Maria Masood,** Economist, Trade, Gender and Development Programme, United Nations Conference on Trade and Development

MODERATOR

› **Simonetta Zarrilli,** Chief, Trade, Gender and Development Programme, United Nations Conference on Trade and Development

Mainstreaming gender in trade policy requires assessing to what extent trade policies affect men and women in a distinctive manner in order to make policies responsive to gender considerations. The ex-ante assessment of the gender implications of trade policies is critical to design policies in a way that favors women's empowerment and well-being, and at the same time avoids increasing gender inequality and mitigates existing disparities.

This initiative, sponsored by the Government of Sweden, helps ensure that trade strengthens economic empowerment of women and thus contributes to inclusive development, in line with the 2030 Agenda for Sustainable Development and the Addis Ababa Action Agenda.

At the event, the United Nations Conference on Trade and Development presented the Trade and Gender toolbox, which is the first systematic framework to evaluate the impact of trade reforms on women's well-being and gender inequality prior to their implementation. The toolbox is intended for policymakers involved in trade negotiations, but also for development practitioners working on gender equality. It should equip the relevant stakeholders with the necessary tools to gauge the effect of trade policies on gender equality and therefore conceive relevant policies and accompanying measures if negative effects are expected.

Short summary

The session presented an innovative tool to make an ex-ante gender impact assessment of trade measures, the Trade and Gender Toolbox. This instrument, developed by UNCTAD and sponsored by the Government of Sweden, helps answer the question: what could happen to women if a given trade measure were implemented? The toolbox is composed of four main components: (i) descriptive analysis of gender inequalities and the economic context of the country at stake; (ii) econometric analysis of the expected consequences of the trade reform on the economy and on women in particular; (iii) accompanying measures and monitoring indicators; and (iv) trade and gender index. The ex-ante gender assessment of trade policies is critical to design these policies in a way that favours women's empowerment and well-being. The methodology was applied to a specific trade agreement - the Economic Partnership Agreement (EPA) between the European Union and the East African Community (EAC), and was used to assess the likely impact of the EPA on the well-being and gender equality of women in Kenya, one of EAC partner states, mainly through employment. The same methodology can be used to assess the gender impacts of any other trade reform in any other country.

Summary

Introducing the session, **Simonetta Zarrilli, Chief of the Trade, Gender and Development Programme, United Nations Conference on Trade and Development**, highlighted that the main goal of the toolbox was to make trade policy more inclusive and responsive to gender equality. The timing of the launch of the toolbox was important, she emphasized, given the ongoing debate around trade policies and the concerns that trade has left many fragile segments, including women, behind. The toolbox helps ensure that trade policies take into account gender equality before their implementation, in turn, creating the opportunity to make trade positive for gender equality. She then gave the floor to Minister Linde.

Ann Linde, Minister, European Union Affairs and Trade, Sweden, began her remarks by emphasizing that promoting women's empowerment was part of the global fight against poverty and was a positive force for economic growth. There was strong empirical evidence showing a positive relationship between women's labour force participation rate (LFPR) and economic growth; countries in which women's LFPR was high were able to achieve high rates of economic growth. She pointed out the three major reforms that Sweden undertook to promote women's empowerment and increase women's LFPR: (i) abolition of joint taxation; (ii) introduction of affordable child and elderly care; and (iii) availability of parental leave available to both parents. Sweden was the first country to declare a feminist government in 1994. She emphasized that eliminating all forms of discrimination against women and girls was a human right on its own; Sweden had an agenda to contribute to promote gender equality not only in Sweden, but also in the EU and around the world.

Trade and gender equality have a two-way relationship; trade and trade liberalization can affect gender equality, but gender equality affects trade competitiveness and outcomes. Trade policy had different effects on men and women, even when the intention of trade policy was gender-neutral, because men and women had different access to resources. Women tended to face barriers in having access to assets and education, and tended to have asymmetric access to power and decision-making processes. Women may also lack legal rights and face cultural barriers. It is necessary to reach the needs of poor women, who can also be small agricultural producers, crossborder traders and domestic workers. For example, women as informal cross-border traders faced barriers such as lack of cheap accommodation near borders, and insufficient trade facilitation measures, among others.

Minister Linde highlighted that the analytical work on gender and trade done by international organizations, including UNCTAD, was very important. The insufficient availability of genderdisaggregated data was still a major issue; only one-third of countries around the world gather information disaggregated by gender. Hence, hundreds of millions of women and girls were still invisible. There was a need for a commitment towards gathering gender-disaggregated data and for an ex-ante gender impact assessment of trade agreements. They are both necessary steps for inclusive development.

Competition following trade liberalization may be harder for women due to their lower access to resources, networks and credit. Minister Linde indicated that the Aid-for-Trade capacitybuilding initiatives should help women upgrade their skills, increase women's access to productive assets, and expand production in exporting sectors. Aid for Trade should also pay more attention to Information and Communication Technology. According to figures for

2004-2013, 4.4 billion were still offline. The majority of the offline population was women. Trade liberalization policies promoted competition. This, in turn, helped reduce discrimination against women. In addition, trade liberalization induced technological upgrading, which increased the relative productivity of women. Trade liberalization policies affected the sectoral structure of production and the effects on women depended on the female labour and capital intensity of the economic sectors. Minister Linde emphasized that there was a need for more analytical work to ensure that trade liberalization can help promote gender empowerment and well-being. In this regard, the toolbox developed by UNCTAD was very important, she said, to assess how trade affects men and women differently, and accordingly to develop policies to address the possible negative effects on gender inequality. This was also in line with the 2030 Sustainable Development Goals and the Addis Ababa Action Agenda.

Mukhisa Kituyi, Secretary-General, United Nations Conference on Trade and Development, started his remarks by highlighting the need for walking the talk on gender. He provided two examples from his home country, Kenya, on how gender-neutral policies could have unintended positive or negative gender consequences. The first example referred to the use of M-PESA, a mobile money transfer system that has been available in Kenya since 2007. Earlier, the proceeds of agricultural produce were appropriated through cooperatives and collection centres, in which individuals were required to have an account. Since the land was often owned by men, the account was registered on a man's name. After the introduction of M-PESA, women could get the proceeds directly on their own name and had greater control over household income. This, in turn, had positive impacts on children's health and family's fortunes. The second example was about the trade negotiations on market access in agriculture. Dr. Kituyi explained that there were men's crops and women's crops in Kenya. This means that the food crops necessary for the family livelihood (e.g. cassava, sweet potatoes, etc.) were often cultivated by women. In contrast, the cash crops for the market (e.g. cotton, coffee, tea, etc.) were mostly produced by men. Exporting cash crops to Europe eroded women's economic role; in turn, women got poorer as men's crops expanded at the expense of women's crops. Dr. Kituyi highlighted that, through impact assessment using the diagnostic tool developed by UNCTAD, it would become possible to anticipate the gender effects of trade agreements, and to conceive accompanying measures that can help mitigate the possible detrimental consequences of trade reforms on women. This was a necessary component of the ongoing efforts towards women's empowerment and gender equality.

Maria Masood, Economist, Trade, Gender and Development Programme, United Nations Conference on Trade and Development, first introduced the outline of her presentation, which consisted of two sections. The first part provided an overview of the toolbox; the second part illustrated an application of the toolbox to the case of Kenya in the context of the EPA between EU and EAC. Dr. Masood stated that the toolbox intended to answer the following question: what would happen to women if a given trade policy were implemented? The toolbox provided a systematic framework to evaluate the impact of trade reforms on women prior to their implementation, which allows for an ex-ante analysis. The toolbox consists of four steps: (i) identification: it provides an analysis of the economic context and the extent of gender inequalities in a given country; (ii) evaluation: it estimated the impact of trade reforms on different sectors of the economy through a Computational General Equilibrium (CGE) model. The sectors in which women's participation was the highest were linked to the findings of the CGE model. This allowed determining the impact of the trade reform on the sectors that were important for women's employment: monitoring - it allowed for an ex-post analysis, and tracking of gender equality before and after the trade reforms. A checklist also allowed for a gender-sensitive analysis of the accompanying measures needed in case negative impacts are expected. Synthetizing indicator: Trade and Gender Index.

The toolbox had been applied to Kenya to examine the possible impact of the EPA on women in Kenya. Her results showed that the impact of the EPA was uneven across sectors. The only sector that was expected to be impacted positively was agriculture, but agriculture had been excluded from the EPA. In all other sectors, the impact was found to be small in magnitude and, on average, negative. Research on the trade and gender index showed that since 2012 gender inequality had worsened. something that should be scrutinized further.

Simonetta Zarrilli emphasized that the toolbox allowed for very context-specific results, as it enabled evaluating the sectors that are significant for women's employment. She explained that it took many months for the toolbox to be completed, but it was now a concrete tool for policymakers. After Simonetta Zarrilli's comments, the Q&A section began.

In reply to questions, Dr. Masood stated that the use of the toolbox was constrained by the availability of good and representative data. Some of the indicators were often not representative of the entire population. On policy recommendations, she pointed out that the purpose of the toolbox was not to identify specific policies; however, a checklist was presented to support policymakers in the assessment of accompanying policies that may be needed to reduce the risk of aggravating gender disparities. The analysis based on the toolbox was quantitative in nature and should be complemented with qualitative analyses based on field studies. With regard to the issue of women as consumers, data constraints prevented considering women in this role. The toolbox was labour-oriented because of data constraints. In the future development of the toolbox, other dimensions of gender inequality (besides labour) could be considered, too. With respect to the baseline scenario used by the toolbox, Dr. Masood stated that it is possible to select what to use as a term of comparison for the effect of trade reforms; the status quo was not the only option. For example, in the case of Kenya, the EPA scenario could be compared with the status quo, which was the duty-free access temporarily granted to Kenya during the negotiations or the scenario in which no EPA was signed and the Generalized System of Preferences (GSP) came into effect (which would occur if the EPA were not implemented). Finally, Dr. Masood reiterated that the sectors that were considered by the toolbox were only the sectors that mattered for women's employment.

Dr. Kituyi took the floor to address the questions asked by the audience. He remarked that a diagnostic tool did not make policy decisions; the toolbox helped policymakers make decisions by allowing them to evaluate the expected impacts and to develop accompanying measures both to mitigate the negative effects and to scale up the positive impacts. He pointed out that gender and agriculture was a dynamic issue. In 2010, a constitutional change in Kenya permitted daughters to have the same inheritance rights as sons. This legal change affected women's access to crops and export sectors (e.g., coffee, horticulture, etc.).

Minister Ann Linde stated that, when thinking of "what's next?", it was important to spread knowledge about the toolbox. Even if there was no full data availability, it was a first step to think about the issues addressed by the toolbox. It could also be used as a reference to open up questions on gender and trade in the process of trade negotiations. She then provided the example of Sweden. Decades ago, Sweden had decided that all statistics should be gender disaggregated; following this decision, it was observed that no gender-disaggregated data existed on health issues. When collected, it was found that expensive heart surgeries were performed to a greater number of men than women. This was something unknown before the decision to collect gender-disaggregated data. Finally, she supported the importance of looking at the consumer perspective as well. Liberalization sharpened competition, which reduced prices; in turn, firms that are not competitive enough may have to lay off workers. In these cases, other measures could be introduced such as active labour market policies and re-education of those who were laid off. She stated that competition in itself was not something to be feared. The society, and not the individuals, should take responsibility for the negative effects of trade reforms by introducing compensating measures. She finally presented the case of the EU-South Korea Agreement, which boosted the exports of Baby Bjorn carriers and children's clothes by Sweden to South Korea. These sectors employed many women in Sweden, who in turn made these products for women in South Korea.

Dr. Kituyi concluded the session by stating that the toolbox needed to be used in practice, and the toolbox needed to be expanded. He made a commitment that any publication from UNCTAD needs to contain a gender evaluation; the toolbox helped towards this commitment. In addition, it could help trigger interest in other initiatives to develop other instruments.

SESSION 21: Side Event: "New Trends in Digital Economy and Connectivity, Innovation and Assistance". Organizer: Mission of the United States to the World Trade Organization

PANEL DISCUSSION

- **Kati Suominen,** Founder and Chief Executive Officer, Nextrade Group; Chairwoman of TradeUp Capital Fund and World SME Forum Board Member
- **Alex Wong,** Head, Global Challenge Partnerships and Member of the Executive Committee, World Economic Forum
- **Gabriela Montenegro,** International Development Consultant and Managing Director, Prospera Consortium LLC
- **Anders Aeroe,** Director, Division of Enterprises and Institutions, International Trade Center
- **Carlos Grau Tanner,** Director General, Global Express Association
- **Alliance for Affordable Internet**

OVERVIEW

The proliferation of business transactions that depend on the internet and information communication technology highlights the importance of the digital economy as the driver of innovation, competitiveness, and growth. The impact of e-commerce is already evident in the developed world; USAID and its partners are working to assess and provide solutions to factors that are inhibiting the expansion of digitally-enabled trade in the developing world.

Participants: Panelists included private sector representatives and USAID project participants facilitated by a US Government representative.

Short summary

The proliferation of business transactions that depend on the internet and information communication technology highlights the importance of the digital economy as a driver of innovation, competitiveness, and growth. E-commerce represents a huge opportunity for developing economies, as it allows them to enter new markets, access information and get connected with customers around the world. However, some of the barriers that have hindered SMEs' development in the past continue to do so also in the digital economy. How to set up a business, have access to credit and financial tools, enforce contracts, are key issues for traditional business and e-commerce alike. There were also unique elements to digital transactions, such as: electronic signature; international acceptance of payments; online dispute resolutions; which required new solutions. It was important to map out what challenges SMEs are facing today and to see what was needed to better target development assistance. This could also help to reduce the digital divide and get the unconnected of the world connected. USAID and other development agencies were already working to assess and provide solutions to factors that were inhibiting the expansion of digitally-enabled trade in the developing world.

Summary

The session focused on new trends in the digital economy and how development assistance should adjust to help developing countries take advantage of the opportunities arising from connectivity and e-commerce. E-commerce represents a huge opportunity for developing economies: on-line sales have been growing at double-digit rates. As an example, revenues from e-commerce in Africa will increase to US$20 billion by 2018. We are living through the "fourth industrial revolution", with new technologies impacting all sectors of the economy and our daily lives. New technologies were tools made by people to empower other people. However, some of the barriers that had hindered SME development in the past continued to do so also in the digital economy. How to set up a business, have access to credit and financial tools, enforce contracts, were all key issues for traditional business and e-commerce alike. There were also unique elements to digital transactions, which needed to be addressed, such as: electronic signature; international acceptance of payments; online dispute resolutions; all of which required new solutions. It was therefore important to map out what issues SMEs were facing and what was needed to better target development assistance.

A global survey conducted by the **Nextrade Group** looked at the main elements of an "enabling environment" for companies engaging in e-commerce in developing countries. These included: physical and digital infrastructure; logistics; online payment systems; regulatory frameworks; education and skills; and access to finance. While all these areas were critical and needed to work together, each country, or company, may face specific challenges in one or more areas when seeking to leverage digitalization or participating in digital trade. For example, small companies ranked logistics and access to finance as their main barriers. As regarded logistics, the real constraints identified by SMEs related to customs procedures and classic market access barriers, such as tariffs and other trade policy measures. On the other hand, the survey showed that companies participating in e-commerce (SMEs and big online platforms alike) tended to diversify their export markets and have faster-growing sales as compared to offline sellers. Their revenue gains could go over 30% if the top three barriers to the enabling environment were removed.

Despite the benefits deriving from digital trade, internet connectivity was still a challenge for many developing and least developed countries. More than half of the world population (52%) was off line and the digital divide was more pronounced in developing economies. To address the connectivity challenge, the **World Economic Forum (WEF)** had launched the "Internet for All" initiative, which aimed to leverage private-public partnership for internet adoption. The WEF had identified four main barriers to internet access and adoption at global level: 1) infrastructure (e.g. fibre or high-speed connection, mobile connection); 2) affordability, of both the device connecting to the internet and the use of data; 3) skills, awareness and cultural acceptance; literacy was important but also the digital skills that allowed the use of the connecting devices; and 4) content, in the local language and in terms of interesting content for the users.

Similarly, the **Alliance for Affordable Internet** highlighted that despite progress in the ICT sector, for most low and middle income countries, such progress was not fast enough and it had actually slowed, particularly with respect to broadband adoption, which was a necessary condition to improve connectivity and develop e-commerce. While connectivity could be a tool to address inequalities, like income or gender inequalities, the internet penetration rate was as low as 5% in some developing countries. Governments, and development agencies, needed to be creative and innovative in coming up with new policies, including trade policies, that changed this pattern. As an example, in Ghana, they had managed to work closely with the Government, who saw the benefit of eliminating the 20% tax on ICT devices, which was the entry point for internet. In some countries, taxes made up 70% of the cost of ICT devices.

Prospera Consortium noted that there was a window of opportunity for SMEs to adopt technology. In El Salvador, the number of Facebook users had increased by 700% between 2010 and 2017. Ninety per cent of people had access to the internet through mobile phones. Small businesses provide Business to Consumer (B2C) services (e.g. transport, food delivery) in domestic market and Business to Business (B2B) and B2C services in the regional market (e.g. tourism, air transport) through online platforms. Some of the projects ran in cooperation with USAID allowed SMEs to integrate in value chains, by helping them to access finance and formalize their business. However, some of the issues that SMEs still face include: security of transaction; infrastructure and distribution; financial access; payment systems; customer protection and opaque customs procedures; etc.

Another initiative to help SMEs comply with the new requirements and remain competitive in digital trade was provided by the **International Trade Centre (ITC)**. Through the ITC's "sustainability toolkit", SMEs could leverage new trade opportunities by means of e-commerce. The ITC initiative was about creating a "sustainability network" by linking communities committed to sustainable production and trade, providing market data for more informed decisions, and ensuring transparency on standards initiatives and improving performance. This online tool could help to reduce transaction costs and provide access to information for SMEs so that they can remain competitive and comply with the new rules for sustainability and standards in digital trade.

Finally, the **Global Express Association** looked at the impact of e-commerce on trade facilitation and logistics. In the digital world, physical connectivity still mattered for companies to measure their competitiveness. Goods have to arrive fast and safely to consumers. The main factors that can affect express delivery included: border procedures; customs administration; and foreign investment regulations. The WTO Trade Facilitation Agreement has enormous potential to improve efficiency in border procedures, increase foreign trade transactions and allow companies to remain competitive. Current rules do not distinguish between big consignments, which characterize traditional trade, and small parcels, which are what SMEs start trading when entering e-commerce. It would be important for regulators to focus on low-value shipments, for instance by implementing the WCO Guidelines for the immediate release of low-value consignments by customs. This would help SMEs to trade more easily.

In conclusion, development agencies and donors should think of creative solutions, as the traditional way of providing assistance may not work in today's environment. When programming aid, all relevant stakeholders should be involved and be ready to change as the digital world evolves.

SESSION 22: Side Event: "Structuring of Value Chains and Connectivity of the Cotton-Textile-Clothing Actors from Africa, Europe and Asia". Organizers: (Organisation Internationale de la Francophonie) International Organisation of La Francophonie in partnership with the International Trade Centre and the Enhanced Integrated Framework

PANEL DISCUSSION

- **Kako Nubukpo,** Directeur International Organisation of La Francophonie
- **Armand Tazafy,** Minister of Commerce, Madagascar
- **Chekou Oussouman,** Programme Specialist, International Organisation of La Francophonie
- **Jeske Van Seters,** Head of Programme, European Centre for Development Policy Management
- **Axel Pougin de la Maisonneuve,** Deputy Head of Unit, Private Sector and Trade-Directorate General for International Cooperation and Development, European Commission
- **Matthias Knappe,** Project Manager, International Trade Centre
- **Dong The Quang,** Programme Specialist, International Organisation of La Francophonie
- **Said Elaarbaoui,** Founding Member, Cluster Morocco Technical Textile Exportateurs
- **Nguyen Thi Chi,** Vietnam Chamber of Commerce and Industry
- **Abdoulaye Nabole,** President, Organisation Professionnelle des Industries du Coton et Textiles d'Afrique de l'Ouest
- **Aliyoum Fadil,** Member, National Assembly of Cameroon and Firms' Manager
- **Abdoul Karim Konaté,** Minister, Trade and Industry, Mali
- **El Hadji Diouf,** Consultant

OVERVIEW

Placing the African cotton sector on a virtuous and irreversible trajectory, on the one hand is possible in the light of the recent economic and trade agreements involving Africa, Europe and Asia, and on the other hand, of the sustainable development objectives. The work and programmes on productive preferences, developed in particular by the International Organisation of La Francophonie, in partnership with the International Trade Centre, and the Enhanced Integrated Framework, show interesting models of good practice, in particular in terms of bilateral, trilateral or multilateral cooperation. Based on Aid for Trade and supported by free trade agreements, these experiences could be modelled and scaled up to shape regional and inter-regional connectivity strategies on one or several competitive value chains.

This side event was organized in two sessions around the bi, tri and multi-stakeholder cooperation models in the cottontextileclothing sectors. Public and private AidforTrade partners (including of specific programs), members of industry, national and regional policy-makers, officials and finance providers, exchanged their experiences on Cameroon, Morocco, Burkina Faso and Viet Nam, as well as on models of cooperation facilitating the implementation of multi-stakeholder winwin partnership projects in these sectors.

Short summary

This session discussed how to make the cotton sector a pillar for sustainable development in African cotton-producing countries, including those in West Africa. Major problems. including technical, structural, institutional and organizational - faced by African countries, including francophone countries, were highlighted by the panelists. It was suggested that political will should be strong in transforming the cotton sector in African producing countries, including in the context of structuring cotton value chains and regional and inter-regional partnerships. Another suggestion was that institutions involved in the cotton sector should adopt an approach that incorporated the "technique, training and investment" issues in the cotton sector together.

Summary

The event was moderated by **Kako Nubukpo, Director of Francophonie Economique at the Internationale Organization de La Francophonie.** The session discussed how to make the cotton sector a pillar for sustainable development in African cotton-producing countries, including the West African ones.

Armand Tazafy, Minister of Commerce, Madagascar and President of Francophone Network of Trade Ministers highlighted the importance of discussing both the development and trade aspects of cotton at the World Trade Organization. He emphasized how the multiple productive preferences being developed by the OIF in partnership with the International Trade Centre could revive the cotton sector in African countries. He highlighted the technical, organizational, structural, and institutional problems, as well as the lack of long-term vision that had been plaguing the cotton sector in Madagascar.

Chekou Oussouman, Programme Specialist, International Organisation of La Francophonie emphasized the importance of the structuring of value chains as well as the connectivity of the cotton-textile-clothing actors in different geographical spaces, including Africa, Europe and Asia. He recommended that the issue of developing value chains in the cotton sector should be addressed in a holistic way, including by considering cotton, textile and clothing together. In that respect, he highlighted the importance of mobilizing different sectoral actors, including institutions, manufacturers, and local authorities, which had been very close to cotton producers. Finally, he underscored the role of an inter-regional approach in supporting the aforementioned structure.

Matthias Knappe, Senior Program Officer, Cotton, Textile and Clothing, International Trade Centre provided examples on the role of ITC in the cotton sector, including through ensuring the inter-regional connection between West and Central African, and Viet Nam for investment in the cotton sector. He indicated that what mattered most. beyond the macroeconomic stability and the business-friendly legal environment. for investors in the cotton sector, in particular those in Asia that used Africa's cotton, was trust and loyalty. He also provided the example of ITC's training activities on the cotton sector, particularly on the quality of cotton.

Jeske Van Seters, Head of Programme, European Centre for Development Policy Management shared the lessons that the ECDPM had drawn from its experience in developing public-private partnership to support intra-regional trade in some COMESA countries, including Kenya, Rwanda and Uganda. She proposed that such partnerships should be based on the following principles: an agile and flexible approach by technical and financial partners; an approach that took into account political economy factors, including the interests of different actors when structuring cotton value chains; a bottom-up approach that would not impose any cooperation framework for the partnership and hence, took into account all stakeholders' interests; and an inclusive framework that took into account the interests of the vulnerable, and that respected social and environmental standards.

Axel Pougin de la Maisonneuve, Deputy Head of Unit, Private Sector and Trade-Directorate General for International Cooperation and Development, European Commission noted that the EU's support for economic development was increasingly centered on investment, in particular on the agro-food sector, with a view to developing sustainable employment in this sector in EU's developing countries partners. He also emphasized that the EU was increasingly adopting a sectoral approach for its assistance to developing countries. He acknowledged that the cotton sector was strategic for many countries, but noted that one major problem that the EU had been confronted with was to know in which precise area to disburse its financial investment. He informed the audience that the EU was envisaging investing Ð45 million, with a focus on women's capacity, decent work and sustainability.

Dong The Quang, Programme Specialist, Organisation International de la Francophonie outlined the key features of the OIF's program that aimed to identify the opportunities in the cotton sector through inter-regional partnerships. These included sustainability in the exchanges between the actors of this sector; the structure of value chains in the cotton sector; the promotion of an integrated approach for this structure; the mobilization of financial resources; leveraging on South-South and tripartite cooperation; and a better connection between financial and technical partners.

Said Elaarbaoui, Founding Member, Cluster Morocco Technical Textile Exportateurs suggested that an integrated approach along with a firm political will, including in a regional context, were key to ensuring the promotion of the cotton sector as a vital development lever. He also proposed to depart from the cotton-textile-clothing approach and to focus on cottontextileclothing and technical textile approaches. He urged the institutions involved in the cotton sector to adopt a package approach, i.e., "technique, training and investment".

Nguyen Thi Chi, Viet Nam Chamber of Commerce and Industry shared Viet Nam's experience on the cotton sector and encouraged partnership in this sector. She also suggested the need for strengthening cooperation between Vietnamese and African Banks for investment in the sector.

Abdoulaye Nabole, President, Organisation Professionnelle des Industries du Coton et Textiles d'Afrique de l'Ouest noted the importance of cotton transformation for West African countries. He also informed the audience of the strategic objectives of his organization over the period 2016-2020. These included: strengthening of the relationships between cotton manufacturers in Africa and, between Africa and the rest of the world; the need to transform the cotton product so as to create employment for youth and women; the support to craft activities relating to textile; and training in the area of textile, notably by relying on textile leaders in francophone African countries.

Aliyoum Fadil, Member, National Assembly of Cameroon and Firms' Manager emphasized the need to transform the cotton product in African-producing countries, including through cotton value chains, as the latter could be instrumental in addressing the employment problem in African countries, notably Cameroon.

Abdoul Karim Konaté, Minister Trade and Industry, Mali took the audience through Mali's experience in the cotton sector, including the problems faced by this sector. He stressed the need to address the problem of power supply, so as to reduce the energy costs.

El Hadji Diouf, Consultant, indicated that a clear distinction should be made between the development and trade aspects of cotton. He recalled that he had always advised the C4 countries that in light of the US subsidies to cotton, it should bring the cotton case to the WTO's Dispute Settlement. like Brazil did. He also observed the disconnection between the actors of the cotton sector in Africa, due to the existence of micro projects that lack internal coherence in that sector.

Mr Nubukpo highlighted a number of points in closing. In his view, cotton was, at the end of the day, a system of production, and not a sector; factor productivity was of key importance here: the costs of factors such as transport and energy should be reduced; competitiveness should be viewed in terms of both price and non-price, i.e., quality; and the "CFA Franc" could be a major impediment to the development of cotton industries in African countries that use this currency: the importance of good governance and a vision for the cotton sector, which could be national, regional, or continental. In closing, he said that he was convinced of the OIF's capacity to help African countries, notably those in West Africa, to transform cotton product so as to enable the cotton sector to be instrumental in addressing some major development challenges, including the employment of youth and women.

SESSION 23: Social Event: "United Nations International Year of Sustainable Tourism for Development". Organizers: Enhanced Integrated Framework, the World Tourism Organization, the Mission of China to the World Trade Organization, the International Trade Centre and the World Intellectual Property Organization

This social event featured a performance by The Gambian artist, Sona Jobarteh.

Sona Jobarteh is the first female Kora virtuoso to come from a prestigious West African Griot family. She is a pioneer in an ancient, male-dominated hereditary tradition that has been exclusively handed down from father to son for the past seven centuries. She's also an ecommerce pioneer, selling both her music and also traditional Gambian instruments online.

The United Nations designated 2017 as the International Year of Sustainable Tourism for Development.

In the context of the 2030 Agenda for Sustainable Development and the Sustainable Development Goals, the International Year aims to support a change in policies, business practices and consumer behaviour towards a more sustainable tourism sector that can contribute to all the 17 SDGs.

Tourism can make a particular contribution to attain the SDGs in least developed countries. Many LDCs are major exporters of tourism services. A case in point is The Gambia where close to 16% of the GDP is generated by the tourism sector.

Summary

The first day of the Global Review concluded with a social event held to celebrate the International Year of Tourism for Sustainable Development, co-financed by UNWTO, ITC, WIPO, the Chinese Mission to the WTO and the Enhanced Integrated Framework. In opening, **Sainabou Taal, Trade Policy Analyst, Development Division, WTO,** recalled WIPO's programme for the protection of indigenous peoples' and local communities' intellectual property and talked about the role that trade, and in particular tourism, played in economically supporting fragile populations, such as women, by creating business opportunities for them.

The event featured a live performance by Gambian singer Sona Jobarteh. During her performance, Sona presented traditional music from her country and called for the protection of intellectual rights in traditional cultural expressions.

DAY 2. 12 JULY 2017

SESSION 24: Plenary session: "Promoting Inclusive Trade Through Gender Empowerment". Organizer: World Trade Organization

KEYNOTE SPEAKER

› **Roberto Azevêdo,** Director-General, World Trade Organization

MODERATOR

› **Vanessa Erogbogbo,** Head of Women and Trade Programme, International Trade Centre

PANEL DISCUSSION

› **Ann Linde,** Minister for European Union Affairs and Trade, Sweden

› **Armand Tazafy,** Minister of Commerce, Madagascar

› **Isatou Touray,** Minister of Trade, The Gambia

› **Hiroshi Kuniyoshi,** Deputy to the Director General, United Nations Industrial Development Organization

› **Anabel Gonzalez,** Senior Director, Trade and Competitiveness Global Practice, World Bank Group

› **Candace Nkoth Bisseck,** Founder, Digital for Development, and Consultant, Stanford Seed West Africa

› **Phyllis Mwangi, Director,** Tandao Commerce

Gender features strongly as a cross-cutting theme in the "Aid for Trade at a Glance 2017" report. It highlights that developing countries and their development partners increasingly recognize the economic growth potential that can be tapped through women's economic empowerment. Among the 40 donors surveyed, 87% indicated that they now integrate women's economic empowerment into their Aid-for-Trade programming. And with good reason. The report also underscores a series of divides that hamper women and women-owned firms from fully reaping the benefits of international trade.

Divides in terms of access to information and skills needed to export; access and use of technology that helps integrate into global and regional value chains; and ownership or management of firms still exist. Research shows that the productivity premium that firms derive from exporting is actually lower for womenowned firms. When women-owned firms face the same barriers to trade as menowned firms, they find them more costly to overcome. As firm size increases, obstacles grow, keeping the exporting firms owned or managed by women small. New technology, online platforms and ecommerce can help, but women entrepreneurs still run up against gender-based barriers that reduce their productivity and often their commercial viability.

Progress has been made in integrating gender into Aid-for-Trade programming. But there is still much room for improvement. Only 38% of developing countries felt that Aid for Trade could contribute to the gender equality target found in SDG 5 of the 2030 Agenda for Sustainable Development. as compared to 50% of donor respondents.

Short summary

Speakers underlined the importance of giving an equal chance to women. This was not only economically important but beneficial for society as a whole. Speakers also discussed how women needed to be trained on how to use trade as a tool for development, to be informed about trade rules and market opportunities. They insisted on the importance of bridging the digital divide for women. Other issues were raised too such as the need for data on how trade impacts women and how to boost sectors in developing countries where women are mostly involved (agriculture, textile and tourism).

Summary

In his keynote speech, **World Trade Organization Director-General Roberto Azevêdo** said that trade plays an important role in gender empowerment as it helps to create job opportunities and provide better salaries. It encourages education and skills development. And it also helps to increase financial independence.

He added that tradeable sectors are large sources of female employment, and that in developing countries, companies that export employ more women than those that do not. He gave a few figures. In Rwanda, for example, 74% of those engaged in cross-border trade were women, and 90% of them rely on cross-border trade as their sole income source. In China, 55% of digital entrepreneurs were women.

While this was positive, big imbalances remain. Overall, women are under-represented in international trade, with only one in five exporting firms led by a female entrepreneur. Various barriers hampered women entrepreneurs in accessing international markets. Legal and regulatory barriers were often higher for women. They lacked access to capital. Gender biases could sometimes result in greater risks and unfavorable working conditions for women. At bordercrossings women were disproportionately harassed and asked for bribes. Knowledge and skills were also important for women and low levels of literacy were more prevalent among female than male traders.

Director-General Azevêdo advocated lowering and, wherever possible, eliminating barriers. Doing so would contribute not only to the economic empowerment of women, but also to overall economic growth and social development. Small and medium-size enterprises were a major source of employment for women. Aid-for-Trade support for SME development had risen by around 50% between 2005 and 2013. This initiative could also make a big difference to women by helping bridge the digital divide. The internet provided women entrepreneurs with easier and less expensive ways to access foreign markets. Fully realizing this opportunity required better connectivity infrastructure, paired with the necessary skills and training.

Director-General Azevêdo also announced that the WTO had appointed its first gender focal point, Anoush der Boghossian, who would help coordinate the WTO's work on these issues.

Armand Tazafy, Minister of Commerce, Madagascar remarked that empowering women was a way to eliminate discrimination between the sexes, eradicate poverty and promote inclusive economic growth. This was a matter of urgency. Women constituted 51% of Madagascar's population and they have developed a great entrepreneurial spirit. They managed shops, restaurants, sold various types of products and worked a lot in the agriculture sector. But they had not had enough acknowledgement and their potential was under-utilized. Madagascar had put policies in place to promote women's empowerment, including those in a vulnerable situation. Women's empowerment had been included in COMESA's Final Declaration as a goal at the 2016 Summit. Many different bodies such as women's associations and chambers of commerce also promoted women's entrepreneurship. Women needed to be trained on how to use trade as a tool for development, to be informed about trade rules and market opportunities.

The textile sector employs a vast majority of women and their know-how made them a reference in Sub-Saharan Africa. Through the African Development Bank's PAPI project ("projet d'appui à la promotion des investissements"), networks of women-owned enterprises were strengthened and assisted in supplying larger textile companies. Madagascar was putting similar policies and programmes in the agriculture sector to develop women's entrepreneurship in rural areas. Issues such as legal rights, cultural bias, access to information and finance, maternity and work life balance should also be considered while developing policies geared towards women.

Isatou Touray, Minister of Trade, The Gambia, highlighted the importance of women to The Gambian economy, particularly in sectors such as tourism and fisheries. Nevertheless, when it came to financing, women were "completely in the background", even though women entrepreneurs had a 98% repayment rate for loans. High priority was given by The Gambia to the development of tourism, fisheries and agriculture sectors because they impacted women's empowerment. Combined, those sectors contributed nearly half of The Gambia's GDP and employed more than 75% of the work force. Tourism was a top activity. The sector included many actors, local taxis and transport providers, local crafts market, excursion providers, horticulture and vegetal growers, livestock growers and suppliers to hotels and their employees.

Challenges for inclusive tourism in The Gambia included developing ecotourism and cultural tourism. Linking agricultural production where many women worked on vegetable production, horticulture, fisheries and poultry to the hotels was a priority. She was of the view that if we wanted to help women, we had to help them in the traditional sectors where they were economically active. There was a general lack of capacity of the crafts, agricultural and the services sectors in profiting from the tourism flows. To diversify tourism, business development and other trainings were needed. Agriculture contributes to 25% of The Gambia's GDP and provides employment to over 75% of the labor force.

The fisheries sector in The Gambia was also a priority sector for the country not only because of the foreign exchange revenues it brought to the country but also because it was a sector that provided employment for women who were involved in fish processing and marketing. The sector represented an important source of income and livelihood support. About 80% of fish processors and 50% of fish traders were women.

All the studies undertaken had validated the critical role that women play. When women get a loan, they had 90% payment rates in most of African countries. Women needed the opportunity by taking an approach that was gender responsive. Women had always had a place in the economy and they are the architects of trade. If we wanted inclusive trade, we need to consider trade policy responses that are gender specific, gender responsive and redistributive.

Candace Nkoth Bisseck, Founder, Digital for Development, and Consultant, Stanford Seed West Africa spoke about technology and the digital economy. Women, whether as buyers or as traders, were less involved in e-commerce than men. Buyers on Jumia (an ecommerce website in Cameroon) were mainly men. Among the sellers, the gap was even wider, only 20% of traders on Jumia were women. When trying to convince women to use the ecommerce platform to sell their goods, they responded that they wanted to wait for the permission of men in their entourage or that they were simply intimidated by the technology. We need to improve the participation of women in trade through ICT and e-commerce training and to break the mental barrier they built between them and the scaling up of their businesses. It went beyond technology in her opinion. Stanford Seed West Africa was focusing on helping small entrepreneurs, women and men, to scale up their business and embrace all the innovative tools that could help them take their business to the next level. Beyond technology and hardware, there was a real need for women in particular to be supported and reassured in the use of technology for their economic development.

Ann Linde, Minister for European Union Affairs and Trade, Sweden stated that gender equality was not only a fundamental human right, but was also fundamental to economic development. It was also about environmental protection and social stability. Sweden had a feminist government and this came with obligations. Sweden had taken a commitment to promote gender equality into all policies, including trade. This impacted policy choices and allocation of resources. Women's economic participation as entrepreneurs, employers and leaders was a measure of the country's economic viability and dynamism. Countries with a high degree of participation in the labor market enjoyed greater economic growth compared with countries with low participation. Trade liberalization could affect men and women differently.

There was a need to include a gender perspective in the work of all the organizations that are dealing with trade: WTO, OECD, UNCTAD and World Bank. Some of them were already quite advanced but others must step up their efforts. There was also a need to integrate the gender perspective in trade agreements and Aid for Trade, and track the impact of trade on women. This meant that the impact of trade on gender had to be analyzed and there had to be more transparent data. This would help generate an accurate picture and formulate adequate responses. This information could be used in the trade negotiations and in the implementation of trade agreements. For these purposes, the EU had developed the sustainability impact assessment to analyze all its trade agreements and UNCTAD had created, with Sweden's support, a gender toolbox assessing the impact of trade measures on women (see session 20).

Regarding the digital economy, women's capacity in developing countries must be enabled to reap the benefits of the rapidly evolving digital economy. About 1.8 billion people went online between 2004 and 2013 (McKinsey). But still, 4.4 billion remain offline and a high percentage of them were women. Women were left behind in the digital world, especially in developing countries, where 31% fewer women were online than men. Doubling the number of women online would generate between US$13 and 18 billion across developing countries.

Women invested a higher portion of their earnings in their families than men, mostly on health and education. E-commerce represented new opportunities to grow and prosper. Sweden supports and contributes to programmes aiming at gender equality and digitalization, such as UNCTAD's ICT and women entrepreneurship programme as well as the World Wide Web Foundation programmes specifically focusing on women. A focus on women and trade would help to broaden and deepen the understanding on the link between trade and gender; and what needed to be done in the near future to contribute to inclusive development. This was in line with the 2030 Agenda for sustainable development and the Addis Ababa Action Agenda. Gender equality did not only improve women's lives, it was also fundamental for economic development and growth, especially in the least developed countries.

Anabel Gonzalez, Senior Director for Trade and Competitiveness Global Practice at the World Bank Group, stated that gender equality was key to the achievement of the World Bank Group's twin goals: ending extreme poverty and boosting shared prosperity in a sustainable manner. The Bank has stepped up its commitment in this area with the adoption of the new gender strategy to guide the WBG's interventions in this area. The strategy focused on four key objectives: (i) improving health, education and social protection; (ii) removing constraints for more and better jobs; removing barriers to women's ownership of, and control over, assets; and enhancing women's voices in participation and decision-making.

The WBG had created a new gender tag to identify its operations that aim at closing the gender gap using gender sensitive analysis, gender informed policy reforms and gender-targeted interventions; with the objectives of improving the business environment for women, expanding trade and market opportunities, strengthening the productivity and competitiveness of female workers and women led enterprises and enhancing women's economic voice. The WBG created a gender community practice bringing together all of the Bank's gender champions. They came together to foster internal knowledge exchanges, to enhance mainstreaming of gender into the WBG's interventions, and track its own trade and competitiveness contributions to the achievement of the new strategy.

Female labor force participation remained low: at about 50% over the past 2 decades. Working conditions for women were difficult. Women were half as likely as men to have a full time job and more likely to be in an informal unpaid or seasonal employment. Occupational segregation and gender salary gaps persisted, with women earning up to one-third less than men and often clustered in lesser paid, lower productivity sectors. Women traders faced disproportionately higher trade barriers such as greater difficulties in complying with regulatory and procedural requirements, poor access to information and markets, exclusion from male-dominated distribution networks, time and mobility constraints and higher risk of abuse, including corruption and harassment. Female entrepreneurs were less likely than men to register businesses; these were usually smaller with fewer employees facing growth constrains and being less productive. Access to inputs, assets and training remained more limited for women. Female led SMEs currently faced a credit gap of about US$300 billion. Gender-biased social and cultural norms persisted. Women's ability to inherit or owning a bank account or register a business was restricted by discriminatory laws and practices.

WBG responses to these challenges included: gender-informed policy advice with the aim of differentiating policy outcomes for women and men, so ensuring that the former were not negatively impacted by proposed reforms; trade and competitiveness analytical tools with the aim to identify constraints and opportunities for women, and to generate new data; gender-sensitive trade facilitation projects (example of the Africa Great Lake Region focusing on small cross-border traders); women entrepreneurship programmes with the aim of improving the business environment of women (example: support reform of family code in DRC so that women no longer need the permission of their husbands to register a business); gender-sensitive sector and value chains mapping, looking at the participation of women in value chains. During the past four years, 69% of lending operations and an average of 25% of total advisory services had been gender related. Trade facilitation was also key for women. Support was given for simplifying cross-border and custom procedures and doing so with a gender focus so that women traders could actually participate in trade.

Hiroshi Kuniyoshi, Deputy Director-General of the United Nations Industrial Development Organization, stated that women's empowerment was necessary to achieve Goal 9 of the UN's Sustainable Development. Goal 9, which connected to SDG 5, emphasized inclusive and sustainable industrial development as the primary source of income generation and for rapid and sustained increases in living standards. Without engagement of women, industrial development was not sustainable. All UNIDO actions took into consideration women's empowerment as industrialization provided a lot of opportunities for women. In most cases, industrial jobs were geared towards women. UNIDO had developed the Programme for Country Partnership (PCP) which aimed at accelerating inclusive and sustainable industrial development. UNIDO's role was to bring the various actors together and coordinate partnership activities, including gender mainstreaming of the various programmes and projects. The PCP usually included a gender action plan with specific targets and activities. In Ethiopia, UNIDO supported the development of women's business management and technical skills to increase revenues and job opportunities for women in the leather sector.

Manufacturing provided decent work for women. In developing countries, manufactured goods were for trade. E-commerce was also key because women could be involved and run their business more easily. But for them to reap the benefits of new technologies and opportunities, the old economy and society needed to be transformed. Women's empowerment is not only fundamental for human rights but also for economic development.

Phyllis Mwangi, Director, Tandao Commerce, created a platform designed to empower e-commerce business in Kenya. She was also an e-commerce entrepreneur and as such encountered various challenges since she created her business. On payment gateways, she had had to travel to the US in the past to open an account to access US-based payment solutions. Today, mobile money was a game changer. On delivery, she noted that in rural parts of the country, it had been difficult to track whether a product had reached the consumer. But now, people were using services that allowed tuck-tuck or motorbike services to penetrate rural parts of Africa. On internet access in Africa, she stated that with mobile phones, problems of connectivity were now almost history. With regard to trust, she noted that people still distrusted that the goods they bought online would be effectively delivered. In Kenya, SMEs were surveyed about their willingness to bring their business online. Most of them declared that they would want to go online but only 20% were currently on the web as it was too expensive to set up a business online. on average Ð3,000. It took six months for the website to go online and Ð200 per month for maintenance. Tandao Commerce was created to help entrepreneurs overcome these challenges.

SESSION 25: Side Event: "Live from the Busia One-Stop Border Post!". Organizer: Trade Mark East Africa

MODERATOR

› **Vanessa Erogbogbo,** Head of Women and Trade Programme, International Trade Centre

› **Frank Matsaert,** Chief Executive Officer, Trade Mark East Africa

› **Amelia Kyambadde,** Minister of Trade, Industry and Cooperatives, Uganda

The video/livestream link connected, in real time, the Aid for Trade Global Review to the Busia one-stop border post operations and enabled them to follow clearance of goods at that border. It demonstrated how Aid for Trade has enabled two neighbouring countries to: a) break down geographical barriers. physical borders and connect markets by agreeing to collaborate and coordinate in facilitating flow of goods; b) fast track clearance of goods for compliant traders under the Authorized Economic Operators; and c) prioritize clearance of perishable goods to minimize loss.

Furthermore, the event demonstrated how integrating gender equality considerations in delivering Aid for Trade, especially when integrated into trade laws, could be harnessed to increase female economic participation.

Short summary

This session featured a live connection to the Busia One Stop Border Post between Uganda and Kenya. The live link showcased how digital connectivity is intertwined with other elements, such as power, network, telecommunications, finance and skills. The session featured a discussion between Amelia Kyambadde, Minister of Trade, Industry and Cooperatives of Uganda and Frank Matsaert, Chief Executive Officer of Trade Mark East Africa who gave a very practical view on trade facilitation reform. and the need for external financing to support it.

Summary

The session featured a live connection linking the Global Review audience with Richard Kamajugo, Senior Director, Trade Mark East Africa with the Busia border post One-Stop Border Post between Uganda and Kenya.

Amelia Kyambadde, Minister of Trade, Industry and Cooperatives of Uganda and **Frank Matsaert, Chief Executive Officer of Trade Mark East Africa (TMEA)** participated from Geneva in the session and gave policy perspectives on the images presented by TMEA of the OneStop Border Post (OSBP) at Busia. A video supplemented the show, shedding light on the streamlined border processes, showcasing the One-Stop Border Post, the Authorized Economic Operator (AEO) Scheme and the Regional Electronic Cargo Tracking System. During the half-hour session, the session presented efforts that had been undertaken to facilitate trade across the border. The session revealed the extent to which, Uganda, with the support of TMEA and its donors, had undertaken deliberate and strategic moves to ease the cost of doing business.

Frank Matsaert, Chief Executive Officer, Trade Mark East Africa highlighted that organizing the session had itself been a technical exercise in connectivity. The session was a follow-up to a session that TMEA had organized at the 5th Global Review of Aid for Trade on the port of Mombasa. In 2015, TMEA has shown how the Kenyan port was a key gateway to East Africa. a region with a population of 200 million people. By travelling through Kenya and along the Northern Corridor, TMEA was taking the Global Review audience across the Ugandan border. In the past, the border had been what economists termed "thick", i.e. subject to delays and traffic jams. Work with partners like Uganda and Kenya had allowed TMEA to develop seven One-Stop Border Posts (OSBP) in the region with investment reaching US$100 million. With 500 trucks crossing it daily, the Busia border OSBP was one of the busiest it the region.

Richard Kamajugo, Senior Director, Trade Mark East Africa explained that a OSBP was a trade facilitation initiative aimed at reducing bottlenecks at the border. Trucks only stopped once, instead of twice. In a OSBP, customs functions were coordinated and streamlined between two countries (Kenya and Uganda). There were also private sector facilities such as insurance firms to facilitate business. Busia had taken the model even further by permitting traders to have offices at the border. As Richard Kamajugo was talking, the audience could see onscreen, joint customs agencies stopping trucks for verification purposes.

Amelia Kyambadde, Minister of Trade, Industry and Cooperatives, Uganda outlined how the OSBP operated, the challenges faced before it was put into place, the gains in terms of cost and, cargo movement and goods clearance. She recalled how prior implementation of the OSBP trucks were subject to seven kilometre-long queues that lasted for days; procedures were very complex, in part due to officials who could illegally charge traders extra payments with impunity; informal trade at the time was rife with revenue loss for the government; many products were not tested for their sanitary and phytosanitary compliance; there had been no possibility to generate trade statistics; smuggling had been on the rise because of the porousness of the border; and congestion was immense. Custom procedures that would previously take up to 18 days were now completed in a matter of hours. She then listed some of the bureaus which worked together inside the building of the OSBP (phytosanitary, immigration, customs, etc.). Having all these functions regrouped in this type of drive-in model had drastically reduced the cost of doing business.

Minister Kyambadde stated that the OSBP had helped bring traders into the formal sector through a simplified trade regime for transactions of less than US$2,000. She also added the application of ICT systems to different aspects of trade such as customs management systems, electronic cargo tracking systems and the Electronic Single window to the list of improvements that had been made. These systems had also permitted Uganda to identify what commodities were traded across its borders. All of these innovations had helped reduce the time and cost of clearing goods both entering or transiting through Uganda.

Mr Kamajugo discussed how the OSBP had had an impact on the lives of the people who crossed it. The removal of duplication in procedures, agency cooperation and private sector presence had substantially reduced the time necessary to cross the border. This had been made possible by two types of connectivity: the first one was technological and consisted in the interoperability of systems across borders; the second one was related to cooperation between agencies who, benefitting from private sector feedback, had been able to improve their practices.

A three-minute video was shown to shed further light on the streamlined border processes, showcasing the OSBP, the Authorised Economic Operator Scheme and the Regional Electronic Cargo Tracking System.

Minister Kyambadde then commented on the impediments women traders and SMEs faced at the border. The minister expressed her gratefulness to TMEA and to other donors for their support which had delivered down to the grassroots, benefitting the smallest of enterprises, transforming lives and empowering people. MSMEs in question could now do business cheaply, efficiently, transparently and without fear of harassment. The common border strategy had played a big role in permitting this and, since most traders crossing the borders were women, the emphasis had been put on them, and had paid off. Of the some 5000 traders crossing the border, around 3500 were women. Education had also played a big role to foster transparency, but also to teach traders the type, the standard and quantity of commodities in demand across the border. More transparent procedures meant that instead of carrying goods on their heads women had been able to transport their goods by truck. This had resulted in more revenue for Uganda and lifted more people out of poverty.

SESSION 26: Focus Session Trade Facilitation: "Trade Facilitation in Action". Organizer: World Trade Organization

MODERATOR

› **Daniel Blockert,** Ambassador, Permanent Representative to the WTO, Sweden and Chair, WTO Trade Facilitation Committee

PANEL DISCUSSION

› **Kunio Mikuriya,** Secretary-General, World Customs Organization

› **Lord Bates,** MP, Minister of State for International Development, United Kingdom

› **Mahamat Hamit Koua,** Minister of Industry, Trade Development, and Promotion of the Private Sector, Chad

› **Jemilah Mahmood,** Under Secretary General, International Federation of Red Cross and Red Crescent Societies

› **Carlos Grau Tanner,** Director General, Global Express Association

› **Yao Weiqun,** Research Professor, Shanghai WTO Affairs Consultation Centre and Executive Director, Shanghai Institute for Strategy of International Trade Center

› **Gordon Wright,** Head, Cargo Border Management, International Air Transport Association

OVERVIEW

The analysis in the 2017 edition of the Aid for Trade at Glance publication extends consideration of trade costs into the area of ecommerce. Research by OECD and UNCTAD highlights how digital connectivity and data flows support the physical delivery of traded goods and services. However, while digital connectivity can provide new opportunities for developing countries to participate in international trade, traditional trade costs related to physical connectivity can still represent a significant barrier to the physical delivery of goods. E-commerce is changing what is traded, with customs authorities facing an influx of small parcels and low value shipments, requiring different handling than large and bulk shipments. It can also challenge the capacity of customs authorities to monitor the compliance of traded goods with revenue, standards and intellectual property regulations.

Another challenge faced by customs and other border agencies worldwide is the burden of natural disasters. In 2015, nearly 100 million people were affected by disasters. Surveys conducted by the International Federation of Red Cross and Red Crescent Societies (IFRC) have identified trade-related issues that impinge on the ability of humanitarian responders to respond in a timely and effective manner to natural disasters. These include customs and other border agency requirements that affect the flow of relief consignments.

Against this background, the session examined:

- Experience in implementation of the Trade Facilitation Agreement future needs and priorities in the area of Aidfor-Trade facilitation;
- The impact of digital connectivity and ecommerce on customs and logistics systems, in particular the opportunities created for micro, small and mediumsized enterprise trade growth and the challenges that small parcel trade pose for border clearance; and
- Measures, within the context of the Trade Facilitation Agreement, that could be taken to speed the flow of humanitarian relief.

Short summary

The first part of Session 26 examined implementation of trade facilitation reforms and how the new WTO Trade Facilitation Agreement could help countries reduce their trade costs to promote trade, employment and development. Speakers advocated full and effective implementation of the Trade Facilitation Agreement, noting that only implementation of actual reforms would translate into a reduction of trade costs and thus trade and development benefits. Speakers also noted that information technology and e-commerce could bring additional benefits in the simplification of procedures and better trade integration of firms. Speakers also emphasized the centrality of investing in the upgrading of physical infrastructure in order to achieve broader trade facilitation and developmental objectives.

The second part of Session 26 concerned the necessity of adopting trade facilitation measures for the smooth and timely delivery of goods for humanitarian relief following natural disasters. There was broad agreement that it was crucial to ensure the prompt distribution of such goods, particularly in the case of perishable items (food) and items necessitating a cold chain (pharmaceutical products, such as vaccines). Some of the measures which were considered important included: greater collaboration and effective partnership among donor and recipient countries, greater standardization of goods and customs procedures, and a more predictable legal framework covering the importation of these goods.

Summary

Daniel Blockert, Ambassador, Permanent Representative to the WTO, Sweden opened the session by highlighting the economic efficiency gains from implementation of the Trade Facilitation Agreement, noting however that the Agreement had to be implemented for these gains to actually occur. Many developing countries were prioritizing trade facilitation in their policy documents and extensive reforms were being undertaken as detailed in the 2017 edition of "Aid for Trade at a Glance". Ambassador Blockert divided the session into two themes. The first theme discussed was the Trade Facilitation Agreement and the connection between e-commerce and trade, including its repercussions for customs and traders. The second theme was trade facilitation and natural disasters. He noted that the economic cost of natural disasters was US$250-300 billion a year. Customs and other border delays added to these costs.

Mahamat Hamit Koua, Minister of Industry, Trade Development, and Promotion of the Private Sector, Chad discussed the geographical situation of his country which was landlocked by nine other countries, and with the closest sea port some 1700 kilometres away from Chad's borders. This situation explained why Chad attached such importance to the Trade Facilitation Agreement. To access seaports it was necessary to cross a minimum of two countries. Under these conditions, Chad was well aware that development would not be possible in isolation, and that poverty reduction and inclusive growth, would be the result of work on value chains. Landlocked countries did have comparative advantages and could produce goods locally at costeffective prices. However, marketing these products necessitated markets, and access to markets needed trade facilitation. On trade costs he explained that a third of the cost of good on sale in Chad came from transport, customs procedures and transit costs. The Trade Facilitation Agreement required border cooperation and would reduce the cost of goods. The current high prices were not only due to a lack of infrastructure, but also resulted from poor customs operation and cooperation, particularly at seaports. Chad was using the Trade Facilitation Agreement to start discussions with other signatories. Beyond implementation of the Trade Facilitation Agreement, the high cost of building infrastructure represented an immense challenge. Lack of infrastructure combined with thick borders caused problems for traders who, alternatively, would have benefitted from better access to the sea (through Port Soudan or through Libyan ports). Chad had created dry ports, Free Zones and identified areas of cooperation with its neighbours. As the Trade Facilitation Agreement would have its "teething problems", orienting more development assistance towards Aid-for-Trade facilitation would make sense. Current flows were tiny in comparison to the need.

Kunio Mikuriya, Secretary-General, World Customs Organization described how rapid advances in ICT and digital customs was revolutionising customs. What customs did, preferably before the arrival or departure of goods, was to receive necessary data, then analyse it: for risk management purposes to facilitate legitimate trade; to protect societies from illicit trade; to ensure safety and security; and to secure revenue collection. From this standpoint, access to information was critical as it informed interconnected international customs ICT systems to permit the smooth circulation of goods. In terms of transit, the WCO had just launched new guidelines. The Single Window was important as it permitted customs to operate on behalf of other administrations (ensuring compliance of phytosanitary and health requirements for example). The WCO employed standardized datasets responding to all regulatory requirements. The difficult part was not the technology, but the coordination needed between many government agencies to realize coordinated border management. For this reason, the WCO supported the establishment of national committees on trade facilitation.

E-commerce generated large volumes of small parcels transiting through borders and created a real challenge for customs. The WCO had established a Working Group on e-commerce and sought to engage new suppliers (e-payment providers, internet platforms, etc.) who were outside their usual partnerships. The WCO was seeking to facilitate e-commerce. a game changer for MSMEs and consumers. However, e-commerce created some risks from a customs perspective, including an increased incidence of smuggling and customs revenue leakage. WCO had been developing guidelines to support customs, postal services and new supply chain actors. And, it was leveraging technology to support customs (by providing enhanced access to data or by developing enhanced methods for inspection of small packages). The traditional container-based model in which one business shipped to another was easier to control than the e-commerce one, in which many of the players were single consumers and micro-enterprises. Containers were also easier to check as the scanning technology had had time to develop.

Lord Bates, MP, Minister of State for International Development, United Kingdom provided an overview of the UK's approach to Aid-for-Trade facilitation. Lord Bates recalled the Sustainable Development Goals and the ambition of eradicating extreme poverty by 2030. Trade would necessarily be a key mechanism through which the SDGs would be attained. Extreme poverty had been halved between 1990-2010. Secretary of State, Priti Patel, had launched a new DFID Economic Development Strategy. A key part of this strategy was recognizing women's education, rights and their involvement in trade. Lords Bates recalled that the UK had earmarked £180 million to support the Trade Facilitation Agreement including through such mechanisms as Trade Mark East Africa. As a result of TMEA's work, the cost of delivering a 20-foot container between Mombasa and Kampala had fallen from US$3400 in 2010 to US$2170 in 2016. This was proof that Aid for Trade worked. Similarly the average waiting time at the Busia OSBP had fallen from 14 to 3 hours. He referenced the live link which had preceded the session. In it, operators had said that they were crossing the border in less than an hour. Partnerships with the private sector were a major factor in delivering these results. Here he cited the UK's support to the Global Alliance for Trade Facilitation.

Carlos Grau Tanner, Director General, Global Express Association (GEA) described his association as the conveyor belt of global value chains. GEA worked with large corporations and with MSMEs. The Association specialized in carrying goods, door to door, across the planet, normally in less than 72 hours. The express industry had invested heavily and ran a fleet of aircraft, some 200,000 ground vehicles and had invested massively in ICT. One element that escaped GEA's control was borders. They presented a variety of challenges in an environment where clients sought certainty, especially with the rise in global value chains. In some countries, it was possible to get customs clearance ahead of the shipment being sent, in other places GEA member companies were in the dark. This was why the Trade Facilitation Agreement was so crucial. GEA had witnessed a doubling in volumes in those countries where trade facilitation reforms had been enacted. A key point was ICT systems. The barcode visible on parcels contained information essential for the fast shipping of articles, however sometimes in 50% of cases it could not be processed by customs and border agencies. For some of the most important measures of the Trade Facilitation Agreement, such as electronic advance information, countries had expressed their willingness to make an effort but not necessarily made any commitment to that effect. He urged Members to take the best endeavour clauses as an opportunity to upgrade systems. Implementing the Trade Facilitation Agreement in full would reduce uncertainty, reduce costs and be a positive step for trade and development. He concluded his statement by saying that publicprivate partnerships were essential and ought to be replicated in national trade facilitation committees and even at the WTO.

Gordon Wright, Head, Cargo Border Management, International Air Transport Association (IATA) explained that the airline business model had remained static for 30 years. Airlines operated like container ships, they went to destinations, picked up passengers and dropped them in other places. Airplanes would spend about 90% of their time on the ground filling border formalities, sometimes duplicating efforts. Delays resulted from States not implementing some of the commitments they had taken at the international level, or not aligning on the standards developed by the WCO and others. The WCO datasets were not applied in all countries and, sometimes, were made unpredictable by national standards added on top of international ones. E-commerce was driving a different approach and demanded more predictability in terms of delivery and arrival times. This had led States and the industry to look more closely at how borders were organized and work with border agencies to maximize their efficiency by introducing smart borders. This meant ensuring data met international standards, but another big part was looking into the application of Single Windows. Global value chains were having a really positive impact on the industry and on air cargo. Those countries that had embraced this trend were increasing their trade. Security was extremely important for airlines and went hand in hand with trade facilitation. He encouraged further trade facilitation reforms and describing how many studies had shown that such schemes generated an increase in revenue and enhanced trade.

Yao Weiqun, Research Professor, Shanghai WTO Affairs Consultation Centre and Executive Director, Shanghai Institute for Strategy of International Trade Center shared his experience of how trade facilitation had been implemented in Shanghai (the largest seaport cargo and airport cargo hub in the world) and how e-commerce across borders had been advanced through the Shanghai e-port initiative. The initiative had been formed in 2015 by 18 stakeholders including customs, port operators, local government, and others. The e-port provided a single point of entry for regulators, manufacturers, traders, logistics providers, bankers, companies and various other agents and was used by more than 300,000 companies in relation to 280 types of documents. In 2016, 203 million transactions had been processed that had generated US$190 billion in revenue. It was China's first Single Window and responded to the requirements of the Trade Facilitation Agreement. In 2016, on the base of e-port, a public service platform for crossborder e-commerce had also been established. China's ambition was to extend the system to other Asian countries where chokepoints in the value chains had been clearly identified, thus advancing trade facilitation in the context of the Belt and Road initiative.

The Universal Postal Union made a comment from the floor during the discussion to recall the importance of strengthening the capacity of national postal services. They played a central role in logistical services and the delivery of goods purchased online. The Exporta Facil and EcomAfrica programmes were cited as examples of UPU capacity-building programmes for e-commerce.

Jemilah Mahmood, Under Secretary General, International Federation of Red Cross and Red Crescent Societies (IFRC) began discussion of the second theme on the nexus between trade facilitation measures and the smooth and the timely delivery of humanitarian relief following natural disasters. She cited six crucial elements (her 6 Cs) that were necessary for the efficient operation of humanitarian aid: Cross Border: which had been illustrated by the Busia live link in which the audience had seen not only goods crossing the border, but also people; Cost: customs clearance procedures ranked among the top three concerns faced by IFRC when trying to facilitate a disaster response; Cooperation: an international cooperation law had been developed in 2007; Cross cutting issues: gender was important as the disasters impacted women more severely than men; "Cruciality" of assistance: any delay of medicine or shelter impacted people who drastically needed it; and Cyber-security: this last point had been added at the last minute, as the IFRC had encountered problems in sending a display to the Global Review as a result of a computer hack of the express delivery company's ICT systems.

Gordon Wright, Head, Cargo Border Management, International Air Transport Association (IATA) highlighted that that in delivering humanitarian aid, airlines were often the first mode of transport on the scene of a disaster. Further, although airlines moved small volumes as compared to the shipping industry, by value, these goods were a much higher total. about 35% of total value. Perishables, food stuffs and pharmaceuticals (including vaccines) were among the commodities moved. When it came to food stuffs, he noted that up to 20% of any given cargo could be lost because of clearance delays. This also applied to vaccines, which were subject to even more stringent standards than other goods. After convincing an airline to fly to a disaster zone, seeing potentially life-saving goods go to waste was very frustrating. As socially responsible operators, many of today's airlines transported humanitarian goods either free of charge or at no cost. More needed to be done in this area. Indeed, it had been the subject of a discussion held in early July 2017 at the World Customs Organization council meeting aiming to improve coordination and raise awareness within the industry.

Carlos Grau Tanner, Director-General, Global Express Association (GEA) declared that, as specialists in logistics, GEA members were committed to providing air lift, customs brokerage and fast deliveries to locations where relief was needed. However he added that since GEA members often encountered snags, better standardization, as existed in general trade, was desirable. Typically, many relief-providing organizations worked with unstandardized kits (some of them containing items customs might not temporarily release as relief aid). Having standardized WCO lists of kit contents for disaster response could help customs to admit them temporarily as relief aid. In addition, to avoid unsolicited goods, countries could provide lists of needed items (with harmonized codes) for admittance (as was the case for advance ruling for general goods). One of the worst examples he had witnessed concerned a water treatment plant that was urgently needed after an earthquake. GEA members had transported the plant, only to find it stuck in the customs of a country neighbouring the affected one. As the plant never managed to clear customs, it was eventually delivered to another location where it was needed.

Jemilah Mahmood, Under Secretary General, IFRC concurred on the need for standardization. The IFRC was applying these very principles in its practices. She added that, in the aftermath of Typhoon Haiyan in the Philippines, the government has set up a one-stop centre to facilitate the entry of relief goods. Such an example could be replicated elsewhere. In addition, dialogue between the humanitarian sector and the private sector had really improved (as with the Connecting Business Initiative, etc.). For example, since telecommunication towers had very large generators, they were being used to shelter a refrigeration unit and preserve the cold chain required to preserve drugs and foods. Such innovations ought to be considered more and more. She added that the humanitarian sector should change the way it worked to empower people and small traders and build resilience. This was critical to reducing their vulnerability. At this nexus business, aid and trade really helped.

Kunio Mikuriya, Secretary-General, World Customs Organization said that his organization had developed several instruments to deal with disaster relief. The WCO had worked very closely with IFRC and the UN Office for Coordination for Humanitarian Aid (UNOCHA). It supported the IFRC's model law and UNOCHA's model agreement for customs facilitation. The WCO had undertaken training and awareness-raising with its members. What was required though was a clear legal framework and effective border procedures, not necessarily solely targeting customs. Sometimes problems did not necessarily stem at borders. They were the result of damaged infrastructure. As in many trade issues, it was important to involve other government agencies since, sometimes, customs acted on their behalf. The WCO provided training and drills but also put emphasis on involving other government agencies. The WCO also provided awareness-raising: after Haiti's earthquake, it had renewed its Memorandum of Understanding (MoU) with IFRC and UNOCHA. Also in 2011, the WCO had adopted a resolution on the role of customs to ensure disaster preparedness, but also to ensure that this preparedness was shared with other agencies. Whenever there was a delay in clearance, there was often "something behind the curtains". Thanks to donors, such as the Netherlands, the WCO had been able to hold this type of activities, not only in response to natural disasters, but also epidemics and pandemics. It trained staff to deal with situations, provided basic equipment, and engaged in capacity-building exercises. The WCO would continue such collaboration efforts.

Mahamat Hamit Koua, Minister of Industry, Trade Development, and Promotion of the Private Sector, Chad recalled that Chad had welcomed some 400,000 refugees. This situation called for support to supply much-needed goods. In this particular context, Aid-for-Trade facilitation and aid to infrastructure was *de facto* humanitarian aid. However, he cautioned that difficulties encountered at country customs had to be distinguished from difficulties met at ports and in the case of goods in transit. With humanitarian goods, there was a difference between those goods reaching their final destination and those transiting at a seaport. More had to be done at customs level to highlight this transit issue, at the international level, and across borders. Although, in the case of a humanitarian crisis, countries were eager to facilitate clearance of goods, delays could be caused by the slow physical treatment of goods, for instance at ports when ships were moving into place. Minister Koua also recalled that in the case of LDCs, customs generated considerable revenues. They were also entrusted with screening clandestine passengers while facilitating the transit of goods. Planning was important, advance ruling helped accelerate matters, so did the smart treatment of urgent situations by governments. However, difficulties could and did arise: governments often had to ensure that the Geneva Conventions, as well as other international agreements, were respected. There was an important security dimension. Generally, Chad had noticed that problems often occurred at transit and at ports.

Lord Bates, MP, Minister of State for International Development, United Kingdom recalled that DFID was a large humanitarian donor. This year, the UN had launched its largest ever appeal for a humanitarian crisis, with over 98 million people living in acute food insecurity (in Nigeria, South Sudan, Somalia and also in Yemen). There was a large amount of bureaucracy required to send aid to places, whether it was visas, international travel permits, registrations, MoUs, clearances, specific legislation on particular NGOs, taxes and other red tape. This could lead to frustration as vitally needed medical and food supplies were lost due to delays. In this regard, Lord Bates concurred with Minister Koua's assessment on the importance of preparation. He recalled that one of the best examples of humanitarian responses he had seen or had been involved in was in Somalia. Here the donor community, international agencies and the Somalian Government had planned many months ahead to ensure that aid arrived. The cooperation had looked into the best way to offer a response, facilitate entry and movement of goods, cross check points, etc. This had prevented the highly frustrating situation where foods and medical supplies were perishing alongside the people they were destined to help. Besides preparation, another aspect was understanding the deliberate obstructions of humanitarian access. It was also important to take into account legitimate concerns of recipient countries about the protection of their borders. He summarized the key points as: preparation and coordination, collaboration, standardization, appropriate laws, and involving people before the occurrence of a crisis to facilitate movement when it occurred.

Referring to the UK's departure from the European Union (EU), Lord Bates made an announcement on developing countries' post-exit access to UK market. He recalled that the UK was very supportive of existing Economic Partnership Agreements and recalled the trade preferences offered to some of the least developed countries. These were very important and made a real difference. On 21 June 2017, the Government had stated that it would continue to offer duty-free access to the UK market for LDCs. This commitment meant that 48 of the least developed countries across the globe would continue to benefit from preferential access on all goods other than arms and ammunitions. The UK would also explore options to expand its relationship with other developing countries that currently benefitted from a mixture of reduced or zero tariffs under goods exported to the UK. The UK believed that trade brought economic growth to developing countries and that it benefited UK producers and consumers. The UK Government provided support through its aid budget to enable this to happen. This was achieved through cooperation with European colleagues with whom, building up on the global free trade movement, the UK would maintain strong relationships.

In the question and answer section, questions were asked: about free zones for e-commerce facilitation, lifting red tape during humanitarian crises, and mutual trust in facilitating the transit of goods across borders.

Kunio Mikuriya, Secretary-General, World Customs Organization stated that the Revised Kyoto convention had been ratified by 111 Members. a number quite close to Trade Facilitation Agreement ratification numbers at the time of the Review. He recommended implementing the Trade Facilitation Agreement in a uniform manner, as well as parallel ratification of both the Trade Facilitation Agreement and the Kyoto convention. Regarding Free Zones, the Revised Kyoto convention had a double structure. One was the General Overall Annex, which formed the basis for the Trade Facilitation Agreement and contained provisions that Members needed to adhere to. The second, had optional provisions which included Free Zones. He noted that Free Zones were limited in number and could not be found in all countries. The WCO was going to work on them as they were an important regime for competitiveness, but at the same time necessarily had to protect society. The same was done with regards to transit. On ecommerce, there were many platform regulations. But there were many different approaches to customs regulation because of the rapid evolution of e-commerce. As the first step, the WCO had published best practices. This included what had been done in terms of practice in facilitation but also control and revenue. The next step, which the WCO aimed at within a year's time, was setting minimum standards for platforms.

Jemilah Mahmood, Under Secretary General, IFRC concluded that a business case had to be made to governments to put in place regulatory frameworks that facilitated the movement of goods. She said that, although the International Disaster Response Law was in its tenth year, it still had a lot of progress to make. Partnering with those who were already in dialogues with governments on trade was very important for the humanitarian sector. Trust was essential as it made the movement of goods swifter. It was important to build trust for countries to understand that laws and actors were there to support, facilitate and accompany them. This was a long-term process.

Lord Bates, MP, Minister of State for International Development, United Kingdom recalled that humanitarian crises were multifaceted and required more than just medical aid or food. They often caused a political meltdown in a country, with no authority left. Sometimes customs officials or policemen had not been paid. Situations were dysfunctional and this needed to be remembered. His second point was that the motives behind international response had to be clear. Lord Bates suggested the idea of having special humanitarian zones. They would need to be solutions outside, and before the crisis, so responses could move in a proper way.

Kunio Mikuriya, Secretary-General, World Customs Organization said that for humanitarian aid, legal frameworks were needed because customs were part of government. This was why support was given to IFRC's efforts to make their model law. He then wondered how it would be possible to protect public health in a situation of political melt down. Again, preparedness, especially in collaboration with health authorities, was important. In terms of trust, the OSBP had the control to ensure compliance of economic operators. Trust between customs and operators had to be developed. In the WCO context this was done through Authorised Economic Operators. A conference would take place in Uganda in March 2018 to ensure customs and businesses worked together to improve their functioning and compliance to ensure there was trust and collaboration.

Gordon Wright, Head, Cargo Border Management, IATA stated that belief was that there were adequate instruments already in place. What was needed now was their effective implementation, taking necessary corrective steps as and when necessary. This was a final idea upon which **Daniel Blockert, Ambassador, Permanent Representative to the WTO, Sweden and Chair, WTO Trade Facilitation Committee** concluded the session.

SESSION 27: Development Hub: "Hack the Pacific: Bringing the Hackathon to Aid for Trade". Organizer: Mission of Australia to the World Trade Organization

- **Dmitry Grozoubinski,** Permanent Mission to the World Trade Organization, Australia
- **Raimund Moser,** International Trade Centre
- **Daniel Dobos,** THE Port
- **Robyn Ekstrom,** Pacific Island Forum Secretariat
- **Hackathon Team - Marie-Laure Burgener,** Adam Jones, Daniel Kachelreiss, Katarzyna Lechka, Sophie Schmidt, Felix Stähli, Laura Groebel (International Trade Centre)

What happens when you unleash the creativity of a diverse, multi-disciplinary team on a previously intractable trade challenge? The Australian Permanent Mission to the World Trade Organization, in partnership with Global Goals Innovation Day (G3iD), Pacific Trade and Investment (PT&I), Impact Hub Geneva, the Port and the International Trade Centre's (ITC) Innovation Lab decided to find out.

Exporters in the Pacific Island countries face significant and often unique barriers at every step of their journey from concept to the shelves of retailers in potentially lucrative export markets. Small populations, unique environments and large distances mean traditional solutions just aren't good enough. Innovation is needed.

Since March, a volunteer Hackathon team has been working with PT&I and mentors from THE Port, ITC's Innovation Lab and Impact Hub Geneva to co-create solutions to the trade challenges of the Pacific, and in doing so, pioneer a new approach to tackling AidforTrade challenges. The interactive session showcased an accelerated co-creation approach and the Hackathon team's solution.

Short summary

Technology volunteers have been exploring ways to address trade challenges in the Pacific region and have designed a prototype which, if further developed, could become an easy-to-use web platform to help small business owners deliver their products to markets. The prototype adopts an innovative approach in that it takes the complexities of the trade system and applies it to technology.

Summary

The ITC, Australia and the Pacific Island Forum showcased a joint project prototype, developed to find a practical technical solution for small business owners based in the Pacific region, and to demonstrate the potential that new disruptive technologies would have on future global trade. What began as a hackathon, or a three-day intensive brainstorming drive by a group of eight people, developed into an easily accessible application for selling and exporting. The project was low cost (some US$30,000) and was supported in part by the Australian government.

The project prototype responded to a specific need that exporters in the Pacific Island Countries face at every step of the journey from product concept to sales on the shelves of retailers in potentially lucrative export markets. Small populations, unique environments and large distances mean traditional supply chain and market access solutions just aren't good enough. Innovation is needed.

Since March, a volunteer Hackathon team has been working with PT&I and mentors from THE Port, ITC's Innovation Lab and Impact Hub Geneva to co-create a prototype to address solutions to the trade challenges of the Pacific, and in doing so, pioneer showcase a potential new approach to tackling Aid-for-Trade challenges.

Raimund Moser, Internation Trade Centre, identified the main goal of the project as to focus on results and effectiveness. He explained that engineers, entrepreneurs and trade specialists had each contributed and that the project prototype enjoyed a strong level of partnership. International trade experts, programmers, and entrepreneurs all came together to innovate and test the solutions. Even when things didn't work out, the team "failed forward" or learned from their experience and moved on.

Robyn Ekstrom from the Pacific Islands Forum Secretariat office works with 16 Pacific Island Forum countries. She explained that past efforts to assist the region had worked in part, but that the region needed a more "tech savvy" solution to address its key challenge, the huge distances which exist between production centres and export markets. Small businesses were numerous in the region and were very connected to specific brands and products. As many as 75% of exporters employed less than 20 people and about 33% employed only one to four people. Given the small volumes, it was difficult for the SMEs to expand without a focus on exports. In turn, products were very expensive to ship and many lacked commercial coordination mechanisms. There was, therefore, a strong need for sales and ordering and logistics aspects to be coordinated in the region. This would help reduce costs.

The project prototype was designed around several principles such as ease of use, high accessibility through an easy to implement platform, and a focus on helping small businesses to export. The idea was for people to engage in a simple conversation where they realized sales and shipping opportunities in an easy step-by-step process. Also, they used the simplest of communication tools such as SMS messages. The application was designed to track stock, inventory and record data related to quality controls and inspection procedures. It also provides shippers with a tracking mechanism. It was based on natural language processing and used artificial intelligence so that the system actually learns from past use. It used block chain transactions and a cloud hosted server. All that is needed is a telecom company to provide SMS messaging services.

Presenters explained that the application prototype could have uses beyond the Pacific and could be ideal to assist rural communities with their development. It was designed to be a onestop shop, makes far better use of existing resources and could help to disrupt existing and highly costly transport systems. Since the project prototype had not officially been tested, there remained further issues that would need to be addressed if development was to continue, such as several questions were raised concerning overhead costs for running the system, its security measures and who or which organization(s) might eventually partner together in a joint venture or take full responsibility for its day-to-day operation. In response, the presenters suggested that the Pacific Island Forum in conjunction with Pacific Trade and Invest might be ideally suited to take over the project.

SESSION 28: Side Event: "Enhancing Connectivity to Enable Graduation with Momentum in LDCs". Organizers: Commonwealth Secretariat, United Nations Conference on Trade and Development

PANEL DISCUSSION

- **Rolf Traeger,** Chief of the LDC Section of United Nations Conference on Trade and Development
- **Sumbue Antas,** Director, Department of External Trade, Ministry of Foreign Affairs and External Trade, Vanuatu
- **Debapriya Bhattacharya,** Chair, LDC IV Monitor
- **Frans Lammersen,** Development Cooperation Directorate, Organisation of Economic Co-operation and Development
- **Tuifa'Asisina Misa Lisati Leleisiuao Palemene,** Associate Minister of Commerce, Industry and Labour, Samoa
- **Paulo Kautoke,** Director, Trade Division of the Commonwealth Secretariat

Graduation with momentum was necessary to enable the development trajectory of the LDCs to be maintained and pitfalls avoided beyond graduation. The very limited number of LDC graduation cases to date was, in part, indicative of major shifts which had arisen in the international economic environment in recent decades, as international trade and investment flows had assumed a major role within a more interconnected global economy. The success of developing countries has become increasingly dependent on fruitful engagement with export markets, particularly in higher value segments of global value chains. In turn, the intensification of global competition had given rise to a growing need to compete, which intensified the challenges posed by the widening gap in productive capacities between developing countries and the LDCs. These countries faced major challenges in upgrading away from primary commodities and lowvalueadded products. Although new forms of connectivity may influence participation within GVCs, other more conventional forms - such as energy, transportation and storage - still exerted a major influence on all types of upgrading processes. Hence, enhanced connectivity within LDCs was necessary to facilitate structural transformation and develop the productive capacities necessary to enable the achievement of graduation with momentum.

This panel session explored these thematic issues in relation to LDC trade-related concerns and the trade-related objectives included in the Istanbul Programme of Action (IPoA) for achievement by 2020 and the Sustainable Development Goals by 2030.

Short summary

The Istanbul Programme of Action for the LDCs 2011-2020 (IPoA) set the target to enable half of LDCs to meet the graduation criteria by 2020. The panel discussed a number of challenges faced by the LDCs in the context of graduation from LDC status. The attitude of LDCs towards graduation has become more positive, many of whom had included graduation as part of their national development strategies. It was highlighted that connectivity alone was not enough to maintain momentum, but needed to be in coherence with sustainable development and progress in other areas such as human resources or regulation. LDCs were concerned about the loss of international support measures (ISMs), particularly preferential market access, which came with graduation. The need for a smooth transition was highlighted

Graduated countries continue to benefit from GSP schemes and Aid for Trade. They gained access to more financing for development, i.e. other official flows and access to international capital markets. Graduation was not only about the loss of ISMs - countries needed to look inward to create domestic capacities. Samoa (graduated in 2014) and Vanuatu (expected to graduate in 2020), as small island developing states (SIDS), faced external challenges that required support also after graduation. Debt sustainability of LDCs had deteriorated and would be a major challenge in the near future. It was highlighted that LDCs needed to engage in all WTO negotiations because after graduation they will lose a part of their special and differential treatment.

Summary

Rolf Traeger, Chief of the LDC Section of United Nations Conference on Trade and Development moderated the session. He recalled that the Istanbul Programme of Action for the LDCs for the period 2011-2020 had set the target to enable half of LDCs to meet the graduation criteria by 2020. The attitude of LDCs towards graduation had become more positive, many of whom have included graduation as target in their national development strategies. Graduation was a long term process. A smooth transition which prevented the sudden stop of international support measures was important. It was a challenge for graduating LDCs to negotiate the extension of trade preferences and to continue to benefit from Enhanced Integrated Framework support. Graduated countries could still benefit from GSP preferences and Aid for Trade. Small island developing states continued to face external challenges after graduation and it was an important question what type of support the international community was ready to give.

Paulo Kautoke, Director, Trade Division of the Commonwealth Secretariat noted that Aid for Trade to LDCs has grown rapidly in recent years, with Aid for Trade going towards economic infrastructure being particularly important. The IPoA aims to build productive capacity and enable LDCs to meet the criteria for graduation. Ten LDCs are likely to meet graduation criteria by 2020. The Commonwealth Secretariat was engaging in collaborative research with UNCTAD on how Aid for Trade helped LDCs with graduation. Research on the structural transformation in LDCs has been conducted as part of the LDC IV Monitor partnership, which monitors the implementation of the IPoA. More disaggregated analyses were needed regarding the enabling of graduation and the sectoral allocation of Aid for Trade.

Tuifa'Asisina Misa Lisati Leleisiuao Palemene, Associate Minister of Commerce, Industry and Labour, Samoa stated that his country sought the support of development partners to implement priorities in the areas of development and e-commerce. Samoa had graduated from LDC status in 2014. Liberalization of the telecommunications sector in 2005 and Aid for Trade has contributed to strong growth of the information and communication technology sector. An undersea cable project, which would be launched in December 2017, would address bottlenecks in terms of internet connectivity and costs. Furthermore, significant Aid for Trade had been committed to other infrastructure projects (e.g. airport). Aid for Trade to the energy sector aimed to help Samoa move towards energy self-sufficiency through the use of renewable energy resources, particularly solar energy. A number of Aid-for-Trade projects supported by Australia and New Zealand aim at improving connectivity, integration into supply chains and enhancement of competitiveness of livestock and agriculture sectors. Aid for Trade would help Samoa with the implementation of the Trade Facilitation Agreement. a recent Trade Facility training had been held by ITC in Samoa. Even though graduated, Samoa, as a small island economy, was still in need of Aid for Trade and public-private partnerships.

Debapriya Bhattacharya, Chair, LDC IV Monitor cited recent literature on connectivity and LDCs covering difficulties to create domestic capacity and value added, the importance of building the capacity of SMEs to supply to international value chains, of quality of institutions and of domestic connectivity in addition to international connectivity. The Agenda 2030 and the SDGs had changed the connectivity debate: coherence of connectivity with the SDGs in order to achieve transformative restructuring. Connectivity alone was not enough, but also required inter-sectoral (with other policy areas such as financial regulation, trade policies) and intra-sectoral (e.g. human resources for logistics, regulation) coherence. Debt sustainability of LDCs had deteriorated, also due to financing of infrastructure projects, and would be a major challenge in the near future. There was a need for a connectivity index that integrated sustainability issues and coherence. LDCs should rethink graduation. Graduation was not only about the loss of ISM. Graduating with momentum means that LDCs needed to look inward and create domestic capacity.

Frans Lammersen, Development Co-operation Directorate, Organization of Economic Co-operation and Development highlighted the importance of mobile connectivity, even for the smallest economic actors such as fishermen, to connect to markets. A sound policy environment was crucial for attracting investment. Support from the donor community was finite. Aid for Trade for telecommunications regulation helped attract private investment. LDCs, in contrast to middle income countries, did not have access to other official flows (OOF). Leveraging Aid for Trade to attract investment was more difficult for LDCs as compared to other developing countries. Aid for Trade to LDCs was 25% of total Aid for Trade; most of which went to infrastructure. While there were calls that more Aid for Trade should be given to LDCs, LDCs actually received twice as much Aid for Trade relative to other developing countries on a per capita basis. Absorption capacity was an issue. There was a risk of re-introducing tying of Aid for Trade to trade and investments of donor country firms, distorting economic behaviour. While LDCs might lose some ISM following graduation, they gained access to more financing for development, i.e. OOF and access to international capital markets.

Sumbue Antas, Director, Department of External Trade, Ministry of Foreign Affairs and External Trade, Vanuatu stated Vanuatu's expectation to graduate in 2020. Connectivity meant more than just telecommunications for Vanuatu - economic infrastructure and human capacity were required to make connectivity work. In order to achieve sustainable growth, Vanuatu would need not only connectivity but also to close gaps in other areas such as laws regarding consumer protection and cybercrime. He asked whether connectivity would promote inclusive trade (women, MSMEs) and if it would help Vanuatu to benefit from the LDC Services waiver and fisheries. Vanuatu would learn from the graduation experience of Samoa. Vanuatu would continue to face the same external risks and vulnerabilities following graduation. Graduating countries should not be punished for graduating. It was important that the international community recognized and supports the SIDS.

During the discussion, the ACP Secretariat commented that LDCs received preferential market access to the EU under its Everything-but-Arms scheme and were exempted from reciprocating in Economic Partnership Agreements (EPAs). After graduation, they would need to reciprocate in the EPAs even though they have not been involved in negotiations. Longer transition periods for preferential market access were needed. The Ambassador of Lesotho stated that LDCs needed to be part of WTO negotiations because after graduation they would not be exempted anymore. He urged his LDC colleagues to engage in negotiations. This comment was echoed by Mr Bhattacharya who stated that LDCs had a stake in the entire negotiations, not only LDC issues and special and differential treatment.

SESSION 29: Side Event: "E-Commerce + Connectivity = Development". Organizer: Permanent Mission of the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu to the World Trade Organization

MODERATOR

› **Hernán Estrada Román,** Ambassador, Permanent Representative to the World Trade Organization, Nicaragua

SPEAKER

› **Cyrus Chu,** Permanent Representative, Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu to the WTO

Connectivity to the world of digital trade is absolutely essential for Developing Countries and LDCs if they are to benefit from the fastgrowing sustainable development opportunities that e-commerce can bring. However, many consumers and businesses in developing countries and LDCs currently lack even the basic requirements of electricity, infrastructure and mobile devices needed to be able to participate in the e-commerce world.

This side event elaborated on the key concepts and elements of e-commerce, and explored possible solutions to the "Digital Divide" problems in the Africa, Caribbean and Pacific (ACP) countries. Through presentation and dialogue based on shared experience and analysis, the side event organizers hoped to find ways together of closing the gap and making connectivity happen for developing countries, LDCs and the ACP countries alike. By also encouraging the involvement of the private sector in the form of technical assistance, the hope was to make greater progress on solving the problem of the "Digital Divide".

Another important objective was to ensure the establishment of a fair and accessible global ecommerce trading environment, which would benefit SMEs and MSMEs in the developing countries and LDCs in particular.

Short summary

Connectivity to the modern world of digital trade was essential for developing countries and LDCs if they were to benefit from the fast-growing sustainable development opportunities that ecommerce can bring. However, many consumers and businesses of several developing countries and LDCs currently lack even the basic requirements of electricity, infrastructure and mobile devices needed to be able to participate in the e- commerce world.

This session examines the issue of e-commerce, connectivity and development by elaborating on the key concepts and elements of e-commerce and exploring possible solutions to the "Digital Divide" problems in the Africa, Caribbean and Pacific countries. Based on shared experience and analysis, this session hopes to find ways of closing the gap and making connectivity happen for developing countries, LDCs and the ACP countries alike. By also encouraging the involvement of the private sector in the form of technical assistance, this session hoped to make greater progress on solving the problem of the "Digital Divide". The session also called for the establishment of a fair and accessible global e-commerce trading environment, which would benefit SMEs and MSMEs in the developing countries and LDCs in particular.

Summary

Hernán Estrada Román, Ambassador, Permanent Representative to the World Trade Organization, Nicaragua, introduced the session by highlighting how connectivity and accessibility in the digital world could create better trading opportunities and strengthen infrastructure for developing countries, LDCs and ACP countries, and reach the SDGs. He also asked how different sets of approaches might help identify the needs and constraints countries faced, particularly the MSMEs, as well as how to address the issue of digital divide.

Cyrus Chu, Permanent Representative, Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu to the WTO, divided his keynote remarks into three parts: (i) clarifying concepts; (ii) introducing cyberspace trade barriers (CTBs); and (iii) giving suggestions as to how to remove the digital divide. He started his presentation by explaining his views on why WTO's work on e-commerce was advancing slowly. He pointed out that previous approaches on ecommerce were inductive and mainly focused on surveying large businesses. This created difficulty and bias for further discussion. In order to narrow the focus, he suggested a deductive approach, by identifying qualitative differences between digital trade and traditional trade. Specifically, he suggested that the qualitative difference in e-commerce as compared to traditional trade must have a digital-related background and discussion should not be misled by large business surveys. In this context, he drew attention to a book written by Nicholas Negroponte titled "Being Digital", wherein two transformations where predicted: (i) from shipping of Atoms to transmission of Bits (Atoms/Bits Transformation); and (ii) from static to mobile transformation in terms of devices, and from air to static transformation in terms of transmission tools (Static/Mobile Transformation). The implications of these two transformations were further highlighted. The implication of Atoms/Bits transformation was that atoms have physical borders and bits do not, while GATT was mostly about physical borders. As for static/mobile transformation, it was important for WTO to remove trade barriers for bits, and understand better new trade features. Moving on to MSMEs' opportunities in the digital world, he noted that ecommerce might be the only opportunity for MSMEs to reach international markets, and emphasized the importance of information flow for MSMEs. Specifically, access to internet and access to information were more urgent issues for MSMEs than data localization; without the former, business would not happen. He also drew attention to the importance of MSMEs as they contributed a major part of employment. Mr Chu observed that new digital business models changed the trade environment and regulation effectiveness, and formed an important lever for developing countries and LDCs to be integrated into the multilateral trading system. MSMEs could be the main beneficiaries, in the sense that digital trade could help MSMEs enter new markets, enhance trading opportunities and contribute to employment and innovation. He concluded that potential obstacles obstructing the matching of MSMEs demand and supply included CTBs and the digital divide.

Regarding cyberspace trade barriers, Mr Chu began by comparing traditional trade barriers with CBTs. Traditional barriers occurred during later stages of transactions (shipping, customs and local marketing), while most CTBs occurred during the early stages of transactions (acknowledging, comparing and placing order). As CTBs prevented the possible match of seller and buyer during the earlier stages of a transaction, there were three issues essential for this discussion: (i) accessibility; (ii) connectivity; and (iii) regulatory barriers. With regard to (i) accessibility, it referred to access to potential (foreign) buyers for MSMEs. Accessibility was premised upon three conditions, namely equal opportunity to appear on online platforms, free flow of information on the internet and the necessary information being transmitted efficiently. It was also important to note that connectivity did not equal accessibility. In answering the question regarding why CTBs were serious, Mr Chu quoted the WTO website that ''the WTO [...] was a system of rules dedicated to open, fair and undistorted competition.'' On the other hand, CTBs often destroyed reciprocally equal access, in a sense that it resulted in unequal access and led to unfair trade, especially for MSMEs who had fewer channels of access to potential foreign buyers. Mr Chu asserted that unfair trade should not be facilitated. He then moved on to discuss why WTO did not address CTBs and identified that being misled by large businesses was one of the reasons. Regarding connectivity (ii), connectivity, he stated that reaching a global market was premised on bridging the digital divide. In doing so, he advised to increase access to ICT infrastructure and services, and to enhance e-commerce readiness. As for regulatory barriers (iii) he noted that in addition to the lack of transparency, regulatory fragmentation led to requirements to comply with different regulations and standards, resulting in significant costs for MSMEs. The way forward would be to improve the legal and regulatory environment. To summarize, equality had to be applied at all stages of a transaction, because without reciprocally equal access, there would be a wipe out of competition of foreign MSMEs, resulting in unfair trade. Therefore, it was essential to remove accessibility blocks to ensure fairness, to remove the digital divide through better infrastructure and to make regulations transparent to ensure readiness.

On bridging the digital divide, Mr Chu first mentioned challenges facing the developing world such as lack of electricity, infrastructure, electronic devices, as well as the need for technical assistance, skills and personnel. Many international organizations, development banks, developed countries and some developing countries had offered assistance in these areas. To fill the gap, Chinese Taipei has provided technical assistance in countries such as Guatemala and the Dominican Republic, helping set up e-commerce online platform for various industries (e.g., tourism, bamboo, metal processing industry) and assisted 15 MSMEs in Guatemala in participating in electronic transactions with a total amount of US$1.02 million.

Mr Chu then outlined an action plan consisting of two aspects: (i) technical cooperation and capacity building; and (ii) public-private partnership. The first aspect was mostly sponsored by governments and international organizations, but could also be launched by the private sector. The second aspect was based on the fact that the private sector had the knowledge, resources and capabilities of potential e-commerce opportunities, while the public sector could adapt them into policymaking. He also mentioned a forthcoming HTC Mobile Project, which aimed at tackling the problem of lack of electronic devices in developing countries by giving free mobile phones manufactured by HTC, a local mobile phone brand in Chinese Taipei. Mr Chu went on to address the link between e-commerce and the SDGs. He identified that ecommerce related to at least five SDGs, namely ending poverty in all its forms everywhere (SDG 1), enhancing the use of enabling technology, in particular information and communication technology, to promote the empowerment of women (SDG 5b), promoting development-oriented policies that supported productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of MSMEs (SDG 8.3), increasing the access of MSMEs to financial services and their integration into value chains and markets (SDG 9.3) and increasing the exports of developing countries, with a view to doubling the LDCs share of global exports by 2020 (SDG 17.11).

In conclusion, Mr Chu observed that new technology was changing the landscape of ecommerce, and removal of the barriers of connectivity and accessibility was crucial to MSMEs, employment and market-driven innovation. The WTO was relevant in this discussion as it was ''a system of rules dedicated to open, fair and undistorted competition''. He called for more capacitybuilding initiatives, as well as utilizing available resources from private sectors.

In the discussion, a participant asked how to address fairness issue in light of a significant gap between developed countries and developing countries, and if it made sense for developing countries to discuss e-commerce, given their lack of infrastructure. He also asked for further clarification on the impact of digital trade on WTO rules. Mr Chu responded that he would not encourage developing countries to stop discussing e-commerce because of lack of infrastructure. Instead, he suggested an approach of ''learning by doing'', and ''improving by participating''. As it was impossible to start talking after everything was done, and the gap would be even bigger as other countries moved on, participating, to some extent, was also part of fairness. On the second question regarding impact of digital trade and implications for WTO, Mr Chu used Uber and Airbnb as examples to illustrate the necessity of taking a detailed look at the business model and service type in order to create new rules that fit into these new models. Technology neutrality did not mean that all old rules were good enough. That was why Uber discussion was still trading. Understanding new business models was essential.

Another question was raised regarding the examples of technical assistance and what were the challenges facing online platforms. Mr Chu answered this question by giving an example of establishing a platform in tourism. He mentioned different perceptions of tourism due to culture gaps, and the importance of learning by doing, due to the absence of one business model applicable to every country. Most MSMEs shared the feature of local cultural affiliation, such as local tourism, local sculpture, local artists and local music.

Subsequent questions from the floor also covered consumer protection, national security and e-commerce, as well as the possibility and necessity to discuss e-commerce at the WTO, including in the upcoming MC11. Mr Chu suggested that we should at least discuss this issue, with a parallel program to remove digital divide. Ambassador Román concluded this session by mentioning that connectivity had to be achieved with an open mind, and that he looked forward to continuing this discussion in the future.

SESSION 30: Side Event: "Africa's Industrial Transformation: The Role of Digital Connectivity and the Need for Innovative Financing ". Organizers: International Telecommunications Union, Japan, Rwanda, United Nations Industrial Development Organization, World Bank Group

MODERATOR

› **Uzo Madu,** Founder, What's in it for Africa?

PANEL DISCUSSION

› **François Xavier Ngarambe,** Ambassador, Permanent Representative to the United Nations and other International Organizations in Geneva, Rwanda

› **Tomochika Uyama,** Deputy DirectorGeneral, Economic Affairs Bureau, Ministry of Foreign Affairs, Japan

› **Hiroshi Kuniyoshi,** Deputy to the Director General, United Nations Industrial Development Organization

› **Reinhard Scholl,** Deputy Director, Telecommunication Standardization Bureau, International Telecommunication Union

› **Paul Brenton,** Trade Practice Leader, Africa Region, Trade and Competitiveness, World Bank

› **Stephen Karingi,** Director, Capacity Development Division, United Nations Economic Commission for Africa

Africa's industrial transformation ambitions are well known. The AU's Agenda 2063 places industrial transformation as a top priority - as do the 2030 Agenda and the SDGs and several national development plans.

Trade has potential to induce rapid industrialization. The context in which Africa will have to industrialize is, however, changing rapidly. The rise of the new industrial revolution, defined by automation, digitalization, and connectivity, is abruptly changing the way goods are designed, produced, marketed and traded. In turn, these technological developments have led to concerns about the extent to which Africa's current digital divide will affect the industrial transformation prospects of sub-Saharan African countries.

Connectivity and accessibility remain underdeveloped in many African countries. In addition to low Internet penetration levels and high prices, availability of high-speed fixedbroadband infrastructure and services remains a main challenge, constraining the utilization of advanced manufacturing processes. Infrastructure investment is a top priority for the continent. and the role of innovative finance in this regard is well acknowledged.

This session explored how the Aid-for-Trade Initiative could better contribute to Africa's industrial transformation ambitions, in light of the new production revolution, connectivity requirements and financing needs. It touched upon critical matters such as high-speed fixedbroadband infrastructure requirements for industrial transformation, regulatory frameworks, innovative financing and publicprivate partnerships.

Short summary

Take away messages from the side event session included:

- The importance of manufacturing and manufacturing-related services for economic growth and trade;

- Digital connectivity was essential in light of the 4th industrial revolution;

- Ensuring that Africa was the driver and shaper of its own industrialization; and

- Complementarity of public and private sectors and availability of financing instruments to provide a framework for digital and physical connectivity.

Aid for Trade could serve as a catalyst to contribute to Africa's structural transformation, to address the root causes of trade imbalances and to further support productive capacity development and industrialization.

Summary

Hiroshi Kuniyoshi, Deputy to the Director General, United Nations Industrial Development Organization (UNIDO) highlighted the importance of digital connectivity for Africa's industrialization. ICT provided opportunities for countries to join global value chains. He stressed that manufacturing industry was crucial for economic growth and trade - especially in countries at lower income levels. Looking ahead, towards the 4th industrial revolution, he noted that it was presently unclear what the actual implications would be and how fast new technologies would diffuse throughout the world economy. He stressed the need to ensure that ICTinfrastructure and broadband connectivity were developed as ICT-enabled business processes were central to participating in value chains.

Stephen Karingi, Director, Capacity Development Division, United Nations Economic Commission for Africa (UNECA) noted several continental frameworks that sought to guide Africa's industrialization. These include the Accelerated Industrial Development for Africa (AIDA), 3ADI, African Mining Vision, the CFTA, and the continental framework for standardization. The Action Plan to Boost Intra-African Trade (BIAT) sought to tie all these frameworks together. The pillars include productive capacity, trade policy, and infrastructure, financing, and sharing of information.

Reinhard Scholl, Deputy Director, Telecommunication Standardization Bureau, International Telecommunication Union (ITU) discussed the digital divide. According to the ITU ICT Development Index, the global average was 5 and Africa's average fell behind at 2.5. Further, 2G had reached 85% of Africa, while 3G had reached 50% and 4G was expected to reach only 25%. Africa's digital gap was due to affordability. He noted that consumers in developing countries should not pay more than 5% average of their monthly salary to connect. In some LDCs, the cost was almost 30%. It is important for countries to create an enabling environment, liberalize their markets and introduce competition. In addition to infrastructure, ICT skills should be enhanced. He provided examples where African countries were leading the world through creating the right regulatory environment. Kenya's MPESA was in the forefront of digital financial services.

Paul Brenton, Trade Practice Leader, Africa Region, Trade and Competitiveness, World Bank noted that improving Africa's infrastructure was essential to end extreme poverty. The World Bank had developed a cascade approach to help address needs through blended finance. Infrastructure development was financed through commercial, concessional and private sector financing. To support private sector financial flows, the World Bank provided risk guarantees and risk instruments. The World Bank could also help by creating the enabling environment to attract private sector investments. He emphasized that ending poverty in Africa required addressing the needs of fragile states. Further, the success of industrial parks depended on digital and physical connectivity. Regional value chains also offered a real opportunity in Africa. Mr Brenton presented the successful case of industrial parks in Ethiopia in attracting GVCs.

Hiroshi Kuniyoshi emphasized UNIDO's support to the concept of industrial parks. The geographic concentration of industries in one area provided easier roll out of infrastructure capacity to support industrial development. The industrial zones were a key feature of UNIDO's Programme for Country Partnership. a new partnership framework conceived to better assist countries in achieving SDG 9. Through these PCPs, three streams of resources were coordinated for larger development impact, i.e. grants for technical assistance, public finance for infrastructure investment, and private investment. He noted that progress in mobilizing finance for infrastructure investment was very encouraging.

Tomochika Uyama, Deputy Director-General, Economic Affairs Bureau, Ministry of Foreign Affairs, Japan provided insights on Asia's experience with connectivity as an enabler of regional value chains. Today, more than two-thirds of trade in Asia was in parts and components. He emphasized the need to improve the business environment and to increase the dialogue between government and the private sector, on bottlenecks, to enhance FDI.

François Xavier Ngarambe, Ambassador, Permanent Representative to the United Nations and other International Organizations in Geneva, Rwanda highlighted President Kagame's leadership in promoting connectivity in Africa through his co-chairmanship of the Broadband Commission. President Kagame had committed to developing broadband as a tool to transform Africa into a knowledge-based economy. This was done through (i) advocacy and exchange, (ii) the development of IT in Africa through the Transform Africa Summit (and its Smart Africa Initiative); and (iii) the Youth Connect Forum.

Stephen Karingi reemphasized that Official Development Assistance (ODA) and Aid for Trade could be catalysts to mobilize other resources. There was a need to ensure that Aid for Trade was inclusive, well-prioritized and was fit for purpose. UNECA's recent study showed that while many gaps remained, Aid for Trade has been channeled towards Africa's priorities. He also noted the large amount of untapped domestic resources in Africa which could be leveraged to meet the continent's development and infrastructure needs. Private sector was hesitant to invest, particularly in regional projects due to risks related to trans-boundary projects.

François Xavier Ngarambe emphasized that while billions in Official Development Assistance disbursed to Africa, the share of Africa in the global trade remained around 2%. There had been no correlation between ODA and economic development in Africa. Even more finance was leaving the continent due to illicit activities. thus nullifying development assistance. Further, he noted that ODA and Aid for Trade was meaningless if distorting domestic subsidies were not addressed. Eliminating subsidies was an obligation under the WTO, not a favour. and should come before aid. He emphasized that Africa would not realize the benefits of aid if these imbalances continued to exists. Aid for Trade could stimulate the nexus between trade and development if certain conditions were met, including efforts to address productive capacity and productivity issues, technological divide and regional integration. Ambassador Ngarambe, concluded the event by emphasizing that Aid-for-Trade efforts in support of Africa's industrialization should be conducted in a holistic way, with the full participation of all concerned actors, including governments, private sector, civil society, and international development partners.

During the discussion, questions were asked how proposed rules at the WTO could help bridge the digital divide and how countries could ensure that their policy space was not squeezed by the multilateral trading system. Would one-size fits all work for or against African countries? Stephen Karingi noted that one size never fitted all. On policy space, the CFTA would ensure harmonization in Africa so that when negotiating at multilateral level, Africa already knew where it stood, with one voice. Francois Xavier Ngarambe stated that it was important to do it "the way they did it, not the way they tell you to do it". He stated that no country had ever developed without the policy space or regulations that protected its producers. Developing countries must stand firm to protect their policy space.

One participant also asked how the issue of connectivity (particularly through the ITU) was being addressed for Landlocked Developing Countries (LLDCs). The ITU noted that 95% of internet traffic went through submarine cables. Paul Brenton noted that similar issues for LLDCs still existed for physical connectivity. There was a need to increase competition by providing alternative routes/corridors - also for digital connectivity. Regional integration is therefore essential.

SESSION 31: Development Hub: "Closing the Digital Gender Divide". Organizer: World Trade Organization

MODERATOR

› **Yinka Adegoke,** Africa Editor, Quartz

KEYNOTE SPEAKER

› **Arancha González,** Executive Director, International Trade Centre

DISCUSSANTS

› **Mireya Almazan,** Head of Mobile Money, GSMA

› **Simon Lacey,** Senior Expert, Trade Facilitation and Market Access, Huawei

› **Phyllis Mwangi,** Director, Tandao Commerce, Kenya

› **Andrew Dunnett,** Director, Vodafone Group Foundation

› **Susan Schorr,** Digital Inclusion Division, Telecommunication Development Bureau, International Telecommunication Union

› **Shana Fatina,** ORA Dive Komodo, Indonesia

Advances in information communication technology (ICT) create opportunities for employment, education and increased income. ICT has led to the expansion of markets for both goods and services. Revenue from ecommerce markets in Africa and the MiddleEast amounted to US$16.7 billion in 2017, and is estimated to increase to US$26.6 billion in 2021. In Asia the estimated market volume for e-commerce will be over US$1 trillion by 2021.

ICT can help enable women to increase their participation in the economy. Unfortunately, the digital gender divide persists in many countries, preventing women from reaping these benefits.

Despite progress in increasing internet penetration and getting more people connected, 200 million fewer women than men own mobile phones in low- and middle income countries. The global internet user gender gap grew from 11% in 2013 to 12% in 2016. This gap remains large in the world's Least Developed Countries at 31%. The digital gender divide exists in all regions, but is largest in Africa at 23%.

The 2030 Sustainable Development Agenda set a goal to enhance the use of enabling technology, in particular ICT, to promote the empowerment of women. To meet this goal the international community, both in the public and private sectors are collaborating and designing "winning formulas" to plug more women into the digital economy.

This session explored the divide and the initiatives being designed to close the digital gender gap.

Summary

Keynote speaker: Arancha González, Executive Director, International Trade Centre. New technologies are part of our lives but many are excluded from having access to digital products and services. The digital gap persists today: 47% of women-owned firms say that they are not familiar or conformable using the new technologies for their business. Women managed firms were 12% less likely to use email than male-managed companies. In developing countries, women are 8% less likely to have access to the internet than men. The gap is running counter to trade policies strategies and programmes. It means less competitiveness and being tied to lower values activities, and to the informal sector. SMEs that invest in digital technologies see productivity grow by 10%. It is essential to connect women to skills, with public and private markets. It is important to invest in training women on digital literacy. The sooner it is done in their career the better.

The public procurement market was the big untapped potential market for women. Only 1% of this market was served by women-owned firms globally. Training women in digital skills would enable them to connect to this market. This was what Chile has done. Public procurement in Chile is done online. The country invested in connecting women owned business to this online market and in one year, 21,000 of these firms had become providers to the state. Connecting women to private markets through national, regional and international GVCs is also essential to integrate women into the global economy. More and more, GVCs are specializing in technology and the services sector.

Susan Schorr, Digital Inclusion Division, Telecommunication Development Bureau, ITU stated that when we think about the Digital Gender Divide, we mostly think in terms of access to ICTs and internet. Globally the share of women using the internet was 12% lower than for men. The US had the lowest gender gap at 2%, while the African continent had the largest at 23%. Least developing countries were the income group with the largest gender gap at 31%.

There was also another type of digital gender gap. The number of girls and women who were studying ICT and digital skills or who were working in jobs requiring advanced digital skills. Globally, there were far fewer women working or studying in ICT than men. In the US, women accounted for 57% of degrees undergraduate degrees, but among them only 18% specialized in ICT. In the EU, on average, the technical workforce was 16.1% women, although this figure rose in Bulgaria and Romania to over 27%. To change this under-representation, we need to change attitudes amongst girls but also educators and parents who need to know about opportunities of working in the ICT field.

Women also had to know that they could excel in digital skills and be creative, but also that this was where the jobs were. There were 10 million jobs that employers cannot fill today, and those jobs are better paid than those that do not require digital skills. In OECD countries, on average, people that work with mid to advanced digital skills were earning 27% more than their counterparts with no digital skills. In Africa, in countries like Zambia, jobs requiring digital skills were in the formal sector and were paying six times more than those in the informal sector. This is important in light of the global youth employment crisis. About 7 million young people are unemployed today, but 10 million jobs exist. But young women were touched more by unemployment than young men. They had 37.3% labour participation rates as opposed to nearly 54% for men. In this context, the ITU and ILO had launched the "Digital Skills for Decent Jobs for Youth" campaign. The goal was to train 5 million young people with ICT skills. Individual countries (Argentina, Bangladesh or Tanzania for instance) had also developed their national ICT training programmes targeting their youth.

Mireya Almazan, Head of Mobile Money, GSMA: Every minute 30,000 mobile money transactions took place in the developing world. Digital financial inclusion was critical for women. Ten years ago, after the launch of M-PESA, about half a billion mobile money accounts had been opened in 92 countries worldwide. Mobile money was available in two-thirds of low and middle income countries. It was a simple technology. It does not require internet or having a smart phone. It was driving financial inclusion for underserved communities and enabling people to participate in the formal economy mostly for the first time. Beyond payment and financial services, mobile money empowered people and provides resilience. In Kenya, 2% of households had been able to escape extreme poverty. Gains were even more important for women who were able to expand their occupational choices from subsistence farming to retail and business.

However, 2 billion people remained unbanked and women who had most to gain from these services continued to be under-represented. In low and middle income countries, women were 36% less likely than men to use mobile money services. This was not surprising because 1.7 billion women in these countries still did not have a basic mobile phone. This gender gap in mobile phone ownership was driven by a complex set of social and economic and culture barriers. Once women have a mobile and are able to register for a mobile money account, they were just as likely as men to become regular users and even power users of these services.

To overcome this gender gap, GSMA had launched a Commitment campaign to raise awareness and prioritize this issue among the mobile community. So far, 30 operators had made commitments across Asia, Africa and Latin America to reduce the gender digital divide. It was also important to increase the availability of gender disaggregated data to inform policies. Today, the data available was not reliable.

GSMA has partnered with the Broadband Commission and a coalition of stakeholders to produce a framework for action on the gender digital divide. It includes the integration of gender perspectives in strategies, plans and budgets including gender equality targets. It was a shift from the way things were previously done. Everyone benefits from an economy that is inclusive. These interconnected digital economies can have the most impact on global development goals if they are truly inclusive.

Responding to a question on e-commerce, Ms Almazan stated that about 75 to 90% of all ecommerce activity in emerging markets was cash on delivery because people did not possess a credit or debit card - or when they did, they didn't trust the system. Also, a lot of companies did not want to set up an e-commerce site without having guaranteed payment. Mobile money was simplifying that process and allowing people that previously did not have a bank account or/and could not shop online to use e-commerce.

Andrew Dunnett, Director, Vodafone Group Foundation. Vodafone had set the target bringing the benefits of mobile telephony to 50 million women in the markets within which it operated by 2025. Once a woman had access to connectivity and a mobile device, all sorts of benefits follow. It enabled women to save, to get education and to set up a business. Vodafone was also supporting women entrepreneurship. There are three ways in which connectivity and mobile devices could benefit women: it monetized their work, connected them to importers and helped them access end markets.

There was a need to start educating girls as well if we wanted to make a contribution to women entrepreneurship. By looking at long term perspectives to realize their full potential and educating their children, women could disrupt the cycle of poverty. Vodafone had taken on a commitment that by 2020 it would educate 3 million people living in refugee camps, and in countries within which Vodafone operated enabling them to have access to a connected education.

Simon Lacey, Senior Expert, Trade Facilitation and Market Access, Huawei stated that women were already making their mark in the internet economy. Influential women headed nine major tech companies (including Yahoo, Oracle, YouTube and Huawei). But gender imbalances still persisted. The technology industry was male dominated at all levels. Only 21% of women were managers and 32% were directors. The internet gender gap was very real. The private sector had admittedly been slow to tackle this issue. Huawei was no exception and its clients had made its policies change because requests had been made for the company to adopt sustainable development models, as well as promoting and supporting women internally. For publicly listed companies, this issue would move up the priority list only by means of shareholder activism. For private companies, it was a little more difficult, but there were ways to get them to come to engage on this issue. Intra-supply chain peer-group pressure was clearly the best way to proceed here, but the onus was again on large publicly-listed companies and their shareholders.

Phyllis Mwangi, Director, Tandao Commerce, Kenya created a platform designed to empower e-commerce business in Africa. She was an e-commerce entrepreneur, and as such, encountered various challenges since she had created her business. On payment gateways, she had had to travel to the US to open an account to access US-based payment solutions. Today mobile money was a gamer changer. On delivery, in rural parts of the country, it was difficult to track whether the product had reached the consumer. But now in Africa, people are using tuk-tuk or motorbike services that could penetrate rural areas. With mobile phones, internet access problems could be consigned to history. On trust, people still distrusted that the goods they bought online would be effectively delivered. A lot of education was still needed on this point. In Kenya, SMEs had been surveyed about their willingness to bring their business online. Most of them declared that they would want to go online but only 20% had made the step. It was too expensive to set up a business online. on average Đ3,000. It took six months for a website to go online and Đ200 per month for maintenance. Tandao Commerce had been created to help entrepreneurs overcome these challenges. New technologies and e-commerce were women friendly and scalable.

Shana Fatina, ORA Dive Komodo, Indonesia remarked that the tourism market in Indonesia was big, on average each tourist spends US$150 per day which made total revenue of US$90 million in the Komodo area. Only 1% of tour guides were women. But tourists demand for women tour guides was high. Some were more comfortable with women. Also the souvenir and craft sector was led by women. Through ICT, her company made marketing and engagement but also taught women to be tour guides and leaders. It had appointed women to manage the front office dealing with tourists who were asking a lot and detailed questions over the internet. As a consequence, bookings were up. Shana had also engaged women in leadership and entrepreneurship programmes.

SESSION 32: Side Event: "Connecting Trade and Agricultural Development in the LDCs". Organizers: Food and Agriculture Organization of the United Nations, Enhanced Integrated Framework

MODERATOR

- **Sean Woolfrey,** The European Centre for Development Policy Management

OPENING ADDRESS

- **José Graziano da Silva,** Director-General, Food and Agriculture Organization of the United Nations
- **François Kanimba,** Minister of Trade, Industry and Economic Affairs, Rwanda
- **Ratnakar Adhikari,** Executive Director, Enhanced Integrated Framework Secretariat

PANEL DISCUSSION

- **Komla Bissi,** The Comprehensive Africa Agriculture Development Programme, African Union Commission
- **Patterson Brown,** USAID, Chair of the CAADP Donor Partners Coordination Group (DPCG)
- **Kayula Siame,** Permanent Secretary, Ministry of Commerce, Trade and Industry, Zambia
- **Jean Louis Uwitonze,** Director General, Planning, Monitoring and Evaluation, Ministry of Trade, Industry and EAC Affairs, Rwanda

Agriculture is a critical component of Aid for Trade and the largest contributor within productive capacity, contributing on average between 15% and 20% of all Aid-for-Trade flows. This should not be surprising given the importance of agriculture to trade in LDCs, a sector providing 69% of total employment, with half being women (UNCTAD).

Despite the synergic linkages between trade and agriculture in development, clear opportunities existed to better link agriculture and trade policy, processes and programmes in LDCs. For instance, the Comprehensive Africa Agriculture Development Programme (CAADP) of the African Union and the Enhanced Integrated Framework (EIF) provided institutional, policy and programming mechanisms for both agriculture and trade in African LDCs.

The Food and Agriculture Organization (FAO) had recently started a project in conjunction with the EIF and the European Centre for Development Policy Management (ECDPM) to pilot an approach to better connect the CAADP and EIF processes and improve the crosssectoral linkages in four countries: Mozambique, Rwanda, Tanzania and Zambia.

This Side Event on "Connecting trade and agricultural development in LDCs" therefore aimed to share the initial results of the project, and opened the discussion to participants to explore the connections between agriculture and trade in development.

Short summary

The session focused on facilitating increased connections between trade and agriculture development through connecting mechanisms such as the EIF and the Comprehensive African Agriculture Development Programme of the African Union. Country examples from an ongoing project with FAO facilitating these linkages in Rwanda, Zambia, Mozambique and Tanzania provided a practical dimension to a broader initiative, with additional innovative mechanisms to close the gap shared by Mali and Sierra Leone. Strong interest in closer development linkages between agriculture and trade at the national level were expressed by a number of least developed countries.

Summary

José Graziano da Silva, Director-General, Food and Agriculture Organization (FAO) opened the side event with a video address. He highlighted the central role that agricultural trade plays in generating economic growth and poverty reduction, as well as being a key enabler of the SDGs. This was evident in the commitment of Presidents across Africa in the Malabo Declaration to trade helping accelerate agricultural growth. He noted the gaps in the policy development process and highlighting a new FAO project that emphasized the need for closer linkages between trade and agriculture structures, including national stakeholders, donors and the development community. He concluded his remarks noting the collaboration with the EIF and hope for strengthened institutional dialogue and collaboration in the LDCs to enable them to better capture the benefits of agricultural trade.

Ratnakar Adhikari, Executive Director of the Executive Secretariat for the EIF noted that agriculture as a sector, provided almost 70% of employment for people in the least developed countries. Furthermore, for many in these countries, agriculture also formed the backbone of industrial development and export revenue. However, when it came to policies and investments from development partners in trade and agriculture, the connections were yet to be strengthened. This included connecting trade policies and agriculture policies; connecting trade-related investment plans and agriculture investment plans; as well as improved connection of trade and value chain perspectives into agriculture projects and programme designs.

Mainstreaming trade in agriculture was a priority for the EIF. Going forward, he recommended ensuring stronger processes at the country level, where trade and agriculture stakeholders were able to share views more readily, and include the priorities of the EIF analytical studies in the planning cycle in agriculture for governments and donors. Mr Adhikari announced a recent initiative to strengthen the cooperation between the EIF and the FAO through a letter of intent. He also highlighted the engagement of the EIF in the Global Donor Platform for Rural Development as well as ongoing cooperation with the Standards and Trade Development Facility. At the regional level, the EIF had begun collaboration with the Comprehensive African Agriculture Development Programme (CAADP) of the African Union and Donor Partners Coordination Group within the CAADP to better understand and link to donor programming in Africa's agriculture sector.

At the country level, Mr Adhikari mentioned that the EIF invested directly into priority, catalytic and trade-related agribusiness initiatives. In fact, around two-thirds of all EIF projects were dedicated to building productive capacity in the agriculture or agro-industry sector. Through the EIF's support, Zambia, one of Africa's largest exporters of honey to Europe, had stimulated increased honey production and sustainable connections between private sector honey processors and empowered smallholder farmers.

The panel discussion began with remarks from Eleonora Canigiani, FAO, who highlighted FAO's new integrated approach to agriculture which aims to increase its impact at country level. The FAO Food System Strategic Programme (one of the five pillars of the FAO Strategic Framework) included work on trade, standards, market analysis and information, value chains, agribusiness, finance and investment. Working on the entire "food system" required moving beyond production issues, and shifting attention towards the complex interactions that link production to consumption (through aggregation, processing, and distribution) and the synergies that could be created to develop food-systems able to contribute to poverty reduction and food security, whilst promoting both the economic growth and structural transformation of countries.

She noted that the FAO and the EIF had been increasing interactions on trade, agricultural development and food security since 2015, notably FAO including consultations with the EIF in the development of the FAO Flagship Report The State of Agricultural Commodity Markets 201516 (that focused on Trade and Food Security) as well as working with the EIF in a workshop in Harare, Zimbabwe (May 2015) whereby the FAO brought together Agriculture and Trade Ministries of countries in eastern and southern Africa to raise awareness of the need to better engage trade institutions in agriculture planning processes.

Following the Harare meeting, four countries had been identified (Mozambique, Rwanda, Tanzania and Zambia) to carry out the piloting of a project aiming to use existing national structures in improving the coherence of agriculture and trade policies and strategies, thus, aligning the related policy-making processes focusing on CAADP and the EIF.

Komla Bissi, The Comprehensive Africa Agriculture Development Programme, African Union Commission pointed out that, for the countries of the African Union, agriculture accounted for one third of GDP and 50% of employment. Referring to the policy response to the question, he reminded the audience that African leaders had adopted the Maputo Commitments. The Heads of State have committed to giving at least 10% of national resources in order to achieve a growth rate of 6% in the sector, with regional trade playing a central role including an objective to triple intra-African trade in agriculture by 2025. Linked to the Malabo Declaration, progress is being made towards the creation of a continental free-trade area. He was clear that the key to growth in the agricultural sector lay in building sophisticated interconnectivity, which would enable support supply chains to meet demand. Part of this process includes the development of National Agriculture Investment Plans (NAIPs) as well as similar initiatives at the sub-regional level.

Patterson Brown, USAID, Chair of the CAADP Donor Partners Coordination Group (DPCG) shared his views on enhancing connection with trade within the CAADP structure and what could be done to support better coordination amongst donor programming supporting trade and agriculture. The DPCG includes more than 30 members, including donors, research organizations, and the private sector. There are four strategic priorities: provide support for strengthened mutual accountability and biennial reviews; increase DPCG country level engagement and support for National Agriculture Investment Plans (NAIP); engagement and support for Technical Networks; and to align Development Partners to support the AUC and NPCA Business Plan supporting CAADP activities. The NAIPs laid the framework for development interventions in the agriculture sector. A new wave of NAIPs was being updated to incorporate commitments from the Malabo Declaration providing a good opportunity for including trade issues within agriculture sector support. They would also link to new partnerships with the private sector, stimulating new investment in priority value chains through a Country Agribusiness Partnership Framework. He further highlighted the role of the Technical Network on trade that would be coordinated by ACTESA and noted that the network would be looking to expand membership significantly. An inter-regional learning event was being planned through the TN for the third quarter of 2017. Further information was available at http://www.caadp-tn.org/.

Making the case for CAADP, Mr Brown referred to evidence in the impact of those countries who had been early adopters of the CAADP Malabo Declaration versus those who did not generate CAADP Compacts. From a similar baseline level early adopters had on average increased the contribution of government budget shares to agriculture to 5.55% comparing to only 1.39% for those without compacts. Likewise, early adopters had also doubled the value of Agriculture Value Added, increased agricultural productivity to 5.9-6.6% (versus 2.0-2.1%), GDP per Capita growth rates of 4.3% (versus 2.2%) and achieved a 3.3% decrease in the rate of malnutrition (versus 1.2% decline in non-CAADP countries).

Kayula Siame, Permanent Secretary, Ministry of Commerce, Trade and Industry, Zambia provided an overview of national experience from Zambia of the challenges and good practices in linking trade and agriculture at the country level. She noted the key policy and related frameworks for agriculture and trade including the NAIP and the DTIS. Within trade and within agriculture, the respective diagnostic and planning frameworks were very much aligned with national policy, and both policies included aspects of relevance to each other. In general, the trade focused committees included those related to the EIF and Trade Facilitation included some agriculture related stakeholders. There was not adequate representation from the different and specific areas related to agriculture. The CAADP Committee did not include any trade representatives. The DTIS in Zambia had identified a number of priority sectors under agriculture trade and had been a key reference document for the development of the revised trade policy. It had also been useful in linking agriculture to trade through the formulation of the 7th National Development plan where there was a strong correlation of priority agriculture sub-sectors, such as maize, tobacco, cashew, fruits, cotton etc.

Looking forward, the new 7th National Development Plan proposed the establishment of Cluster Advisory

Groups. In contrast with historical precedent, these groups aimed to transcend line ministry mandates and allow stakeholders to assess progress and contribute to economic sector growth at national, provincial and district level. A number of new projects specifically focused on agriculture and trade had recently been developed in Zambia, predominantly through the World Bank.

Mr Jean Louis Uwitonze, Director General - Planning, Monitoring and Evaluation, Ministry of Trade, Industry and EAC Affairs, Rwanda (MINEACOM) noted the close connection between agriculture and trade in Rwanda with imports of agriculture goods accounting for 21% of total imports and 35% of exports in the last year. For cross-border trade this figure rose to 80%. Policies related to trade and agriculture in Rwanda are developed through an economic cluster group which assist in ensuring synergies. Likewise, in annual planning and budgeting cycles, both the Ministries and Trade and Agriculture discuss the relevant annual plans and budgets of the related Ministry through the Sector Working Group (also including donors, the private sector and civil society) as well as through the Industrial Development and Export Council (IDEC). Finally, the Ministers of Trade and of Agriculture both sign a joint performance contract on export to which both are accountable and subject to an annual independent evaluation. Going forward, Rwanda was planning to address constraints using an integrated value-chain approach including trade facilitation as well as involving the private sector. In addition, he highlighted that there was further scope for alignment of donor priorities in agriculture and in trade.

During the discussion following the presentations, Mali, Mozambique, Sierra Leone and Tanzania shared their experiences in using the EIF analytical work in addressing agricultural priorities and called for greater coordination between trade and agriculture.

SESSION 33: Side Event: "WTO Chairs Programme". Organizer: World Trade Organization

MODERATOR

› **Prof. Dr. Désirée M. van Gorp LLM,** Chair International Business, Nyenrode Business Universiteit

PRESENTATION OF SELECTED PAPERS

› **Barbados,** University of the West Indies. Mr Keith Nurse: "The Digital Creative Economy, Global Value Chains and Developing Countries: The Role of Aid for Trade in Building Connectivity and Facilitating Market Entry for Developing Countries"

› **Benin,** Université d'Abomey Calavi - Professor Amoussouga Gero, Mr Alastaire Alinsato, Professor Oloukoi, Professor Babatoundé:" Aid for Trade and connection to global value chains. What are the lessons to be learnt for the Economic Community of West African States counties?"

› **Brazil,** Getulio Vargas Foundation. Professor Vera Thorstensen, Professor Lucas Ferraz, Professor André Diniz: "How the Reduction of Regulatory Barriers for Trade in Services may affect the Architecture of Global value Chains: the Case of TISA"

› **Tunisia,** Tunis Business School. Professor Leila Baghdadi, Prof Inmaculada Martínez Zarzozo: "Effects of trade facilitation on developing countries sectoral trade"

› **Yuca Waarts,** Senior researcher sustainable value chain development, Wageningen University & Research

Since its inception in 2007, the Global Review of Aid for Trade has established itself as the preeminent multilateral forum exploring trade and development issues. With a view to enhancing the linkages between the academic partners of the WTO and policy makers, this side event featured findings from research conducted by WTO Chairs.

The first contribution showed that Aid for Trade can play a critical role in coordination and upscaling the creative industries. The second contribution mainly showed that for ECOWAS countries, Aid for Trade strengthened connectivity to global value chains, but the integration effect varied from country to country. The study also revealed that the countries most integrated into global value chains are the countries with the strongest economic growth.

In the third contribution, the authors investigated how the reduction in regulatory barriers for trade in services changed the architecture of global/regional value chains through indirect effects on the exports of industrial goods.

The final contribution focused on the analysis of the relationship between trade facilitation and international trade in developing countries. The main findings showed that time delays and institutional trade barriers, were important factors influencing bilateral trade. Developing countries will greatly benefit from improving port connectivity and trade facilitation.

Short summary

The main purpose of this side event was to provide a platform for the four research papers produced by WTO Academic Chairs, to familiarize the WTO Chairs with the Aid-for-Trade Initiative and to facilitate interaction between the policy makers and academics.

The first contribution presented by Mustapha Sadni Jallab, ITTC, WTO, on behalf of the WTO Chair of Benin, indicated that for ECOWAS countries, Aid for Trade strengthened connectivity to global value chains, but the integration effect varied from country to country. The study also revealed that the countries most integrated into GVCs were the countries with the strongest economic growth.

The second paper presented by Keith Nurse, WCP Chair, University of West Indies, showed that Aid for Trade can play a critical role in coordination and up-scaling the creative industries. Professor Lucas Ferraz, presented a paper that investigated how the reduction in regulatory barriers for trade in services may change the architecture of global/regional value chains through its indirect effect on the exports of industrial goods.

The third contribution was presented by Leila Baghdadi, WCP Chair Tunis Business School. The paper focused on the analysis of the relationship between trade facilitation and international trade in developing countries. The main findings highlighted that time delays and institutional trade barriers, are important factors influencing bilateral trade. Developing countries would greatly benefit from improving port connectivity and trade facilitation. The last contribution by Dr. Yuca Waarts was about presenting a methodology to support developing country SMEs on their business practices, exports and profits.

Summary

Mustapha Jallab Sadni ITTC, WTO, on behalf of the WTO Chair of Benin. This research was in line with the work which considered foreign demand as a determining factor in economic growth. The main lesson learned from this research was that Aid for Trade could help facilitate international trade as it contributed to remove various constraints in terms of productive capacity and trade infrastructure. Trade facilitation allowed developing countries to insert into global value chains. Integrating the GVCs requires, according to the authors, proactive measures compared to the traditional approach, namely Special and Differential Treatment (S&D). This contribution analysed the existing relationship between Aid for Trade, connectivity to GVCs and economic growth in ECOWAS countries. In order to test this assumption, the authors estimated an econometric model. The results showed that Aid for Trade had positive implications on connectivity to GVCs, but the integration effect varied from country to country. The study also revealed that the countries most integrated into GVCs were the countries with the strongest economic growth. Finally, the impact of Aid for Trade on inclusive growth in developing countries remained dependent on the implementation of complementary sectoral policies.

Keith Nurse, University of the West Indies, Barbados noted the rise of the digital economy was one of the defining features of the contemporary global economy. It was also one of the fastest rising components of global trade. The creative economy was a critical aspect of these trends given that creative content accounted for a significant share of e-commerce and the content on the internet. The issue at hand was that developing countries had some comparative advantage in the production of creative content but that their capabilities in the marketing, distribution and retail of content. the key value-added segments of the global value chains. was relatively weak and these countries were unable to maximize on the burgeoning digital creative economy. From this perspective, this contribution showed that Aid for Trade could play a critical role in coordination and up-scaling the creative industries. Trade financing such as market development grants and financing for participation in trade fairs, outbound and inbound trade missions, business-to-business meetings and other forms of market entry programmes should match these measures. New mechanisms for financing intangible assets such as intellectual property needed to be pioneered so that creative businesses could grow sustainably and benefit from increased access to different sources of finance (seed financing, cluster financing, export financing, debt, private equity or venture capital)

Lucas Ferraz, Getulio Vargas Foundation, Brazil noted significant reductions in tariff and non-tariff barriers, as well as advances in information technology over the last decades had allowed countries to expand their production processes beyond national borders, reflecting the increasing relevance of trade in intermediates. Nowadays, over two-thirds of global exports corresponded to trade in intermediate goods and services, allowing firms to specialize in stages of production and reap the benefits of extra gains in productivity through connection into global/regional value chains (Baldwin and Lopez-Gonzales 2013, Baldwin 2016). A main feature of current global/regional value chains was the strategic role played by the services sector. According to OECD (2016), services contributed to global exports in their own right, but also as inputs into the production process of commodities and manufacturing exporters in particular. Measuring trade in value-added terms revealed the underlying importance of competitive services for exports of extractive and manufacturing products, two key sectors in global/regional value chains.

In Brazil, for instance, services contributed only to about a quarter of total exports when measured in gross terms. However, taking into account the indirect contribution of services inputs to industrial value addition painted a different picture. In 2011, the total service content of gross exports was just under a half (49%), above the same figure recorded in most of the larger Latin American countries and most of the BRICS, but slightly below the OECD average (54%). Therefore, more than ever, a country's availability of competitive services was a key factor for the well-functioning of the international supply chains it belonged to as well as to boost national exports and GDP growth in general.

In this contribution, the authors investigated how the reduction in regulatory barriers for trade in services may change the architecture of global/regional value chains through its indirect effect on the exports of industrial goods. As a case study, they chose TISA (Trade in Services Agreement), a mega-regional agreement in services under negotiation by 50 economies (including EU-28, USA and Japan) and comprising over 70% of global trade in services. Given the extraordinary volume of trade in services represented by the countries involved in the negotiations as well as their significant participation in international supply chains, the authors believe TISA can potentially impact the current unbundling of production, not only for member countries but also for outsiders.

Leila Baghdadi, Tunis Business School focused on the analysis of the relationship between trade facilitation and international trade in developing countries. A gravity model was estimated using aggregate and sectoral exports for a sample of 182 countries over the period 2004-2013. The model was augmented with maritime transport infrastructure and trade facilitation variables. In particular, port container throughput, bilateral port connectivity, time needed to export and number of bureaucratic procedures were used to proxy for maritime transport infrastructure and trade facilitation variables, respectively. The main findings showed that time delays and institutional trade barriers (trade facilitation factors), were important factors influencing bilateral trade. Developing countries will greatly benefit from improving port connectivity and trade facilitation. In this research, the authors estimated the gains in terms of higher exports that would result from achieving the median value of the connectivity ranking or of the trade facilitation proxies and compared the benefits with other trade policies such as free trade agreements.

Yuca Waarts, Wageningen University & Research presented a methodology to measure the contribution of SME support to business practices, exports and profits in developing countries. More particularly, the presentation highlighted the performance of the Centre for the Promotion of Imports from developing countries (CBI). CBI aims to contribute to sustainable economic development in developing countries through the expansion of exports from these countries. To do so, CBI provides advice, counselling and market information to SMEs in order to facilitate exports and sector growth. This CBI support was expected to improve business practices and export performance of these SMEs. The main findings were that CBI contributes to improvements in business practices by the SMEs they support. And that there were positive associations between increased exports and increased SME profits, confirming expectations on CBI's contributions to impact.

CBI's monitoring and evaluation data was used for quantitative impact analyses on SME performance. Furthermore, a survey was sent out to SMEs to assess the contribution of CBI to changes in business practices. For this purpose, they had developed contribution scores based on two questions to SME managers: "Have your business practices changed?" and "Was this influenced by CBI support?" This contribution score permitted comparisons of the effectiveness of support to different types of business management practices, test assumptions in the theory of change and enables accountability to external stakeholders. Time-series datasets with data on key indicators of supported SMEs between 2015 and 2017 were used for the quantitative impact analyses, with information from 265 survey respondents in 2017. The study concluded that CBI contributed to improvements in business practices, with highest effectiveness in the areas "marketing techniques to increase sales" and "quality requirements of international buyers".

SESSION 34: Focus Session: "New Gambia, New Opportunities". Organizers: Government of The Gambia, International Trade Centre, Enhanced Integrated Framework and World Trade Organization

KEYNOTE SPEAKER

› **Aja Fatoumatta Jallow Tambajang,** Vice President and Minister of Women's Affairs, The Gambia

MODERATOR

› **Vanessa Erogbogbo,** Head of Women and Trade Programme, International Trade Centre

PANEL DISCUSSION

› **Isatou Touray,** Minister of Trade, The Gambia

› **Hamat Bah,** Minister of Tourism, The Gambia

› **Arancha González,** Executive Director, International Trade Centre

› **Yonov Frederick Agah,** Deputy Director-General, World Trade Organization

› **Ratnakar Adhikari,** Executive Director, Enhanced Integrated Framework Secretariat

› **Marc Vanheukelen,** Ambassador, Permanent Representative to the World Trade Organization, European Union

› **Muhammed Jagana,** President, Gambia Chamber of Commerce and Industry

The high-level event brought the Government of The Gambia and the trade and development community together to discuss new trade, investment and development cooperation opportunities. The objective was to engage on priority trade capacity development areas in light of the new government's priority programmes for increased inclusive economic growth, youth and women employment creation and poverty reduction.

Short summary

This session gave an overview of The Gambia's new development objectives, particularly where trade is concerned. It was a unique platform for high-level government officials, donor partners, and members of the private sector. Discussions covered Gambia's Aid-for-Trade priorities, domestic challenges and how to overcome them in order to better integrate into global and regional value chains. Speakers underlined the importance of: giving centre stage to women and youth empowerment in development planning; mainstreaming trade in national development plans; internal restructuring to ensure that relevant implementing institutions coordinate and cooperate in executing their programs and projects; and building the productive capacity of the private sector- particularly in standards and skill development. Partners welcomed the ongoing reforms and committed to support the government in its efforts towards economic growth.

Summary

Aja Fatoumatta Jallow Tambajang, Vice President and Minister of Women's Affairs, The Gambia in her keynote address thanked the international community for their support to the new Government. She noted the prioritization of trade and investment in enhancing economic development. The new Government recognized the importance of rule of law and good governance by taking the necessary steps to enhance democratic processes and liberal reforms. This had already resulted in increased private sector investment and trade. She emphasized the importance of development of the productive sector and entrepreneurship as tools to mitigate the current migration crisis.

Isatou Touray, Minister of Trade, Industry and Regional Integration, **The Gambia** noted that women played an essential role in ensuring economic reform in The Gambia since the new Government had taken office. She highlighted the Aid-for-Trade projects prioritized and contained in the booklet. These include: (i) growth and competitiveness, (ii) value chains and export development, sustainable fisheries landing sites, (iii) inclusive tourism, (iv) trade facilitation, (v) quality and food safety, (vi) women's economic empowerment; and (vii) rural enterprise development. Further projects developed through a needs assessment included youth economic empowerment, access to finance and SME policy. She emphasized that job creation was essential to respond to the current migration crisis. She announced the deposit of the Gambia's instrument of ratification of the Trade Facilitation Agreement to the WTO.

Hamat Bah, Minister of Tourism and Culture, The Gambia thanked ECOWAS Members and the African Union for their support towards transition. He noted the pressure the new Government faced to show immediate results. Addressing over-taxation in the tourism industry, training of personnel and creating backward linkages to agriculture would be essential to the revival of the tourism sector. He also noted the importance to supporting the creative industries.

Muhammed Jagana, President, Gambia Chamber of Commerce and Industry (GCCI) noted the main challenge of the private sector (which were mainly SMEs) was access to, and the cost of, finance. The GCCI was developing a national capital fund. GCCI was working with the government to assist young entrepreneurs and Gambian returnees.

Arancha González, Executive Director, International Trade Centre stated that the donor community wanted to support The Gambia and see it succeed. ITC found three main challenges for MSMEs in The Gambia: (i) quality standards and certification to be able to trade with markets, (ii) limited connectivity and utilization of the Internet; and (iii) large skills gap against market demand. The ITC was currently implementing the Youth Empowerment Project in The Gambia. ITC was committed to supporting women's economic empowerment in the near future.

Marc Vanheukelen, Ambassador and Permanent Representative to the World Trade Organization, European Union stated that the EU was the first to respond to The Gambia's transition by providing much needed short-term financial support to the Government's budget. In the medium term, the EU will be upgrading infrastructure and finance as well as support to ensure that The Gambia can deliver its goods and services to the European market and to the ECOWAS region. Current programmes included on agriculture, road rehabilitation and the EU trust fund (which was currently funding ITC's Youth Empowerment Programme). In the long term there would be a human development programme worth Đ70 million. He emphasized that beyond market access, it would be essential for The Gambia to meet quality and technical standards. Finally, he stated that it would be of essence for the Gambia to integrate regionally through ECOWAS and the EPAs.

Yonov Frederick Agah, Deputy Director-General, World Trade Organization noted that The Gambia had already taken a good step by participating in the Global Review and organizing the side event to present its needs. The Global Review provided an opportunity to learn about what was being done and by whom. The Gambia would therefore be equipped to approach donors for their needs. He advised the Government to perform an Aid-for-Trade diagnostic through the EIF DTIS process and to ensure that the new Aid-for-Trade strategy was well mainstreamed into the national development plan. He stressed the importance of managing the expectations of the Gambian people, as well as donors in meeting development objectives. Finally, he highlighted the importance of the Trade Policy Review Mechanism for both The Gambia and WTO Members in exercising transparency. He noted that The Gambia's upcoming Trade Policy Review was an ideal opportunity to clearly share its vision and trade strategy with WTO Members. He suggested a follow-up TPR workshop to ensure government coordination.

Ratnakar Adhikari, Executive Director, Enhanced Integrated Framework Secretariat highlighted the Tier 1 and Tier 2 projects worth US$7 million in The Gambia. He put a spotlight on EIF support to trade facilitation (through the airport cargo facility) and trade mainstreaming. The EIF recently approved a 300,000 sustainability support.

From the floor, Hani Sonbol, CEO, ITFC announced increased support to The Gambia through a new strategy to build the capacity of MSMEs; agriculture, quality and certification; trade facilitation and connectivity. Sona Jobarteh, a Gambian musician, emphasized the importance of support to infrastructure (particularly electricity), education and institutional capacity building. She announced her work in developing a cultural academy in The Gambia as a vehicle to education and economic development.

SESSION 35: Side Event: "Aid for Digital Trade: Needs and Responses". Organizers: Permanent Mission of Kenya to the World Trade Organization/International Centre for Trade and Sustainable Development

MODERATOR

› **Stephen Karau,** Ambassador, Permanent Representative to the World Trade Organization, Kenya

PANEL DISCUSSION

› **Arnold Jorge,** Department of Foreign Affairs and Trade, Australia

› **Andrew Crosby,** Managing Director, International Centre for Trade and Sustainable Development

› **Kati Suominen,** CEO, Nextrade Group

› **Wilma Viviers,** North-West University

The digital revolution has not only transformed the ways in which businesses operate, production is structured, and international trade is conducted but is also tightly linked to increases in productivity growth for companies, enhancements in consumer welfare, and opportunities for new sources of employment. These dynamics have important implications for developing countries, especially least developed countries and low income countries.

This session built on a series of reports and papers, commissioned by the International Centre for Trade and Sustainable Development, which examined the enabling environment for the digital economy in Southern Africa, East Africa, and Southeast Asia, and explored the ways in which developing countries could harness the digital revolution in order to drive trade, economic growth, and sustainable development. Specifically, the session examined the current and future business dynamics around digital trade and e-commerce in three regions, discussed the policy environment (including various national, regional, and multilateral efforts and approaches), and laid out policy and regulatory recommendations to enhance digital trade.

Short summary

The discussion focused on how digital trade and e-commerce had transformed the economy and the way firms conducted their business. The session looked at how developing countries could benefit from e-commerce and what were the different challenges they faced. It was stressed that the digital economy had a role to play in poverty alleviation through better education and more employment. This was especially the case for women. Three top barriers faced by companies preventing them to use e-commerce were identified during the session: logistics, finance and digital regulations. Also, speakers highlighted that in order to become fully digital, an economy required adequate regulatory frameworks. Three case stories of how e-commerce could be used as a tool for development were presented on Kenya, South Africa and the Asia Pacific region.

Summary

Stephen Ndung'u Karau, Ambassador, Permanent Representative to the World Trade Organization, Kenya said his country is very interested in e-commerce and in the digital economy in general, as it can transform lives and businesses. We are all living in the digital revolution. For Kenya, e-commerce has been an enabler for social and economic development mainly through reduced transaction costs and enhanced connectivity. Mobile money innovation has radically changed the sector since its development ten years ago. It has also increased the banked population in the country and the amount of funds transacted (over US$15 billion in 2016). Kenya's remarkable embrace of digital innovations has resulted in major benefits such as financial inclusion, increased efficiency in government services, among others.

The discussion then moved to examine how developing countries can harness the digital revolution in order to drive trade, economic growth and therefore contribute to the universal sustainable development goals. It looked at the role of the digital economy in supporting sustainable development, outline supply side constraints, and explored potential for Aid-for-Trade interventions to support digital economy in LDCs and low-income countries.

Kati Suominen, CEO, Nextrade Group, gave an overview about e-commerce/digitalization and its power to drive trade. E-commerce was growing almost 30% annually and cross border trade was growing as a share of e-commerce. Business to Consumer (B2C) e-commerce was worth US$1 trillion, representing about 25% of the total of e-commerce flows. Business to Business (B2B) e-commerce was also changing fast but there was no data on it. E-commerce was becoming a major driver of world trade. To assess e-commerce flows, one should look at parcel flows. Universal Postal Union (UPU) data was helpful here. In the last five years, exports and imports of parcels from different regions, as well as the inter-regional parcels trade had grown exponentially. This trend could be seen in almost all regions in the world. Overall, parcel traffic was growing 20% annually. McKinsey predicted that there was no other region where e-commerce was growing as fast as Africa. E-commerce was predicted to grow from US$1 billion in 2016 to a potential US$75 billion in 2025. This included B2C retail, and much more B2B in the future.

She profiled a survey for US Agency for International Development and private sector partners of 3,500 companies across 100 developing countries to understand how they were using ecommerce and what the challenges were they faced. Among companies that do not sell online, only 20% participated in trade and export. Among online companies, some 60% were exporters. There was a systematic pattern: the more companies used the internet and were online the more they tended to participate in export. This echoed the results the private sector results published by eBay and others.

Businesses still had to adopt e-commerce. This was especially true in lower-income countries, where only about 10% of companies reported online sales. They needed an enabling environment to expand through e-commerce such as logistics, e-payments, digital regulations and e-skills. The top three barriers faced by companies were: logistics, finance and digital regulations. However, each country had its own idiosyncratic challenges such as basic connectivity in countries like Bangladesh. This means that policy recommendations and interventions needed to take into account these specific challenges. For small companies, regulators need to focus on custom procedures, total cost of delivery, and market access. For e-commerce and payment platforms, logistics companies, regulators needed to focus on support infrastructure that served e-commerce, IP protection rules, and digital regulations. Bringing solutions to these hurdles and enabling their business environment worked, and would allow companies to increase their revenues by 3033% annually. SMEs would especially gain from these reforms as they are the most hampered by these obstacles.

Andrew Crosby, Managing Director, International Centre for Trade and Sustainable Development stressed the importance of e-commerce as a tool for inclusiveness in developing countries. Yet, for e-commerce to achieve its full potential there was a need to create an enabling environment. In order to become fully digital, an economy required adequate regulatory frameworks. Moreover, it is necessary to build good telecommunication infrastructure and financial systems. Moving forward, regulatory cooperation on digital trade had to be deepened and expanded. In addition, public-private partnerships needed to be promoted. There are gaps between countries that could be addressed through Aid for Trade and through negotiations.

Deborah Vorhies, ICTSD, said that it is important to understand the relationship between the digital revolution and export-led economic growth. There were three ways e-commerce can significantly change the way firms can engage in exports. First, there was a direct relationship between the level of connectivity and the amount of exports in ICT-enabled services. A 10% increase in internet access led to a 20% increase in the exports of ICT services. This was relevant in Africa where the potential for services led inclusive economic growth was tremendous. Second, it instantly enables firms to access markets and supported export diversification.

The digital economy could help achieve the Sustainable Development Goals and alleviate poverty. There might be job losses in some sectors such as financial services where automatization will take place, but in many sectors such as tourism, energy and others, employment would grow. The digital economy also enabled better education with a link to quality of employment and decent work. There was also a direct link with good health. For instance, in East Africa, innovative platforms were providing health care services online and through mobile technology. Having access to insurance was important for small businesses. It was also a way to end poverty by eliminating the dangers and risks related to failings. The digital economy positively impacted women who suffered more from poverty and allowed more flexible engagement with work. Ecommerce allowed women to overcome this time/poverty problem.

The transformative power of mobile money ("banking the unbankables") and e-learning platforms could provide greater inclusion. If the rate at which women became frequent users of digital technology could be doubled, then gender equity in the work place could be reached by 2040 in developed countries, and 2060 in developing countries. This was a dimension that needed to be included in the Aid-for-Trade agenda. SMEs accounted for 80% of employment in Africa. The internet provided SMEs instant international presence, access to markets and productivity enhancing services (education, trade facilitation processes, micro-insurance and other financial services, legal services) which could be provided more cheaply and made more accessible through digital technology. In the future, countries had to focus more on digital trade facilitation, developing digital infrastructures, and gaining access to markets. All these issues require partnerships. PPPs had never been in greater need.

Wilma Viviers, Professor at the North-West University in South Africa, offered a case study on the position of South Africa in the digital arena. She explained how advanced South Africa was in the digital arena, how South Africa could benefit from the digital revolution and what were the main barriers faced by the country. South Africa lagged behind other countries in terms of ecommerce advancement. The mobile penetration rate in South Africa was very high, while the internet penetration was low. High costs limited the penetration. There was a big divide between rural and urban areas. Polices and regulations were out of date and poorly implemented. Reliable internet access was key. South Africa was also facing financial and education hurdles. About 60% of South Africans did not have a bank account and could not access loans. There were also skills shortages on ICT. South Africa's political leaders had to learn from other countries, so that they could develop a functioning digital economy strategy.

Arnold Jorge, Department of Foreign Affairs and Trade, Australia addressed the topic of e-commerce and digital economy: challenges and needs in Asia. The Asia Pacific region was the biggest B2C e-commerce market accounting for 46.5% of global e-commerce turn over, about US$700 billion. In 2016, global e-commerce spending reached US$1.9 trillion. This was relatively small in terms of global retail spending, which was expected to grow up to 4 trillion in 2020 globally and US$2.7 trillion for the Asia Pacific region. The rate of growth in the Asia Pacific region was about 30%, which is mainly due to China. Consequently, a lot more growth could be expected from other Asian countries. Most of e-commerce was domestic. Eighty per cent of online transactions were domestic. Broadband penetration was relatively low and few businesses were online. Only 37.6% of companies owned a website in the region. Although there was massive growth of e-commerce in the Asia-Pacific region, some challenges remained: the regulatory environment had to become more transparent and predictable. It should not hinder innovation and it needed to be as inclusive as possible. Relevant infrastructure also needed to be set up. It was worth finding out what were the new technologies currently being developed that could be cheaper. Lastly, private sector capacity must be enhanced to use the internet. Companies needed to understand international business and how to use e-commerce, what platforms to utilize and to reach out to their consumers, should they use social media and why. Businesses had to become more sophisticated when it comes to reaching customers online and understand social marketing strategies as well as trade finance.

SESSION 36: Side Event: "ePing: Helping SMEs Keep Track of Product Requirements in their Export Markets". Organizer: Mission of Australia to the World Trade Organization

MODERATOR

› **Aik Hoe Lim,** Director, Trade and Environment Division, World Trade Organization

PANELLISTS

› **Roland Mollerus,** Secretary, Secretariat of the Committee of Development Policy, United Nations Department of Economic and Social Affairs

› **Serra Ayral,** Counsellor, Trade and Environment Division, World Trade Organization

› **Mondher Mimouni,** Chief, Trade and Market Intelligence, Division of Market and Development, International Trade Centre

› **George Opiyo,** TBT National Enquiry Point, Uganda Bureau of Standards

› **Jose Maciel,** DAI Inc., representative responsible for Trade Policy and Regulatory Reform at the East African Trade and Investment Hub

› **Ashleigh Light,** Office of Trade Negotiations, Department of Foreign Affairs and Trade, Australia

Staying abreast of import requirements in foreign markets and addressing potential trade issues at an early stage was vital for businesses. Market requirements evolved swiftly and SMEs could sometimes be left behind, especially those in developing and least developed countries. To address this challenge, UNDESA, WTO and ITC developed ePing, an online alert system that helps business and government agencies keep track of evolving regulatory requirements in their export markets. The system, which was based on WTO Members' SPS and TBT notifications, was globally available and user friendly. Once registered, users received email alerts regarding products and markets of interest to them and could also use the system to discuss the requirements through fora, and share documents such as summaries and translations. This session provided an opportunity to find out what this new system offered and what feedback it had received at national and regional levels. It would also identify challenges and opportunities for scaling-up this innovative online tool to promote connectivity between SMEs and their export markets.

Short summary

Roland Mollerus, Secretary of the Committee of Development Policy (UNDESA), explained the role of UNDESA in the birth of E-Ping and the joint cooperation with the WTO in pilot projects. He said that E-Ping was an important component of SDG 8 and 17.

Serra Ayral, Counsellor at the Trade and Environment Division (WTO), noted that discussions on a global alert system started in the TBT Committee with a proposal submitted by Canada. Currently, E-Ping had an increasing number of users from 164 countries covering governments, the private sector, universities and research centres. E-Ping offered customizable access to information, the possibility to discuss in forums and links to TBT Enquiry Points, among others.

Mondher Mimouni, Chief Trade and Market Intelligence in ITC, said that an ITC survey on how to improve E-Ping suggested: to have additional languages; additional text to make notifications more understandable to the business sector; and linking notifications to the HS codes.

George Opiyo, Uganda's TBT Enquiry Point in the Bureau of Standards, described his country experience in the pilot phase. In order to enhance the uptake of E-Ping he suggested: trainings of trainers programmes and the private sector; and introducing E-ping in national and regional TBT and SPS workshops.

Jose Maciel, DAI Inc., addressed its company's role in supporting the implementation of E-Ping in East Africa.

Ashleigh Light, from the Australian Department of Foreign Affairs, presented on Australia's experience during the E-Ping pilot phase.

Summary

The Chair of the side event, **Hoe Lim, Director, Trade and Environment Division, WTO** said that lack of information could be a barrier to trade and overcoming this obstacle could be very costly. There were more than 3,800 notifications annually to the WTO and this number was increasing. Canada had submitted a proposal for a global alert system and ITC, the WTO and UNDESA cooperated to make it possible.

Roland Mollerus, Secretary of the Committee of Development Policy (UNDESA), stated that SMEs faced challenges accessing information. According to an International Trade Centre (ITC) survey 50% of NTMs reported related to TBT and SPS requirements. E-ping focused on TBT and SPS measures which WTO Members were required to notify indicating the products and the type of requirements for importers. After notification, the Member had to provide a period for comments. He said that SPS and TBT notifications were growing and numbered some 4,000 currently. E-Ping had been born with the objective of easing information flows and increasing communication between notifying members and agencies. UNDESA piloted initial projects with assistance of the WTO and pilot countries. He recalled that E-Ping was part of the SDG process, in particular SDG 8 on increasing Aid for Trade and SDG 17 on promoting a multilateral trading system and increasing the exports of developing countries.

Serra Ayral, Counsellor, Trade and Environment Division, WTO, noted that Canada with the support of other Members had submitted a proposal in the TBT Committee to develop an alert system at the global level. At that time, such alert systems existed only at the national level. Afterwards, the WTO joined forces with ITC which had user friendly databases that complemented WTO trade information and experience providing assistance to developing countries. The objective was to develop a global and sustainable system, which allowed for customization at the national level by the Enquiry Point. E-ping offered: access to regulatory information; the possibility to customize information with markets of interest; the possibility to reach out to producers and to governments; facilitation of cooperation between private and public stakeholders; the possibility to discuss and share documents; and links to TBT Enquiry Points. E-Ping could both complement cooperation mechanisms already in place and also provide an initial step for countries that just started developing their mechanisms. E-ping web-page was user-friendly and alerts could be set every day or week. E-Ping has an increasing number of users from 164 countries, mainly due to newsletters of UNDESA, ITC and the WTO. To conclude, she said that E-ping facilitates reacting to notifications, by bringing STCs to the TBT and SPS Committees or requesting technical assistance.

Mondher Mimouni, Chief, Trade and Market Intelligence, Market and Development Division, International Trade Centre (ITC), stated that ITC conducted a survey in February on how to improve E-Ping. They received answers from 178 countries with extremely positive feedback. The survey reported that stakeholders took action immediately after receiving the notification. The main issues highlighted were: the need for more training, especially in countries with no internet connection; additional languages; additional text to make notifications more understandable to the business sector; and linking notifications to the Harmonized System codes. ITC was analysing this feedback and was working on developing compatibility with smart phones to ease its use for the busy user with little time to access E-Ping on a computer. There was a need to link E-Ping to national help desks and to continue work expanding data on other WTO notifications and STCs.

ITC was working with the WTO, World Bank Group, UNCTAD and other organizations to develop a one-stop shop for trade information. The E-Ping notification would be part of this broader notification system. He noted that further promotion of this tool and training was still needed. A good example of this promotion was Japan who had translated the E-Ping flyer to Japanese. ITC also translated its survey in more than 30 languages in order to address the business sector in their own language. Also, e-learning and training for trainers were key tools for promotion. A trust fund between ITC, the WTO and UNDESA had been established.

At this point, Canada expressed appreciation from the floor to the three organizations for making E-ping a reality. Canada proposed in the TBT Committee meeting in June 2014 the idea of creating a single global alert system for stakeholders and Members. Canada appreciated that ePing enabled interactions between stakeholders and to search notifications by commodity and country. She noted that early engagement was leading to quality feedback and the identification of best practices. E-Ping minimizes the impact on trade of regulations by minimizing the lack of awareness on product requirements and how to meet them.

Jose Maciel, DAI Inc., said that DAI Inc. was supporting the implementation of E-Ping in East Africa. The project is being supported by USAID and worked in East Africa in addition to Ethiopia, Madagascar and Mauritius. DAI worked in the implementation of the EAC Common Market Protocol and the EAC-US Cooperation Agreement on TBT aspects. DAI Inc. partnered with the WTO following the implementation of the pilot programme by this Organization in Uganda. After this, DAI Inc. started supporting the implementation in other states in the region (Kenya, Tanzania, Burundi and Rwanda). Information management tools relating to these agreements in Africa already existed (e.g. "NotifyKenya" in Kenya and supported by USAID). E-Ping brought value to these systems by adding to it a sustainability component. ITC bore the cost of hosting the system. E-Ping is an important Aid-for-Trade element and feedback received so far highlighted the need for SMS notifications and the translation to other languages.

George Opiyo, TBT Enquiry Point, Bureau of Standards, Uganda noted that E-Ping was piloted first in Uganda. The pilot phase required training and registration of stakeholders in different sectors. The TBT Enquiry Point participated in the 2016 High-Level Sustainable Cooperation Forum with the focus of raising awareness on E-Ping. He noted that the number of enquiries started to significantly reduce and Uganda's TBT Enquiry Point conducted a partnership with the Trade and Investment Hub. Best practices to enhance the uptake of E-ping included: trainer of trainers programmes, trainings for national and regional stakeholders; trainings for the private sector; and introduce sessions on E-ping in national and regional workshops.

Ashleigh Light, Office of Trade Negotiations, Department of Foreign Affairs and Trade, **Australia** mentioned that E-ping helped addressing NTMs by improving transparency and leading to consultations between business and governments. In turn, this led to trade facilitation. Australia was transitioning from business mailing lists to E-Ping. To ease this process, Australia developed a user guide of E-Ping and actively monitored stakeholder registrations. Industry groups such as the Export Council were promoting E-ping, which contributed to its uptake and lessened the burden for the government. The government was targeting business groups that had particularly highly regulated products. She noted that notifications and the interest in notifications information was increasing. E-Ping took away the burden on the government of communicating notifications through email lists and exporters are having direct access to information. E-Ping also contributed to the regulatory development process nationally and internationally and to the access of information.

At the end of the presentations, Cameroon asked whether E-ping changed the notification process to the WTO. Serra Ayral replied that E-Ping did not change the notification procedure between the Member and the WTO and noted that more complete information in notifications will improve the functioning of E-Ping. The Chair, Mr Hoe Lim, concluded that E-Ping added value by timely providing information to stakeholders. More work is ahead for enhancing a system that will require more resources.

SESSION 37: Side Event: "Implementing Trade Facilitation and Paperless Trade for Sustainable Growth". Organizers: United Nations Economic Commission for Europe, United Nations Economic Commission for Africa, United Nations Economic Commission for Latin America and the Caribbean, United Nations Economic and Social Commission for Asia and the Pacific, United Nations Economic and Social Commission for Western Asia

MODERATOR

- **Andrey Vasilyev,** Deputy Executive Secretary, United Nations Economic Commission for Europe

PANELLISTS

- **Yann Duval,** Chief of Trade Facilitation Unit, United Nations Economic and Social Commission for Asia and the Pacific
- **David Luke,** Coordinator of the African Trade Policy Centre, United Nations Economic Commission for Africa
- **Maria Rosaria Ceccarelli,** Chief of Trade Facilitation Section, Economic Commission for Europe
- **José Duran,** Chief, Regional Integration Unit, United Nations Economic Commission for Latin America and the Caribbean
- **Adel Al-Ghaberi,** First Economic Affairs Officer, United Nations Economic and Social Commission for Western Asia

How can trade facilitation best support sustainable growth in developing countries? Taking into account the results of the second Global Survey on Trade Facilitation and Paperless Trade Implementation, representatives from the five UN Regional Commissions (UNRCs) presented approaches, success stories, challenges and lessons learned.

The event illustrated the development impact of trade facilitation interventions by the UNRCs in areas such as streamlining border clearance procedures; creating synergies between trade facilitation and quality control; reducing transaction costs; implementing international standards for paperless trade and other innovative trade facilitation approaches.

Short Summary

The event was co-organized by United Nations Regional Commissions (UNRC) to present the preliminary findings of the Second Global Survey on Trade Facilitation and Paperless Trade Implementation. The first survey was conducted in 2015. This year, the survey was carried out in 120 countries in the following regions. Africa, Asia-Pacific, Europe and Central Asia, Latin American and Caribbean, Middle East and Western Asia and North America. The objective of the survey was to enable countries to better understand and monitor progress on implementation of the Trade Facilitation Agreement, including paperless trade measures; to support evidence-based policy making, and highlight capacity building and technical assistance needs.

The overall results from the survey showed that progress had been made towards implementing trade facilitation and paperless trade measures, with a 7% increase in implementation between 2015 and 2017 at the global level. As expected, implementation rates of "paperless trade" and "cross border paperless trade" measures were much lower than those of general trade facilitation measures (formalities, transparency and institutional arrangement). However, significant gaps remain to achieve full implementation across all types of measures.

Regional analysis from each of the UNRCs revealed that intra-regional performance varied significantly across the countries. Generally, high-income countries tended to perform better as compared to low-income countries with a few exceptions. Regional connectivity initiatives often produced better results than national initiatives. Application of information communication technology could often enhance the results of such initiatives. The global as well as the five regional reports would be available in September 2017.

Summary

Andrey Vasilyev, Deputy Executive Secretary, United Nations Economic Commission for Europe (ECE) opened the event and welcomed the participants on behalf of all the UNRCs. He noted that the purpose of the event was to share the preliminary results of the Second Global Survey on Trade Facilitation and Paperless Trade Implementation 2017. He was confident that the results of our survey would be used to review progress and implement trade facilitation measures that were yet to be implemented according to the survey results.

The overall result confirms that many of the transparency measures were well on their way to be fully implemented in most countries. A lot of work remained to be done on cross border paperless trade. He highlighted that the regional and global initiatives were more successful than national ones. In this respect, he commended the joint effort by the UNRCs. The political will was very strong in the area. He encouraged member States to use the tools developed by the UNRCs. For example, UNECE recommendations and standards supporting cross border paperless trade and the ESCAP Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific are excellent tools to move forward in this area. Finally, he reaffirmed that the UNRCs was committed to support the UN member States in implementation of the World Trade Organization's Trade Facilitation Agreement.

Yann Duval, Chief of Trade Facilitation Unit, United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) began by noting that the global survey on trade facilitation and paperless trade implementation has been initiated to support evidence-based policy-making and highlight capacity building and technical assistance needs. Data had been collected from 120 countries and the preliminary results were being presented during this event. The survey not only covers the general WTO TFA provisions or measures but also included paperless trade and cross border trade measures. For example, "publication of existing import-export regulations" and "establishment of national trade facilitation committee" were examples of general TF measures. There was a group of measures on "Transit Facilitation". In addition, there was a strong emphasis on automation and cross border paperless trade. Simple examples of these measures were "electronic Customs system" or "exchange of electronic certificate of origin".

Three new measures had been included for this year's survey, namely Trade facilitation for SMEs, Agricultural trade facilitation, and Women in trade facilitation. He clarified that it was still possible for the governments or other experts to send any changes to the responses. According to the survey, the WTO TFA measures had been generally well implemented by the countries surveyed, with an average implementation rate ranging from 63% to 74%. Substantial work was required to further implement cross-border paperless trade, which reached an implementation rate of only 34%.

In terms of the cumulative trade facilitation implementation levels, Latin America and the Caribbean and East Asia have performed well above the global average. Overall, trade facilitation measures in Transparency, Formalities and Institutional Arrangement have general good implementation rates. But the paperless trade and cross border paperless trade measures have much lower levels of implementation. The survey results showed that trade facilitation measures for the agricultural sector had been well implemented. However, more work was required to customize trade facilitation for SMEs and women. The implementation rates for these two measures were 50% and 27% respectively.

Countries could adopt a step-by-step approach for implementing the measures starting with "Institutional Arrangement" and ending with "cross border paperless trade". All measures are interlinked, however, so countries should keep abreast of developments especially in cross-border paperless trade so that they can integrate relevant practices and standards into their national systems. The survey for the Asia-Pacific region covered 44 countries. Australia and New Zealand have the highest sub-regional implementation level (86%), followed by East and North-east Asia (73%) and South-east Asia (60%). Pacific Island Developing countries are lagging much behind the other sub regions.

The ESCAP member States concluded a Framework Agreement on Facilitation of CrossBorder Paperless Trade in Asia and the Pacific. This enabling UN treaty would help not only support the implementation of the WTO TFA but also of bilateral and sub-regional agreements. Yann Duval concluded by inviting the delegates to the Asia Pacific Trade Facilitation Forum, scheduled on 5-8 September, Yogyakarta, Indonesia, which would focus on trade facilitation innovations for sustainable development.

David Luke, Coordinator of the African Trade Policy Centre, United Nations Economic Commission for Africa (ECA) started by presenting the overall results for the African region, which covered 21 countries. The average implementation rate was around 49% of the countries surveyed. No specific pattern was found in the region for income and trade facilitation implementation. For example, Benin being an LDC, had the highest implementation rate, whereas Cote d'Ivoire, although being a lower middle-income country, had a low score. In the African region too, paperless trade measures and cross border paperless trade measures lagged behind general trade facilitation measures. For Africa, gender issues and SME integration were very much at the early stage of implementation. The extension of the Survey to cover these themes would allow for the monitoring of progress in this regard. The conclusion of the Continental Free Trade Area (CFTA) Agreement by the end of the year should boost implementation efforts, since trade facilitation was "very much part" of the CFTA with specific provisions and legal text very compatible with the TFA. ECA estimations had shown that the benefits from the CFTA in terms of increase in intra-African trade could be doubled when combined with TF measures. Trade facilitation could also contribute towards more inclusive gains from trade, which was reflected in the ECA ex-ante study on inclusive outcomes from the CFTA.

Maria Ceccarelli, Chief, Trade Facilitation Section, Economic Cooperation and Trade Division, UN Economic Commission for Europe (UNECE) started by mentioning that the trade facilitation implementation was very heterogeneous across the ECE region. Based on the survey results from 36 countries in the ECE region, she further explained that advanced economies from the North American and European sub-regions reached more than 80% implementation, while Central Asian countries barely achieved 40% implementation. It was also observed that higher income countries had higher trade facilitation implementation rates. The Former Yugoslav Republic of Macedonia was mentioned as an exception with an implementation rate of more than 80%. This showed that lower income countries can have higher implementation if the country has a wellstructured roadmap and is supported in its TF efforts. Sub-regional analysis of ECE region revealed that trade facilitation performance was quite varied. Among the advanced European countries there were a couple of countries scoring below 67%. Landlocked developing countries had an average implementation of 41%.

In the UNECE region, "Transparency" was most implemented while "Cross border paperless trade" was the least implemented measure. There were differences among the paperless trade measures. For example Electronic Single Window was implemented by only about 40% of the countries surveyed. It exemplifies that it was sometimes much easier to implement paperless trade measures in developing countries than advanced countries. This was possible mainly because developing countries could start developing their systems from the beginning, whereas it is not the case for many advanced economies. Enhancing international cooperation was necessary to support countries with implementation of cross border paperless trade. Some countries in the UNECE region were starting to integrate women's participation and access to trade facilitation services for SMEs. In general, countries in this region are on the right path, and many of them are doing much more than what Trade Facilitation Agreement asked for. Finally, over 440 standards and over 40 recommendations developed by the UN Centre for Trade Facilitation and Electronic Business (UN/CEFACT) were freely available for adoption and advancement of the trade facilitation agenda.

José Duran, Chief Regional Integration Unit, United Nations Economic Commission for Latin America and the Caribbean (ECLAC) began by mentioning that the ECLAC region had achieved on average 69% implementation, which was a slight improvement over the 67% in the 2015 survey. Twenty-one countries participated in the 2017 survey. It is worth noting that four countries participated in 2015, but not in 2017 (Barbados, Bolivia, Guatemala and Suriname) and six new countries participated in 2017 but not in 2015 (Antigua and Barbuda, Argentina, Cuba, Bolivia, Saint Kitts and Nevis, Saint Vincent and the Grenadines).

Good progress was being made in the ECLAC region. Mexico and Columbia were the highest scoring countries. Six countries showed the lowest implementation rates: Honduras, Saint Vincent and the Grenadines, Jamaica, Trinidad and Tobago and Antigua and Barbuda. From this group of six, five were from the Caribbean region. A comparative analysis of the ECLAC sub regions showed that performance varied across the sub regions. All the South American countries scored above the Latin American countries. Central American countries scored near the Latin American regional average. The Caribbean scored significantly lower than the regional average except for the Dominican Republic - which scored much higher than the regional average.

In general, on trade facilitation measures, the Latin American and Caribbean region scored the highest on "Formalities" and "Transparency", whereas the weakest performance is seen in "Cross-border paperless trade". That cross-border paperless trade had the lowest rates of implementation was not surprising, since the measures included in this category (for example, the digital cross-border exchange of Sanitary and Phytosanitary or certificates of origin) required the support of a sophisticated Information Technology (IT) infrastructure and close cooperation between the relevant agencies in order to exchange information. Other factors could also help explain low performance rates in cross border paperless trade such as unique challenges faced by island states or landlocked countries.

On the other hand, higher performance rates were explained, in some cases, as a result of free trade agreements or economic integration schemes that include extensive commitments on trade facilitation. This is the case, for example, of countries that have FTAs with United States or with the European Union. Overall, the 2017 survey results reassured the authors that good progress was in being made at the regional level. Each region had something that was worth highlighting.

Central American countries had made progress in establishing a common customs document and Certificate of origin (FAUCA) and a single transit document. Both documents were transmitted electronically and at the end of the day this meant a smaller transaction cost for firms. Central America was certainly a leader in cross-border electronic exchange. The Pacific Alliance (Columbia, Peru, Mexico and Chile) were at the forefront of electronic exchange of SPS certificate as they had electronic exchange of SPS certificate and Certificate of Origin. Mutual recognition of the national authorized operator scheme was also underway in the Pacific Alliance group. The Pacific Alliance and MERCOSUR had agreed on a roadmap on trade facilitation.

In South America, Argentina and Brazil also exchanged digital certificates of origin with each other since May of this year in the context of the Latin American Integration Association's ongoing initiative. More LAIA countries were expected to implement digital certificates of origin in the future. Like in the other regions, progress remained uneven across the ECLAC region. In a number of areas, efforts were still needed to advance in the implementation of many measures: National Trade Facilitation Committees (NTFC) were still not fully functional in most countries. Institutional arrangements and cooperation, measures to support the inclusion on Small and Medium Enterprises and women also are still needed. Technical and financial cooperation was still required ideally on a regional rather than strictly national basis. Overcoming physical infrastructure was also very important.

Adel Al-Ghaberi, First Economic Affairs Officer, United Nations Economic and Social Commission for Western Asia (ESCWA) began his presentation by providing a general overview of trade in the ESCWA region. The share of global trade of the region was 4.3%. Intraregional trade was about 10-11%, which was much below its potential. Even if oil and labour were cheap, trade costs remained very high across the region. Unlike the rest of the world, transport costs were low compared to the logistics cost mainly due to inefficiency.

The average implementation rate for the ESCWA region was 57%, better than the 48% average rate registered in 2015. However, much of this improvement was driven by a handful of the region's countries, notably Qatar, and the United Arab Emirates with a 95% and 89% implementation rate, respectively. The implementation rate of the general trade facilitation measures, which are part of the Trade Facilitation Agreement, was about 73%. Paperless trade measures had an implementation rate of 44%.

In terms of the most and least-implemented measures, institutional arrangements had a 79% implementation rate, which was mainly due to an agreement of ESCWA on trade and transport facilitation. It was followed by Transparency and Formalities and Paperless Trade and then Cross border Paperless Trade. The measures most widely implemented were those related to transparency, border formalities, and institutional arrangements/cooperation, while the lowest implementation rates concern measures related to paperless trade and cross-border paperless trade.

Good progress has been made since the last survey, but there were still big differences among the countries. The rich countries were implementing more measures than the poorer and an 80% correlation has been found in this regard.

Responding to a question if the survey captured the use of paper and electronic documents, presenters explained that many government agencies still required paper documents even when the electronic versions were available. This was mainly due to the national legal frameworks, which required paper documents to be submitted. The survey did not address it directly. However, if scores on paperless trade and cross border paperless trade were high, it was likely that the country has less of this problem.

Answering to a question if the survey captured economic impact (changes in price and volume) of trade facilitation implementation, the panellists confirmed that the economic impact was not measured, but the impact on trade cost was measured. Therefore, it was emphasized that the full implementation of TFA + (including paperless trade measures) would reduce trade cost by approximately 13.6% as opposed to a minimum implementation of TFA, which would reduce trade cost by 6% only.

Impact assessments had not been conducted for all Latin America, but for some specific trade facilitation initiatives. In June 2017, the Presidents of Honduras and Guatemala started the process to deepen their bi-national customs union through the opening of three integrated border crossings (trade facilitation borders). In the next 90 days they would open the way for fully integrated border crossings. In this way, the customs territories of Guatemala and Honduras would converge, creating a common territory of more than 221,000 square kilometres, which was equivalent to 52% of the Central American territory. ECLAC made the *ex-ante* impact assessment of this trade facilitation initiative between Honduras and Guatemala and Honduras, and concluded that GDP would grow by 0.4% and 0.7%, respectively. Among the main advantages are that this initiative will serve also to boost trade, generate increased fiscal revenue, job creation, reduce poverty and indigence, and generally improve the business climate for economic agents.

With regard to another question on increasing technical assistance for low-income countries, the panellists suggested that the countries should invest on trade facilitation reform and not wait for assistance, as it is a worthwhile investment. Governments could engage the private sector and use various innovative ways to finance trade facilitation reform.

While responding to the question of particular trade facilitation measures that benefitted women, the presenters suggested the following measures or actions as typically addressing some of the needs of women: the representation of women in the National Trade Facilitation Committees and other TF agencies, gender sensitive facilities which makes border crossing easier for women, simplified formalities and documentation for low value goods and access to capacity building and training opportunities. It was pointed out that paperless trade could help avoid the problems of women harassment at the border crossing.

SESSION 38: Thematic Focus: "Trade and Food Standards: Joint FAO-WTO Publication Launch". Organizers: Food and Agriculture Organization of the United Nations, World Trade Organization

KEYNOTE ADDRESSES

› **Roberto Azevêdo,** Director-General, World Trade Organization

› **José Graziano da Silva,** Director-General, Food and Agriculture Organization of the United Nations

MODERATOR

› **Edwini Kessie,** Director, Agriculture and Commodities Division, World Trade Organization

Trade in food is difficult to imagine without standards. Food standards give confidence to consumers about the safety, quality and authenticity of what they eat. By setting out a common understanding on different aspects of food for consumers, producers and governments, harmonization on the basis of international standards makes trade less costly and more inclusive. Food standards and trade go hand in hand in ensuring safe, nutritious and sufficient food for a growing world population.

Together, FAO and the WTO provide governments with the means to establish a framework to facilitate trade on the basis of internationally agreed food standards. Through the joint FAO/WHO Codex Alimentarius Commission, governments establish global science-based food standards that provide the foundation for achieving public health objectives such as food safety and nutrition. Since standards are essential for smooth trade, the WTO SPS and TBT Agreements strongly encourage governments to harmonize their requirements on the basis of international standards.

This publication emphasizes the importance of participation and engagement of governments in standards development in Codex and in resolving trade concerns in the WTO SPS and TBT Committees, as well as the importance of capacity development, which together contribute to the dynamism and robustness of the global system of food standards and trade.

Short Summary

The institutional frameworks of FAO and WTO establish an inclusive system for international food standards and trade. Through the joint FAO/WHO Codex Alimentarius Commission, governments establish global science-based food standards that provide the foundation for achieving public health objectives for food safety, quality and nutrition. As standards are essential for safe trade, the WTO SPS and TBT Agreements strongly encourage governments to harmonize their requirements on the basis of internationally recognized standards.

This publication explains how international food safety standards are set through the FAO/WHO joint food standard setting programme, the Codex Alimentarius Commission, and how these standards are applied in the context of the WTO SPS and TBT Agreements. It also looks at opportunities and challenges on the horizon, including how food standards will need to evolve and adapt to changing conditions, diseases, and health burdens as a result of growing interconnectedness and climate change.

Summary

In his introductory remarks, **Edwini Kessie, Director, Agriculture and Commodities Division, World Trade Organization** noted that food standards play a central role in the WTO SPS Agreement, and they are also gaining importance in the work of the TBT Committee. He acknowledged the work of the WTO Agriculture and Commodities Division and Trade and Environment Division in this publication and also thanked the STDF for its contributions. The collaboration of the WTO and FAO on this joint publication was an example of the strong and productive partnership between both Organizations in the area of food standards.

Roberto Azevêdo, Director-General, World Trade Organization noted that beyond this publication, Trade and Food Standards, the FAO and WTO had established a close working partnership to ensure that food was both safe and nutritious for consumers. He highlighted three key points from the publication. The first was that international standards were vital for food trade because in a world without common standards for food, producers would have to comply with hundreds of different requirements in each market and this could be very burdensome, especially for smaller producers. Secondly, WTO Members play a crucial role in making international standards function effectively through their work in the SPS and TBT Committees, their engagement in standards setting, and in capacity building in collaboration with the STDF and EIF, as well as their investment in building capacities at the national level. Finally, new challenges were emerging due to growing interconnectedness, technological innovation, and evolving health concerns. Members, as well as the FAO and WTO framework, would need to be vigilant and adapt to address the challenges these issues might imply for food safety and trade.

José Graziano da Silva, Director-General, Food and Agriculture Organization of the United Nations stated that this publication was one of the many positive outcomes of the FAOWTO partnership. He reiterated that FAO's core mandate was to end hunger and malnutrition in the world, as well as to promote sustainable agricultural development. Trade, he added, would play an increasing role in meeting food demand, especially due to the impacts of climate change which could lead to food shortages worldwide, particularly in African countries. He noted that while this FAO-WTO joint publication targeted a wide audience, it was particularly relevant for national decision-makers who work on trade and food safety. He also emphasized that all stakeholders played essential roles in developing sound and credible systems of food safety management. Finally, he referred to the recently launched OECD-FAO Agricultural Outlook 2017-2026 which found that agricultural prices were projected to remain weak, negatively affecting producers. As such, significant efforts had to be made to maintain market openness and to help governments resist the urge to implement measures that could distort trade. Otherwise, he said, global food security could be badly affected.

SESSION 39: Side Event: "Transitioning from Paper-Based to Automated SPS Systems". Organizer: Standards and Trade Development Facility (World Trade Organization)

KEYNOTE ADDRESSES

› **Roberto Azevêdo,** Director-General, World Trade Organization

› **José Graziano da Silva,** Director-General, Food and Agriculture Organization of the United Nations

MODERATOR

› **Edwini Kessie,** Director, Agriculture and Commodities Division, World Trade Organization

PANEL DISCUSSION

› **Barbara Cooper,** Ministry of Agriculture, Australia

› **Bill Gain,** Global Program Manager, Trade Facilitation & Border Management, World Bank Group

› **Mark Reader,** Group Category Director, Rentokil

› **Diane Taillard,** Director, Consumer Safety & Traceability, GS1

CLOSING REMARKS

› **Melvin Spreij,** Secretary, Standards and Trade Development Facility

The world population would reach 9.1 billion in 2050 and agricultural production would have to increase by approximately 60% to feed the planet (FAO, 2015). New technologies in farming are expected to bring a number of benefits, such as increased productivity, improved traceability, reduced food wastage, and strengthened food safety. Technology was also central to the use of automated certification processes, helping to lower the time and cost to export from developing countries.

Against this background, the side event session looked at the current state of play on electronic SPS certification and its role in facilitating safe trade, as well as the potential of the Internet of Things to transform how sanitary and phytosanitary (SPS) risks were managed within supply chains. It explored how developing countries can access and adopt new technologies to promote trade and benefit their domestic populations. Attention was given to how to strengthen SPS import/export controls on the journey from paper to digital-based systems.

The objective was to have an informed dialogue on the use of new technologies in the context of SPS compliance and trade, identify best practices, and consider challenges and opportunities for future action to support developing countries, to benefit from new technologies.

Short Summary

Foodborne pathogens result in about 500,000 deaths each year. With climate change, pest populations and plant and animal diseases were expected to increase. Paperless SPS systems could improve traceability throughout supply chains, reduce food wastage, reduce trade times and costs, reduce fraudulent certificates, and build trust among trading partners. Electronic systems could reduce certification times from 15 days to 4 hours. Codex, IPPC and OIE were creating guidelines, platforms, and capacity building tools to facilitate electronic certification for safe food trade. More broadly, transitioning to automated SPS systems complemented the modernizing reforms encouraged by the WTO Trade Facilitation Agreement. Nevertheless, enabling conditions had to be in place to enable full digitization across all agencies. The public and private sectors had to leverage existing solutions to improve data transfer and information exchange. Financing models also needed to be made available to developing countries to support their effective transition to automated SPS systems.

Summary

In his keynote address, **Roberto Azevêdo, Director-General, World Trade Organization** noted that the STDF was an example of Aid for Trade in action. STDF had carried out some 150 projects helping developing countries comply with SPS requirements in importing markets. Paperless SPS systems could improve traceability, reduce food wastage, reduce trade times and costs, and build trust among trading partners. Moreover, having a discussion on automated SPS systems was timely and important in the broader context of the modernising reforms encouraged by the WTO Trade Facilitation Agreement. He acknowledged that existing connectivity gaps could impinge on developing countries' ability to rapidly transition to automated systems and encouraged cooperation and discussion in this area.

Barbara Cooper, Ministry of Agriculture, Australia explained that e-Cert stemmed out of a need to reduce fraud in trade. In addition, as technology was becoming more streamlined, certification systems must complement innovations across industries. E-cert replicated the way in which information was traditionally shared, albeit with faster transaction times. For example, paper certification processes could take up to 15 days while e-Cert processes required a maximum of four hours. She listed five reasons which make transitioning to paperless systems important: to ensure the authenticity of products; to allow for the exchange of Government to Government (G2G) information; to enable the use of electronic information to manage import clearance, particularly in countries where there are several ports of entry; to support trade and industry; and finally, paper-based systems could lack consistency, and were not environmentally friendly. Codex, IPPC, and OIE were currently creating guidelines, platforms, and capacity building tools to facilitate electronic certification.

Bill Gain, Global Program Manager, Trade Facilitation & Border Management, World Bank Group focused his presentation on regulatory single windows. He noted that new initiatives were driven by technology, but remained constrained by tradition. The WBG is a key provider of trade-related assistance with a portfolio of US$7 billion, and the WBG was currently assisting countries implement reforms in accordance with the TFA. UN/CEFACT recommendation #33 guides the development of automated systems, and WCO's data model had a number of SPS fields. He explained that building a national single window was a long, complex process. For single windows to be most effective, systems need to be automated across agencies and all stakeholders need to work together to achieve that. Several key steps also needed to be considered during the implementation phase including legal frameworks, data sharing, and operational, governance and financial models. Private sector engagement was necessary and should be present at an early stage.

Mark Reader, Group Category Director, Rentokil stated that foodborne pathogens result in about 500,000 deaths each year. With climate change, pest populations and plant and animal diseases were expected to increase. Furthermore, approximately 22% of facilities across the food chain globally had some record of pest activity at any one time. The Internet of things (IoT) will be pervasive, but studies had found that theoretical and working knowledge of IoT was very low. In addition, for IoT to be functional in the context of food safety, platforms were needed to collect and aggregate data so that the latter may be used to provide insight. In that regard, he emphasized a three-pillared approach to leveraging technology for food safety: people needed to understand the tools they are working with; data collected needed to be insightful to provide guidance; and innovation was important so that pest interventions could continue to be as targeted and effective as possible.

Diane Taillard, Director, Consumer Safety & Traceability, GS1 explained that there were around 5 billion barcode "beeps" daily. GS1 standards were in line with ISO standards, and GS1 collaborated with UN Organizations. Today, managing the physical flow in parallel with a data flow was important for traceability and GS1 barcodes created a link between physical and digital information. She reiterated that manual data entry was time consuming, prone to mistakes, and may not be globally informative. The benefits of barcodes included not only traceability but also reduced fraud and increased consumer trust and transparency. GS1 was collaborating with ITC on developing a global farm registry, with WCO on product security, and with APEC on supply chain visibility. Nevertheless, she noted that enabling conditions must be in place to enable full digitization, and the public and private sectors must leverage existing solutions for data transfer and information exchange.

During the discussion, there was concern about how automated systems might affect employment. The panellists noted that in their experiences, jobs were not being replaced by automated systems, as skills were being used to service the use of new technologies. Another key challenge identified was shaping public perspectives and confidence in automated systems more generally. Data collection, privacy and security laws were also recognized as a challenge in that regard, however the panellists highlighted that laws were being adapted to accommodate these concerns. Finally, automated and traceability systems could be costly and panellists agreed that financing models had to be available to help developing countries, some of which did not have adequate technology or internet coverage to effectively transition to automated systems.

In his closing remarks, **Melvin Spreij**, **Secretary of the STDF**, thanked all participants and presenters and expressed interest in continuing discussion on automated SPS systems with STDF members.

SESSION 40: Side Event: "Sustainable Supply Chains: Ensuring the Benefits of Trade are Shared". Organizers: Missions of Australia and the Netherlands to the World Trade Organization, International Trade Centre

MODERATOR

› **Robert Skidmore,** Chief, Sustainable and Inclusive Value Chains, International Trade Centre

PANEL DISCUSSION

› **Molly Harriss Olson,** Chief Executive Officer, Fairtrade Australia-New Zealand

› **Dan Rees,** Better Work Branch Chief, International Labour Organization

› **Alyson Slater,** Director, Knowledge, Global Reporting Initiative

› **Sara Yirga,** General Manager, YA Coffee

Reaching the Sustainable Development Goals will require a move to sustainable practices in supply chains on a global scale, with a focus on engaging and activating women, youth and small and medium enterprises. Initiatives represented at this panel are beginning to reach these groups at scale with FairTrade worldwide assisting 1.7 million farmers, Better Work reaching nearly 2 million workers, Shetrades connecting 1 million women to markets and GRI supporting sustainability reporting across 1000s of reporting organizations in 90 countries.

At a time of rising protectionist sentiment, examples of how trade can directly benefit disadvantaged groups are crucial. Reformist governments can point to these examples. The private sector stands to benefit by being able to respond to ethical demands from consumers, driving business growth. Aid for trade has a crucial role in achieving these win-win outcomes, which this session expertly demonstrated.

Short Summary

The objective of this session was two-fold: the first was to discuss firms' practices that could make supply chains sustainable, including by making trade inclusive; the second objective was to examine the role of Aid for Trade in this endeavour. Points that emerged from the discussion included: (i) engaging in inclusive trade represented benefits for both firms and producers; (ii) Through its "Better Work" Initiative, ILO had contributed to improving the conditions of workers involved in value chains and had enhanced business productivity and profitability; (iii) the Global Reporting Initiative had helped improve transparency in the working conditions prevailing in firms that operated in value chains. As a result, these initiatives supported firms adopt/improve their sustainable practices. Greater cooperation among institutions involved on that matter could help collect much information on firms' practices and improve workers' conditions. Aid-for-Trade Initiative could play a key role.

Summary

Molly Harriss Olson, Chief Executive Officer, Fairtrade Australia-New Zealand kicked off the discussion by saying that it was important to deeply examine how traditional trade, including commodity trade had affected poverty, in order to better understand what inclusive trade meant in practice. She indicated that inclusive trade meant ensuring producers could access sustainable income. She went on to argue that charitable interventions were not the best way to ensure trade inclusiveness. She gave the example of how *"Fairtrade Australia-New Zealand"* had contributed to helping many communities access inclusive fair trade. She noted that 30 years ago, her organization put in place a "development dividend" for several communities around the world, with a view to ensuring stable prices, decent working conditions and the empowerment of farmers and workers around the world. This amounted to the distribution of Đ100 million to more than 1 million producers in the world. The producers that received this premium were responsible for using it, but they had to use it efficiently, otherwise they lost the label of fair traders. This practice was open, transparent and based on clear rules such as respect of the environment sustainability, gender quality, and decent work. She then turned to the impact of this initiative, and indicated that it considerably improved producers/farmers' income. In the fair trade system, the income of an agricultural producer was 19% higher than that of an agricultural producer of traditional trade. Partnerships were crucial in the fair trade system. She concluded that the fair trade system had the highest standards in the world and firms that had invested in this system had reaped high benefits. The system is voluntary for all participants.

Dan Rees, Better Work Branch Chief, International Labour Organization took the audience through how decent work contributed to improving workers' lives. He presented the "Better Work" Initiative of ILO, which was a unique partnership between the International Labour Organization (ILO) and the International Finance Corporation (IFC). It had been launched in August 2006 in order to improve labour standards and competitiveness in global supply chains. He went on to say that this initiative focused on labour intensive industries with large numbers of vulnerable workers in developing countries, such as, apparel, and textile manufacturing. Hence, through this Initiative, ILO had worked with several thousands of firms connected in global value chains. He turned to the impact of this initiative on the ground and noted that according to a report published by Tufts University that had evaluated the Initiative, the ILO's strategy of working with firms within value chains as well government authorities to implement labour standards and national labour law, had yielded strong development outcomes. Indeed, this initiative had contributed, *inter alia,* to a rise in workers' wages, the implementation of labour standards, and the reduction of the gender wage gap. He also underscored that this Initiative had empowered women. Most crucially, these results had increased business productivity and profitability, thereby expanding trade and investment, representing a unique "win-win".

Alyson Slater, Director, Knowledge, Global Reporting Initiative explained how the Global Reporting Initiative had helped improved firms' sustainable practices. She said that sustainable reports provided an assessment of the consequences of firms' practices. These reports provided an insight into the practices of all firms within value chains, by revealing areas for improvement (e.g., gender related problems, wages problems; other working conditions, etc.) experienced within the firms across the value chain. Hence, the objective of sustainable reports was to ensure transparency by shedding light on problems encountered within firms, with a view to addressing them, but also to help firms choose where to invest. Firms were embracing the opportunity to participate in this initiative.

Sara Yirga, General Manager, YA Coffee shared her experience on engaging in inclusive trade, in particular in the coffee sector. She emphasized the role played by trade institutions, in particular ITC in helping her obtain the requisite information to facilitate the development of her business. She cited a number of barriers that she faced when developing her business, and which were overcome thanks to institutions such as the ITC. These barriers included the existence of a multitude of standards, the lack of information on existing opportunities overseas, and the difficulties in trading digitally in Ethiopia. She particularly stressed that while her company was at the top of the coffee value chain in Ethiopia, the 80% other participants of the value chain. which were mainly women. did not reap the full benefit of their contribution to the functioning of the value chain.

Her presentation led the moderator to pose a series of questions: how could standards be set correctly? How could transparency be further promoted? how could digital trade be promoted? how to further empower economically women? and what could be the role of Aid for Trade? The ensuing discussion responded to these questions as well as to other questions such as the role of the private sector in implementing the SDGs.

Some points that emerged from this discussion: SDGs were important ways to unlock businesses' engagement, as they helped businesses better understand the issues; the Global Reporting Initiative had helped improve transparency in the conditions under which businesses were conducted, and helped firms improve their business practices; the benefits of trade had not reached as many people as it could. Organizations/International institutions involved on this matter should work together to promote decent work; the responsibility of making firms adopt sustainable practices lay with both governments and firms themselves. In particular, governments should provide firms with an enabling environment, notably by adopting appropriate rules of law and by removing trade barriers that hinder SMEs', so as to help them operate in a sustainable way GRI had been working to ensure that the development of the requisite enabling environment that would help improve their sustainable practices; firm's reports provided many information, including indication on their working conditions; however, such reports paid less attention to the sustainability of the environment in which they were operating; hence the importance of the Global Reporting Initiative; to ensure that SMEs would better understand the Global Reporting Initiative, institutions should join their effort in the collection of information on working conditions. The AidforTrade Initiative could be useful in that respect.

SESSION 41: Side event: "How can Asia seize the Opportunity of Foreign Direct Investment to Achieve Inclusive Growth?". Organizer: Asian Development Bank

MODERATOR

› **Cyn-Young Park,** Director of Regional Cooperation and Integration, Asian Development Bank

KEYNOTE ADDRESS

› **Bambang Susantono,** Vice-President, Knowledge Management and Sustainable Development, Asian Development Bank

PANEL DISCUSSION

› **Jun Fu,** Executive Dean and Professor, School of Government, Peking University

› **Pranav Kumar,** Head, International Trade Policy, Confederation of Indian Industry

› **Amita Misra,** Director, Department of Regional Programmes and Field Representation, United Nations Industrial Development Organization

› **Richard Bolwijn,** Chief of Business Facilitation Section, Investment and Enterprise Division, United Nations Conference on Trade and Development

› **Tauqir Ali Shah,** Ambassador to the World Trade Organization, Pakistan

OVERVIEW

Asia and the Pacific attracts almost a third of total global foreign direct investment (FDI), among which more than half is now intraregional, driven by the expansion of global and regional value chains. The trade and FDI nexus has been a powerful source of growth in the region. However, in the context of the global trade slowdown and increasingly inward oriented trade policies in advanced economies, the region faces greater challenges to continue attracting FDI and more importantly to seize the opportunities it brings for sustained and inclusive growth.

This session discussed how to unlock the potential of FDI to achieve sustained and inclusive growth, focusing on the drivers of Global Value Chain-linked FDI. Analysis suggests that GVC-FDI leads to greater participation of small and medium-sized enterprises in global value chains and international trade, and gender equality through job creation and women entrepreneurs, especially in the labor-intensive sectors of the economy. Untapped potential is large, considering the possible effects of international linkages, competition, and technology spillovers on sustained productivity and job growth. Policy recommendations can be drawn from the discussion to seize the opportunities of open trade and investment regimes for more prosperous future for all.

Short summary

This session was a focused discussion on the key drivers of FDI, particularly global value chain-linked FDI, and its potential in achieving sustained and inclusive growth in Asia and the Pacific. Along with factors such as comparative advantage, institutions, integration, and other policy factors, the role of Aid for Trade in encouraging trade-oriented FDI were also highlighted. Cyn-Young Park, Director of ADB's Regional Cooperation and Integration Division, delivered the keynote presentation. Policy recommendations to seize the opportunities of open trade and investment regimes were drawn from the panel discussion chaired by Bambang Susantono, ADB's Vice President for Knowledge Management and Sustainable Development, and joined by representatives from Peking University, Confederation of Indian Industry, United Nations Industrial Development Organization, United Nations Conference on Trade and Development, and the Government of Pakistan.

Summary

Cyn Young Park, Director of Regional Cooperation and Integration, Asian Development Bank, presented the key findings of the special themed chapter of ADB's Asian Economic Integration Report 2016, "What Drives Foreign Direct Investment in Asia and the Pacific" (aric.adb.org/aeir). Asia continues to be the world's top destination of FDI. Asia's intraregional FDI has increased over time. The pattern of intraregional FDI inflows suggests that the region is becoming more marginally integrated with itself than with non-Asian regions. Asia is among the largest recipients of Aid for Trade; almost 60% of Aid for Trade to the region targets building economic infrastructure.

Greenfield investments are more common for global value chain-linked FDI. Mergers and acquisitions (M&As) are increasingly selected for market-seeking FDI. Governance was the most important factor for both greenfield FDI and cross-border M&A, but more so for M&A. Governance also mattered most for North-South FDI. Ease of Doing Business had a positive effect on greenfield FDI; economies could focus on improving Ease of Doing Business where governance reforms take time to implement. Export downstreamness, labour abundance, low trade barriers, and access to credit fostered GVC-linked FDI in the context of Asia. Labour abundance could also be leveraged by developing economies to attract multinationals. Third-party Aid for Trade increased greenfield FDI in all industries — primary, manufacturing and services industries — and M&As in manufacturing and services industries. Aid to infrastructure promoted greenfield FDI most significantly, while other components of Aid for Trade also positively impacted FDI. Aid-for-Trade policies and regulations promoted M&A investment inflows most significantly. Aid for Trade was an important tool for donors to help developing economies build the infrastructure and productive capacity to attract FDI. Aid to infrastructure had the largest impact on GVC-linked, greenfield FDI compared to other components.

A panel discussion followed, joined by representatives from the Government of Pakistan, Peking University, Confederation of Indian Industry, UNIDO, and UNCTAD.

Tauqir Ali Shah, Ambassador of Pakistan to the WTO recalled that global value chains and the digital economy (and interconnectivity) were significant factors driving investments in Asia. In this regard, the development of infrastructure had to be complemented by institutional reforms. Further, political stability, transparent and clean governance system, and skilled workforce were key factors for attracting investments in developing countries. In the case of Pakistan, the China Pakistan Economic Corridor had been a game-changer for the country's economy and its integration in the region. Private sector participation (i.e., through increased investments) had been vital in this endeavour, along with the country's improved governance system. As a result, the digital infrastructure and connectivity had improved in the country.

Richard Bolwijn, Chief of Business Facilitation Section, Investment and Enterprise Division, UNCTAD suggested that making administrative procedures for investors more transparent, streamlining these procedures and producing online single windows were key elements of investment facilitation. Much remained to be done in the case of Asia and the Pacific. Engaging the private sector had a significant role to play in encouraging investments. Overcoming administrative barriers especially for smaller companies/investors was also important to facilitate progress in investment facilitation and make progress more inclusive. In relation to encouraging investments through digital connectivity, efforts should go beyond developing digital infrastructure and the dynamics of the digital economy (i.e., that is and will fundamentally change over time) should be taken into account across industries. Policies should also be examined to ensure that they were not obsolete and obstructive with regard to investment facilitation and the development of the digital economy.

Amita Misra, Director, Department of Regional Programmes and Field Representation, UNIDO opined that industrialization has been an integral factor in the global development agenda. Fundamental factors for encouraging FDI and for promoting inclusive and sustainable industrialization included sound industrial policies, effective national institutions for ensuring compliance with international standards and quality assurance, public-private partnerships, continuous entrepreneurship, and skills development, backed by infrastructure development. Developing productive competitive supply capacities, strengthening internationally recognized conformity infrastructure and services, and ensuring efficient connectivity to marketswhich comprised UNIDO's trade capacity building approach to trade development challenges—were also relevant in this regard.

Pranav Kumar, Head, International Trade Policy, Confederation of Indian Industry stated that opening up investment doors had been a successful way of driving the economy of India. The *Make in India* campaign presented a successful initiative that had been transforming the country into a global design and manufacturing hub on the one hand, and had significantly encouraged FDI flows on the other hand. Through this initiative, several sectors had also been opened up for investments. Enabling factors identified for facilitating FDI flows included relaxing regulatory policies (which also facilitated ease of doing business), creating industrial corridors, and institutional development and capacity building, among others.

Professor Jun Fu, Executive Dean, School of Government, Peking University was of the view that to promote trade growth and facilitate investment, Aid for Trade needed to focus on the following dimensions: physical dimension (i.e., development of physical infrastructure), institutions (i.e., building rule-based and market-oriented institutions), and ideas. Citing the case of the PRC, he suggested that the following were success/enabling factors: physical interconnection with the rest of the world (e.g., the One Belt One Road Initiative), building innovative institutions (both economic and political institutions, e.g., the Asian Infrastructure Investment Bank), and an educated and skilled workforce, along with frameworks for collaboration and exchange of ideas/knowledge/technology/resources with other countries (e.g., the SouthSouth Cooperation). The following were areas for further development: building a rulebased system, allowing the market to have a decisive role in resource allocation, and promoting an inclusive approach to globalization through human-based approaches.

The speakers also voiced the following points as to how to seize the opportunity of FDI to achieve inclusive growth and channelize gains particularly to SMEs: supporting SMEs in terms of digital connectivity, lifting administrative barriers, industrial modernization and clustering of SMEs, capacity building through risk management, strengthening compliance to standards, targeted development of sectors with growth potential, fostering corporate social responsibility, and creating market-oriented public enterprises as models for enterprise development (e.g., township and village enterprises). Building better and smarter infrastructure, fostering more coherent policies and regulatory reforms, and developing stronger institutions were also echoed as fundamental factors to promote trade growth and facilitate FDI.

SESSION 42: Side Event: "Leveraging Trade and Facilitation and E-commerce: How can International Rules and Standards Ensure Trade Inclusiveness and Connectivity". Organizer: World Customs Organization, Mission of Finland to the World Trade Organization

MODERATOR

› **Ernani Checcucc, Director,** Capacity Building, World Customs Organization

PANEL DISCUSSION

› **Antti Piispanen,** Commercial Counselor, Ministry of Foreign Affairs, Finland

› **Kateshumbwa Dicksons,** Commissioner of Customs, Uganda Revenue Service

› **Hanne Melin,** Director and Head of Europe, eBay

› **Matome Mathole,** WCO Mercator Programme Advisor and Customs Attaché, Embassy of South Africa in Brussels

› **Anja Gomm,** Sector Project Development-Oriented Trade Policy, GIZ

OVERVIEW

Efficient cross-border trading can reduce costs and enhance the economic competitiveness of nations worldwide. International rules and standards are the pillars of a vital trading environment that allows businesses, especially micro small and medium sized Enterprises, to connect to global value chains and contribute to economic development.

In the digital world of today, IT infrastructure and capabilities based on international standards are providing un-paralleled opportunities which were especially visible in the e-commerce domain. Further simplification and harmonization of cross-border procedures based on advance electronic data and risk management operations could also contribute to improved revenue collection.

This session explored ways in which the WTO Trade Facilitation Agreement on one hand, and the opportunities arising from the tremendous growth of e-commerce on the other, could contribute to economic development; what were the links between the two and how the full potential could be reaped.

Short summary

This session stressed the importance of trade facilitation in promoting international trade. With steady growth in e-commerce the use of international standards was key in enhancing competitiveness. Through e-commerce, more SMEs benefitted from participating in global value chains. Simplification of procedures and harmonization of standards could boost revenue collection, and improve safety and security.

The session also recognized the need for customs administrations and border agencies to collaborate to address the challenges of implementation. These were namely poor quality of data and lack of digital infrastructure. To tackle these issues the WCO had established a working group on e-commerce which included all relevant stakeholders. WCO was working on structure and procedure simplification for trade facilitation in cross-border trade and to allow further growth of ecommerce. The question and answer discussion focused on information on capacity building projects and outlined key elements that supported trade facilitation in e-commerce.

Summary

Ernani Checcucc, Director, Capacity Building, World Customs Organization, opened the session with a statement on the importance of trade facilitation in promoting international trade. With steady yearly growth in e-commerce the use of international standards was key in enhancing competitiveness. Through e-commerce, more SMEs benefitted from participating in global value chains. Simplification of procedures and harmonization of standards could boost revenue collection, and improve safety and security. He recognized the need for customs administrations and border agencies to collaborate to address the challenges of implementation such as poor quality of data and lack of digital infrastructure. To address these issues the WCO had established a working group on e-commerce which included all relevant stakeholders. WCO was working on structure and procedure simplification for trade facilitation in cross-border trade and to allow further growth of e-commerce. Discussions of his presentation focused on the information on capacity building projects and key elements that supported trade facilitation and ecommerce.

Antti Piispanen, Commercial Counsellor, Ministry of Foreign Affairs, Finland, presented the project of customs modernization in Eastern and Southern Africa financed by the Finnish government in collaboration with the WCO. The project provided capacity building to customs and was promoting "trade facilitation" rather than "control". Within this project a steering committee had been created to identify specific needs. To address these issues the committee used tools such as the Mercator Programme and the expertise of WCO member countries. Full implementation of the TFA would lead to a decrease of 15% or more in trade costs by improving transparency and predictability that benefit MSMEs and women traders in particular, who sought to participate in international trade. More benefits would stem from countries joining the TFA for both developing and developed countries. The Finnish government was collaborating with different international organizations to support ICT development policies, start-ups, bilateral and multilateral projects.

Anja Gomm, Sector Project Development-Oriented Trade Policy, GIZ, stated that GIZ had a particular focus on capacity building, and that trade facilitation was one of its main topics. Issues such as corruption in customs could be addressed with faster and more transparent border procedures, institutional framework and public-private collaboration. Electronic documents and signatures were an important part of the digital single window and had a direct impact on ecommerce offering more security. GIZ work involved capacity training programs to governments and private sector on harmonizing procedures, common external tariffs, digitalization and relevant legislation. Some of the challenges still remaining were the need for enhanced infrastructure and support for regulatory framework.

Kateshumbwa Dicksons, **Commissioner of Customs, Uganda Revenue Service** said that regulatory reforms introduced by Ugandan authorities were in line with the Trade Facilitation Agreement in the interest of modernization, simplicity and in response to a fast-growing economy. Reforms such as One-Stop Border Posts and the electronic Single Window enabled traders to fill-in declarations, make fee payments, receive licensing and certification online for all requirements. Ecommerce could link the lowest end of production to global and regional supply chains and provide opportunities for capacity-building and empowerment. Some of the challenges included the risk of infringement of restrictions and issues with compliance, customs valuation, and issues of online trust.

Hanne Melin, Director and Head of Communications, eBay explained how e-commerce was acting as a trade facilitation tools, significantly reducing trade costs by enabling easier communication and the building of trust. E-commerce was part of the global empowerment program and was based on 4 building blocks: connectivity to the internet, global-based market place, availability of global payment services and efficient cross-border delivery services. eBay facilitated MSMEs, even from remote areas, to participate in international trade and served as an export platform enabling direct service to customers.

Matome Mathole, **WCO Mercator Programme Advisor and Customs Attaché, Embassy of South Africa, Brussels** said that the Mercator Program Advisors project acted on behalf of the WCO to deliver capacity-building interventions. In Sierra Leone, the project ran on a long-term basis, ensuring that the country's customs were in line with TFA measures through the National Trade Facilitation Committee. The Committee includes all the stakeholders involved in the whole chain of trade facilitation. Issues covered within the programme such as risk management, pre-arrival processing and valuation were directly related to e-commerce. As a result Sierra Leone had worked towards simplification of its customs procedures to reflect the TFA and help the country participate in the global value chains.

SESSION 43: Side Event: "Promoting Inclusive Economic Transformation through GVC Participation: The role of Aid for Trade and Private Sustainability Standards". Organizers: Mission of the Kingdom of Lesotho to the World Trade Organization, International Centre for Trade and Sustainable Development

MODERATOR

› **Moshe Neo Kao,** Ambassador, Permanent Representative of the Kingdom of Lesotho to the WTO

PANEL DISCUSSION

› **Andreas Schaumayer,** Federal Ministry for Economic Co-operation and Development, Germany

› **Frank Matsaert,** Chief Executive Officer, Trade Mark East Africa

› **Kiranne Guddoy,** Programme Officer, Development and Competitiveness, International Centre for Trade and Sustainable Development

› **Jim Redden,** University of Adelaide

› **José Guilherme Reis,** Practice Manager, Trade and Competitiveness, World Bank

OVERVIEW

This session discussed how participation in global value chains can help developing countries achieve inclusive economic transformation. Building on a series of case study analysing promising value chains in various LDCs and LICs around the world, this session contributed to fill important gaps in understanding new approaches to structural transformation and growth and how they apply to LDCs and LICs, by identifying concrete, new evidence on LDCs' participation in value chains; and analysing critical success factors; and assessing whether such participation contributes to inclusive growth (e.g. through jobs for men and women) and economic transformation (e.g. through the development of processing activities; learning and investment). Ultimately, the role of Aid for Trade was stressed, looking at how the initiative could be leveraged to help developing countries participate more effectively in GVCs and link them to Sustainable Development Goals outcomes, notably by facilitating compliance with the growing number of private sustainability standards in value chains. In this regard, the discussions reviewed the extent to which regulations and standards can affect sustainable development outcomes for developing countries in the context of value chains.

Short summary

Participation in global value chains can promote sustainable development and help countries achieve the SDGs. GVCs offer new opportunities for market access and economic diversification that were not available for countries in the past. GVCs also serve as important channels for knowledge and technology flows. But the positive impacts of GVCs are neither automatic nor guaranteed. Many barriers to GVC participation remain, and they disproportionately affect SMEs in developing countries.

GVCs are standards-intensive, and standards have a big impact on the potential economic, social and environmental impacts. both positive and negative. of GVCs. Aid for Trade can help companies from developing countries to comply with standards and promote greater GVC participation. Many Aid-for-Trade programmes already target standards compliance issues and have delivered concrete benefits for sustainable development.

Nonetheless, Aid for Trade can and should do more to strengthen the engagement of developing countries with GVCs. This would amplify the impact of Aid for Trade on the SDGs. To this end, and based on past experience, the focus of future Aid-for-Trade interventions should be on:

Improving quality infrastructure to reduce trade costs, including the costs of certification. There is significant scope for an appropriate division of labour on quality infrastructure among regional partners.

Strengthening the capacity of SMEs, women entrepreneurs, and the workforce to meet regional and global standards.

Leveraging the role of FTAs, which increasingly contain provisions on sustainable development, cooperation, regulatory convergence and services. Both North-South and South-South trade offer opportunities for GVC participation.

Enhancing coordination and the flow of information among relevant stakeholders, including multilateral bodies and standards organizations. Embrace the role of the private sector in bringing about sustainable development.

Summary

Moshe Neo Kao, Ambassador, Permanent Representative of the Kingdom of Lesotho to the WTO, moderated the session and stressed that GVCs have influenced upgrading from a social, economic and environmental perspective. They have also influenced policy interventions in areas such as skill development, technology transfer and diffusion. The panel then discussed how Aid-for-Trade Initiatives can be leveraged to help developing countries participate more effectively GVCs linking their participation in advancing SDGs.

Andreas Schaumayer, Federal Ministry for Economic Co-operation and Development, Germany noted the positive outcome for trade of the recent G20 Hamburg summit. An additional positive outcome had been the launch of the G20 Africa Partnership, since Africa's prospect of achieving sustainable development depended in large measure on stimulating private investment. GVCs allowed countries in different stages of development to access markets in ways that had not been possible before. It was not necessary to be competitive in products or chains of products anymore. Countries could be competitive by mastering a process or a component. GVCs multiplied the opportunities for countries to use trade for development. Aid for Trade needed to make sure that these opportunities were utilized by developing and least developed countries. Increasing participation of developing countries in GVCs served to promote social inclusion, decent employment and environment protection.

Germany had launched a new comprehensive Aid-for-Trade strategy, which sought to better align its trade-related cooperation with the SDGs. Areas of focus included quality infrastructure and trade facilitation. Germany had joined the Global Alliance for Trade Facilitation and believed that reducing trade costs and simplifying customs procedures would boost regional and global trade for the benefit of developing countries. Building trust between governments and the private sector was essential to move forward.

Regarding quality infrastructure, Germany had a long tradition in this area and could help recipient countries build the necessary institutional support for standardization, metrology, testing, certification, and other elements of quality infrastructure (strengthening standards bodies). Consumers needed more clarity about standards, while producers, especially SMEs, would welcome greater convergence among standards. Germany was well placed to contribute on both fronts.

Kiranne Guddoy, Programme Officer, Development and Competitiveness, ICTSD said that the gains from participating in GVCs were not automatic. The benefits of participating in a GVC were likely to differ depending on the geography, the sector and the characteristics of the chain. Countries faced different challenges and opportunities regarding GVCs depending on their level of industrialization and other attributes. There were many types of standards. The implementation of sustainability standards along value chains reflected efforts by lead firms to improve their "triple bottom line" and avoid reputational damage. Those standards had often had a positive impact on sustainable development, although there was no predetermined outcome. In assessing the impacts of standards, it was important to pay greater attention to the potential links and trade-offs between the economic, social and environmental aspects of the SDGs. There were many examples of positive interaction between value chain participation and sustainable development in low and middle income countries, for example in the areas of health and safety, worker rights, and environmental outcomes, including in the mining and apparel sectors.

Nonetheless, there was evidence of negative impacts too, which could be caused by the high costs of certification or a lack of skills that resulted in the exclusion of lower skilled workers from formal employment. Lead firms, civil society and other actors had to work together to tilt the balance in the direction of achieving the SDGs. Sharing of information, monitoring implementation, improving market access, reducing certification costs, and increasing skills were important factors in this regard.

Jim Redden, University of Adelaide noted that SMEs were benefiting from sustainability standards by being part of value chains. Technology and the advance of trade in services for SMEs helped link them into niche markets. However, there was a long way to go to ensure that Aid for Trade could fully support more inclusive development, especially with regard to women and SMEs. Surveys had revealed several challenges faced by SMEs, including a lack of awareness and information about sustainability standards, complex documentation and customs requirements, high costs of conformity assessment, gender discrimination, and insufficient skills of the workforce. Aid for Trade should intervene in areas where no support existed from standards organizations, lead firms, or government entities. Those falling through the gaps were SMEs. Although AidforTrade programmes were already focusing on inclusive and sustainable growth, trade facilitation and private sector development, it was necessary to pay greater attention to the problems faced by MSMEs, especially from LDCs, in meeting the standards to participate in GVCs. Based on case studies, several cross-cutting policy implications for Aid for Trade could be identified, including: the importance of targeted training and capacity building programmes for SMEs; the vital role of quality infrastructure and related servicing requirements; a strong emphasis on gender and poverty analysis of value chains; and leveraging free trade agreements. Greater collaboration between donors, recipients, multilateral bodies such as EIF and STDF, standards organizations (ISO, ISIL, and Fair Trade Association), industry associations working with SMEs and other relevant stakeholders was very important.

Frank Matsaert, Chief Executive Officer, Trade Mark East Africa said that his organization had invested US$560 million in Aid for Trade in East Africa. The target areas were physical access to markets and infrastructure, enhancing the trade environment (a lot of work is being done on trade automation), and business competitiveness. Key problems in the region included the high cost of fulfilling and testing standards, variable product quality, lack of standards harmonization, and limited understanding by private actors of the impact of standards on their businesses. TradeMark East Africa's work in the region had delivered positive results, for example the regional harmonization (170 standards in total) and mutual recognition of standards, a reduction in the costs and time for testing, and the automation of some import and export procedures. Looking ahead, the priorities were to link up with some of East Africa's "export priority sectors", help businesses incorporate standards into their competitive strategies, and boost women entrepreneurship through the Women and Trade programme. The lessons learned from the work on standards in East Africa included: when addressing quality infrastructure, consider both the national and regional dimensions; engage with relevant partners and stakeholders; involve the private sector in the reform process; and prioritize the standards that have the greatest impact on trade. The situation with respect to standards in East Africa had improved significantly, but many challenges remained, especially in the areas of pre-shipment inspection.

José Guilherme Reis, Practice Manager, Trade and Competitiveness, World Bank said that while GVCs could be a driver of sustainable development, there was no guarantee that they would bring about sustainable development. GVCs offered developing countries an opportunity to participate in cross-border production networks and to diversify their economies. Moreover, they could enable the flow of knowledge and technology from high income countries. The key issue was the way that developing countries engaged with GVCs. Several barriers had to be overcome. An important message was to start with the basics, including quality infrastructure, engagement with relevant partners, prioritization, and ways to leverage existing trade agreements. Embracing the role of the private sector was another critical factor to ensure a positive role for Aid for Trade. It was also important to pay more attention to services and regulatory convergence, as well as to rapid technological change. There was an urgent need for more coordination among development partners.

The representative from the International Standardization Organization (ISO) indicated that participation in GVCs was limited to the most competitive SMEs, and that GVCs were highly dynamic. They could relocate processes and production from one area to another. Dependence on GVCs of SMEs in developing countries could also be a trap. It was therefore important to build resilience among SMEs to ensure that they were able to upgrade and respond to sudden changes. It was important to pay attention not only to voluntary sustainability standards, which affected mainly primary production, but to those standards that affected SDGs more broadly. ISO had developed many such standards, for example on circular economy in the automotive sector.

During the question-and-answer session, it was noted that the East African experience had shown that regional standards often served as a stepping stone to greater participation of SMEs in GVCs. Regional value chains could also help improve the flow of knowledge to firms. Regarding quality infrastructure, Aid for Trade should consider the possibility for an appropriate division of labour among regional partners. Aid for Trade should also help companies seize the opportunities of South-South trade. Regulatory cooperation was a key means to increase the impact of Aid for Trade.

SESSION 44: Side Event: "Promoting Exports through Connectivity". Organizer: International Growth Centre

CHAIR

- **Richard Newfarmer,** Country Director, International Growth Centre

SPEAKERS

- **Ritwika Sen,** Country Economist, International Growth Centre. "Connecting through Value Chains"
- **Victor Steenbergen,** Country Economist, International Growth Centre. "SEZs: Calculating Costs and Analyzing Benefits"
- **Alexander Himbert,** PhD candidate, University of Lausanne, - "Border Lights: Trade-led Regional Development"
- **Commentator: Paul Brenton,** Lead Economist, International Trade, World Bank

OVERVIEW

"Promoting Exports Through Connectivity". on the themes of promoting domestic and regional value chains, reducing trade costs in developing countries, and the role of Special Economic Zones (SEZs).

Many African countries have struggled to increase their participation in international trade, despite important reductions in trade tariffs in the last decades. Trade costs across Africa remain high and the lack of connectivity both within and between countries severely limits the potential for expanding exports. This panel featured new research using VAT firmlevel data and satellite light maps to look at connectivity in East Africa, and ways Africa could increase its exports by reducing trade costs. The panel analyzed connectivity widely to ask how reduced transport costs, value addition in supply chains, and the establishment of special economic zones could promote African exports.

Summary

Ritwika Sen, Country Economist, International Growth Centre presented on "Connectivity, Exports and the Supply Chain" and drew upon evidence from research commissioned by the International Growth Centre in Uganda. The presenter observed that a substantial reduction in transport costs along the Northern Corridor (due to concerted Government efforts and Aid-for-Trade facilitation), has enabled Ugandan firms to produce for export. thereby connecting to international markets. Recent research findings by John Spray (University of Cambridge) using firm-level ASYCUDA and VAT data were further presented to highlight that connectivity to international markets contributed to improved firm performance, both for exporters and their supply chains. The presenter concluded that exporting was key for the Ugandan economy, and that policy efforts for export development should: prioritize trade facilitation and transport cost reduction; efficient importation of intermediate inputs for export growth; and, the development of local supply chains that are competitive in terms of both quality and cost.

Victor Steenbergen, Country Economist, Rwanda, International Growth Centre discussed the impact of the Kigali Special Economic Zone (KSEZ) on firm outcomes. This offered the first study that offered robust analysis of SEZs on firm-level behaviour in Sub-Saharan Africa, which had been made possible by using firm-level tax data, combined with advanced econometric methods such as propensity score matching. The study was conducted together with Beata Javorcik (University of Oxford). It found that while Rwanda's SEZ was only established recently established (2013), it had had an economically important effect on Rwanda. Moreover, moving into the Kigali SEZ was also associated with large increases in sales, value-added and employment. This was expected to be driven through better trade facilitation and intensive government support. The KSEZ also offers an alternative to the dominant "Economic Processing Zone" model, and offers a way for governments to catalyse priority domestic industries in a way that is more integrated to the domestic economy.

Alexander Himbert, PhD candidate, University of Lausanne, focused on "Border Lights: Trade-led Regional Development" in his presentation. It explored how the facilitation of cross-country overland trade (through regional integration) can help contribute to the development of border areas. To do so, this project used annual night-light data for 1995-2010 along all major cross-border road corridors in the East African Community to identify an average border-shadow effect whereby light intensity progressively decreases, as one gets closer to the border. Following this approach, it found that cross-border trade benefits all areas, but has a stronger impact on areas closer to the border. This suggests that cross-border trade (and trade facilitation) can help reduce national inequalities by ensuring benefits also accrue outside of capital cities.

Paul Brenton, Lead Economist, International Trade, World Bank stressed that all three presentations were at the frontier of trade research, both through their use of new data sources and innovative research methods. He noted that these presentations helped address critical questions on the impact and channels through which transport cost and connectivity can improve firm productivity, and on the general distribution of such trade benefits across firms and geographical locations.

Richard Newfarmer, Country Director, International Growth Centre, called for better understanding of firm-behaviour, especially so for exporters. He noted that industrial policy through SEZs may not only be confined to international trade but can also importantly drive domestic industries. Finally, he noted that understanding who benefits from trade would further assist in future endeavours to utilize trade for growth and poverty reduction.

SESSION 45: Side Event: "From Commodity Dependence to Value Addition: Novel Approaches to Inclusive Trade". Organizers: African, Caribbean and Pacific Group of States, International Trade Centre

OPENING REMARKS

› **Viwanou Gnassounou,** Assistant Secretary General, African, Caribbean and Pacific Group of States

› **Arancha González,** Executive Director, International Trade Centre

MODERATOR

› **Catherine Fiankan-Bokonga,** Journalist, Correspondent of France 24, Vice-President of the Association of Accredited Correspondents at UN and of the Swiss Press Club

PANEL DISCUSSION

› **Darío Soto Abril,** Global Chief Executive Officer, Fairtrade International

› **Patricia R. Francis,** Chairman, Jamaica Trade Facilitation Task Force

› **Marie Laetitia Kayitesire,** Managing Director, Sake Farm Ltd.

› **Edmund Poku,** Chief Executive Officer, Niche Cocoa Industry Limited

› **Sara Yirga,** General Manager, YA Coffee

OVERVIEW

Developing countries who rely on primary commodities as a large share of their export base, risk being exposed to price volatility, increased competition from more efficient producers and limited export diversification. This can have real impact on job creation beyond the primary agriculture sector, in moving up the value chain and in attracting investment. The African, Caribbean, and Pacific Group of States (ACP Group), together with its development partners, is exploring new business models to help overcome this challenge. A combination of new and more affordable technology solutions, a move to agriprocessing, a focus on quality enhancement and meeting standards, nichemarket identification and innovative business models, will help countries transform their economies, address unemployment, especially for youth and women, and increase their footprint in the global trade landscape. These initiatives, among others, will enhance the capacity of the ACP Group to implement sustainable development goals.

Short summary

For many small-scale farmers and family owned farms in Africa and the Pacific agriculture remains the only path out of poverty. In ACP countries one out of two people are employed in the agricultural sector, yet they remain highly vulnerable to market fluctuations and climate risks. Thinking seriously about sustainable agriculture processing in the region is the future. This session emphasized the importance of partnerships that support farmers along the value chain. These partnerships are needed to address the challenges faced by farmers in ACP countries.

Summary

Agriculture still matters; this was the resounding message emanating from the session. The question was how to better support farmers from the risks relating to price fluctuations, climate change and loss of preferences. More than meeting standards, speakers highlighted the importance of value addition, particularly, value addition through applying market intelligence on consumer tastes. Speakers also highlighted the importance of partnerships and diversification of produce.

The session benefited from the experience of small, medium, and large businesses from Africa and the Pacific. These were: Sara Yirga from YA Coffee Roasters, Ethiopia; Edmund PokuNiche Cocoa Industry Ltd, Ghana; and Patricia Francis, Jamaica Producers Group, Jamaica, as well as the recently appointed chief executive officer of FairTrade-Dario Soto Abril, Viwanou Gnassounou (Assistant Secretary-General ACP) and Arancha González (Executive Director, ITC).

Viwanou Gnassounou, Assistant Secretary General, African, Caribbean and Pacific Group of States highlighted some of the areas the ACP is focusing on to support the agriculture value chain for small producers, specifically family run companies. He emphasized the importance of capacity building through trainings on how to access finance, insurance to cover risks, and meeting commodity standards in target markets. Particularly noting is its work with the African Development Bank to make agro-processing projects bankable by running programmes with commercial banks to cover loans between Đ5,000-500,000.

Arancha González, Executive Director, International Trade Centre emphasized that to move from commodity products to agro processed products, it was important to: (a) focus on access to finance and investment opportunities (i.e. finance literacy for farmers); (b) enhance value chain actors-specifically small holder producers to enable them to produce quality that meets public and private standards; (c) foster an alliance between the farmer, buyers and supporting institutions; and (d) leverage technology. Ms González emphasized partnerships that supported farmers along the value chain were what was needed to address the challenges faced by farmers.

Patricia Francis, Chairman, Jamaica Trade Facilitation Task Force shared her story on how Jamaica had evolved from a banana exporting to an agro-processing country. How it diversified its risk through value addition, market information, consumer tastes, and exploring new markets.

Dario Soto Abril, Global Chief Executive Officer, Fairtrade International highlighted how FairTrade partners was working with farmers to innovate new ways to reduce commodity dependence and have farmers diversify by introducing new commodities.

Edmund Poku, Chief Executive Officer, Niche Cocoa Industry Limited underlined the role of partnerships with other farmers along the value chain.

Sara Yirga, General Manager at YA Coffee highlighted some of the obstacles she had had to address to start exporting coffee from Ethiopia. Some of these challenges included, domestic regulatory barriers and standards-private and public, and financing the missing middle. Only through partnering with other regional coffee producers and through a corporative of coffee farmers in Ethiopia had YA Coffee Roasters been able to find its footing.

SESSION 46: Side Event: "No LDC Left Behind: The EIF Investing in Country and People". Organizer: Enhanced Integrated Framework

MODERATOR

› **Daniel Blockert,** Chair of the EIF Steering Committee and Ambassador, Permanent Representative to the WTO, Sweden

PANEL DISCUSSION

› **Khemmani Pholsena,** Minister of Industry and Commerce, Lao People's Democratic Republic

› **Axel M. Addy,** Minister of Commerce and Industry, Liberia

› **Marc Yombouno,** Minister of Commerce, Guinea

› **Isabelle Durant,** Deputy, Secretary-General, United Nations Conference for Trade and Development

› **Grete Faremo,** Under-Secretary-General and Executive Director, United Nations Office for Project Services

› **Dorothy Tembo,** Deputy Executive Director, International Trade Centre

OVERVIEW

Agriculture is a critical component of Aid for Trade and the largest contributor within productive capacity, contributing on average between 15% and 20% of all Aid-for-Trade flows. This should not be surprising given the importance of agriculture to trade in LDCs, a sector providing 69% of total employment, with half being women (UNCTAD).

Despite the synergic linkages between trade and agriculture in development, clear opportunities exist to better link agriculture and trade policy, processes and programmes in LDCs. For instance, the Comprehensive Africa Agriculture Development Programme (CAADP) of the African Union and the Enhanced Integrated Framework (EIF) provide institutional, policy and programming mechanisms for both agriculture and trade in African LDCs.

The Food and Agriculture Organization (FAO) has recently started a project in conjunction with the EIF and the European Centre for Development Policy Management (ECDPM) to pilot an approach to better connect the CAADP and EIF processes and improve the crosssectoral linkages in four countries: Mozambique, Rwanda, Tanzania and Zambia.

This workshop on "Connecting trade and agricultural development in LDCs" therefore aims to share the initial results of the project, and open the discussion to participants to explore the connections between agriculture and trade in development. The key themes will focus on collaboration, connecting siloes in agriculture and trade.

Short summary

The Session launched the Enhanced Integrated Framework (EIF) Annual Report, and explained how the EIF operates and what it has achieved on the ground. Examples included:

- EIF has helped strengthen institutional capacity on national and local level in the Lao People's Democratic Republic, with a highlighted project providing the vehicle for medium term private sector trade mapping and enhanced country ownership through the Diagnostic Trade Integration Study.

- Liberia has, until now, focused on reintegrating into the WTO multilateral trading system, diversifying its export basket, and driving inclusive growth among SMEs. The country is now working on post-WTO accession implementation and EIF is helping with its rubber wood strategy implementation and tourism strategy implementation.

- Through EIF projects, Guinea has experienced poverty alleviation. Ninety per cent of the Guinean trade sector is informal and comprises mostly women and young people. EIF support of the mango sector has repurposed plantations from wood charcoal to mango production and reconverted 1,000 hectares to operational plantations and increased productivity. As a result, the country is experiencing increased revenue and return of citizens, especially after the Ebola crisis.

Key takeaways from the session included:

- Gender equality and recognizing the differential impacts of trade on men and women (and through women) was central to all work in LDCs,

- Work in LDCs must recognize the regional dimension and value chains across countries,

- EIF is special because domestic trade ministries and institutions are typically underfunded. Studies are essential for how best to support local entrepreneurship, but this is only possible with such funding.

Summary

Daniel Blockert, Chair of the EIF Steering Committee and Ambassador, Permanent Representative to the WTO, Sweden noted that the objective of this event was to highlight recent advances under the EIF partnership in supporting LDCs to achieve inclusive, sustainable development and poverty reduction. The session also launched the Annual Report of the EIF. He recalled that the EIF supported 47 LDCs, and 4 recently graduated countries. In terms of mandate, the EIF was following the principle of "Leaving no LDC behind". He briefly highlighted some results achieved: 35 countries had integrated trade into their national development plans; 33 had effective trade coordination mechanism to enable LDCs and development partners to monitor trade-related activities; 29 LDCs had undertaken or updated DTISs; 35 projects funded by donors in 2016 related to Diagnostic Trade Integration Study (DTIS) matrices; 21 countries had developed quality trade strategies; the EIF had created jobs for women and promoted female entrepreneurship with approximately 20% of beneficiaries being women in 2016, though this would increase; 189 MSMEs received support in 2016 and on average, 125 private sector officials had been trained per country in 2016.

Khemmani Pholsena, Minister of Industry and Commerce, Lao People's Democratic Republic noted that over the past few years, Lao PDR had been able to strengthen its institutional capacity and national expertise thanks to the EIF. The Lao PDR DTIS update had guided all AidforTrade funding including: US$16.5 million Trade Development Facility multi-donor trust fund; US$20 million SME access to finance project; Đ60.5 million for regional integration and entrepreneurship development and US$0.9 million to support implementation of WTO commitments and Lao PDR/US Bilateral agreement. Results included a well-functioning trade portal (the Lao Services Trade Portal would be launched in the summer), start of TFA implementation, enhanced effectiveness of dialogue between government and private sector, establishment of a credit facility for SME financing. Lao PDR recently leveraged support to prepare its medium-to-long term trade and private sector development roadmap. EIF projects are used as the primary vehicle to design the roadmap, as a result, strengthening country ownership.

Axel M. Addy, Minister of Commerce and Industry, Liberia recalled that their National Implementation Unit had been brought into the Ministry of Trade four years ago. Since then, Liberia had been able to conclude its trade policy with the key deliverable to reintegrate Liberia into the multilateral trading system. The priority to accede to the WTO was supported by the EIF and donors such as Sweden. Liberia also began to look at diversifying its export basket through EIF's support to develop a national export strategy. The export strategy focuses on agriculture, fisheries, rubber, cocoa, coffee and cassava. Finally, Liberia developed a Trade Store (now Liberia Marketplace) to help create market linkages for SMEs. Liberia is now working on post-accession implementation. With the help of the EIF, Liberia had been able to develop a post accessions plan which called for a number of actions including: improving the business climate, enhancing trade facilitation and reducing trade costs. The EIF and ITC had assisted in the development of sectorspecific strategies on rubber wood and tourism. The EIF have been a catalyst by linking what is done at the higher level to transfer impact on lives at the lower level.

Marc Yombouno, Minister of Trade, Guinea thanked donors for trusting the Enhanced Integrated Framework (EIF) in supporting least developed countries and in helping them achieve their trade-related development objectives. Thanks to these efforts, Guinea had now reached Category 2 and was building on the results gained when the country was still in Category 1. The EIF had supported the public sector, the private sector, as well as NGOs, and so improved the trade knowledge of some 5,000 economic operators. and so contributing to mainstreaming and to meeting poverty reduction objectives among vulnerable populations. In Guinea, approximately 90% of trade was informal and conducted by women and the young.

He illustrated this point with a case drawn from the mango industry. Before EIF's intervention, the fruit had lost much of its value in Guinea. Farmers had started cutting down trees to produce charcoal. In 2014, however, the project had been launched by the Ministry of Trade and created a synergy with several administrations (Ministries of Agriculture, Land planning, Industry…). Actions taken upstream to facilitate development of the industry had trickled down to farmer level, helping to transform 1000 hectares into operational plantations, involving 150 cooperatives, and giving work to young farmers from remote parts. The project had been rolled out in lower and to coastal Guinea (a gold-mining region bordering Côte d'Ivoire and Mali). There, small-scale gold mining was a strenuous activity performed by women. More and more of them, and young people, were now migrating from the mines to the mangos.

Guinea had not exported mango by air freight with the 1,200-1,500 tonnes produced exported by ship. With Aid-for-Trade support, some 6 tonnes had been flown by plane to Europe and India in 2017. Consumers of the newly traceable Guinean mango had sent very positive feedback and meeting the new demand had become a challenge. Guinea hoped that it would be possible to continue along those tracks and to reach 3,000 tonnes per year. The calibration and transport mechanism that the EIF had built in Kankan, 700 kilometres away from the capital city, would help Guinea reach 5,000 tonnes.

One aspect of the project was the creation of a platform that mobilized buyers, and therefore, generated additional funding. The Islamic Development Bank (IsDB) had committed US$50 million to the sector. The African Development Bank (AfDB) offered similar financing and the European Union (EU) had revitalized Guinean exports by providing finance aimed at increasing competitiveness. The Guinean Government was very committed to partnerships that would allow these initiatives to succeed, including in other areas such as the cashew nut, oil palm and cocoa sectors

In 2014-2015, the Ebola virus had resulted in loss of human life and heavy economic losses (some US$200 million). Ebola had had a significant impact on the development of the EIF project and forced Guinea to find innovative ways to adapt. In response, EIF officials had sent experts and reoriented the project to address the disaster. Overall, EIF projects had contributed to attainment of poverty reduction objectives, integration of vulnerable populations (women and youth) and increase in revenue. In conclusion, Marc Yombouno, Minister of Trade, Guinea thanked the EIF and its donors for a project that had been inclusive, multidimensional and empowering for women.

Grete Faremo, Under-Secretary-General and Executive Director, United Nations Office for Project Services (UNOPS) stated that her organization was proud to be the EIF's Trust Fund Manager. The Organization had exercised these functions since 2008, taking full fiduciary responsibility for the fund, being accountable for it and reporting to the Board and its donors. In light of this UNOPS was committed to ensure value for money but was also seeking to go beyond the existing terms of reference of the service it provided. UNOPS had very strong ground presence in over 80 countries (including the most fragile, vulnerable and conflicting ones, this represented 60% of its activities). As the operational arm of the United Nations, its work was about implementation and value for money. Since

UNOPS received no core funding, it worked like a private entity, seeking to exceed client expectations. The Organization was strong in infrastructure, procurement and project management. Its core values were closely aligned with the EIF: solid partnerships, accountability and transparency, national capacity building and drive for excellence.

Looking at accountability, UNOPS wished to be held accountable by partners, who themselves wished to be held accountable for results on programme and value addition. In terms of excellence, UNOPS drove its activities according to international standards. Delivering 3 million local work days in 2016 (up from 2.2 million in 2015), work by the Organization spoke to how development efforts had to focus on delivering jobs, growth and development in national private sectors.

Because of the importance of sustainable development, UNOPS would be seeking to place capacity building into the procurement system. They were also opportunities for cross-fertilization that UNOPS was eager to engage in, both at national level, at board level, and in the advisory entities.

Isabelle Durant, Deputy, Secretary-General, United Nations Conference for Trade and Development (UNCTAD) outlined UNCTAD's involvement in EIF's activities, notably the Diagnostic Trade Integration Studies (DTIS) in which UNCTAD had specialized. Seven DTISs had been updated so far (Senegal, The Gambia, Mozambique, Djibouti, Mali, Niger and Ethiopia). Experience suggested that the DTIS was a useful tool to identify and assess the country's trade capacities (constrains, difficulties and specificities). The DTIS also played a crucial role in identifying the real challenges of capacity building. In short, it enhanced policy-making. UNCTAD also fostered local ownership. While LDC governments drove the process, the private sector and civil society were increasingly involved. Local ownership would need to further include the legislative branch as a means of increasing the number of elected people integrated in the process. UNCTAD also built sustainability, locally and internationally, by enhancing the capacity of locals to take over the role currently played by international experts to substitute support programmes. UNCTAD worked on gender equality by urging governments to take the different impacts of trade on men and women into account. UNCTAD continued to work to leverage knowledge and additional funds for better delivery. The focus of the proposal was how to enforce coordination in the implementation of DTIS action (on transit, transport, trade facilitation). DTISs provided ample scope for funds, given their innovative approach as far as reported LDC governments were concerned. UNCTAD had published a report on tourism the week prior saying that it had brought capacity to many African and least developed countries, but also, had benefitted women.

Dorothy Tembo, Deputy Executive Director, International Trade Centre outlined the reasons why ITC considered EIF to be a natural and strategic partner. Both institutions shared the common goal of using trade as a vehicle of attainment of the SDGs. ITC had set key objectives of sustainability, on the one hand, but also of inclusiveness. In that light, ITC, just as EIF, gave a large focus to the bottom of pyramid. The EIF process of ownership and mainstreaming trade in national policies was reaffirmed by both organizations. ITC was specifically looking at entrenching sustainability in countries. Both organizations shared the collective objective of enhancing LDC participation in international trade (with ICT playing the supplementary role of enhancing private sector competitiveness and making transactions happen). LDCs were also part of the ITC priority countries (70% of ITC's work was happening there). The EIF and ITC were also investing in a participatory approach, needs assessment, and institutions that were of great value, facilitating conversations with people who understood the issue and could link supply and demand. Finally, the ITC felt that the EIF was an effective framework that allowed coordination with other agencies, and leveraging of resources at the country, regional and multilateral levels (using the EIF, the ITC was currently active in 15 countries). Ms Tembo used examples from Liberia, The Gambia and Togo and projects focusing on mango and honey to evidence joint work with the EIF. She also emphasized that no strategy would work if the gender dimension was not taken into account.

The Q&A session focused on implementing priority actions in the DTIS, gender mainstreaming and EIF's value addition over and above bilateral approaches. A comment was also made by the EIF coordinator in relation to the mango project noting that the EIF teams in Mali, Senegal and Guinea had agreed to take advantage of mango seasonality by sourcing from each other. He further noted that the EIF generated significant value for money. In Mali, 3 million people earned their livelihoods through the mango industry. Thanks to the EIF, a mango processing industry that benefitted women had been created, 280 kilometres from Bamako, on the Guinean border. Mali had exported 20 tonnes of ISO22000 certified dried mangos to Philadelphia. In the case of gum arabic, present in every bottle of Coca-Cola, it supported 3.5 million people. It grew in poor areas. where 90% of migrant Malians came from. Since the work had started, the number of people who returned home had increased because people could now earn a living in their home country where they wished to live.

Minister Yombouno further elaborated on the mango project, noting that previously segmented orchards, decimated by charcoal production, had been replanted with new trees and this had prompted new actors to join the industry. The restoration of orchards created jobs (mostly for women who earned more in mango cultivation that in mining), attracted investment and brought increased tax revenue to the State. The DTIS, which was presented in Guinea in 2016, had involved all partners (public, private and NGOs) and had had transformational value for all sectors. It was not imposed but participatory.

Axel Addy, Minister of Trade and Industry, Liberia, said that the EIF was special because of a number of things that came out of its framework and that were typically not funded or supported in countries like Liberia. In Liberia, although the Ministry of Commerce and Industry had a broad mandate to build the private sector, it only received 0.03% of the national budget. Often time this was used to cover salaries. Studies that revealed the constraints to private sector growth would not be available without EIF support. As trade became ever more important, the role of trade institutions was now even more pronounced.

DTISs served to map the blueprint and identify constraints that got in the way of private sector growth and innovation. Liberia did not have the resources to implement all the measures highlighted in the DTISs, but benefitted from a framework it could operate. National export strategies clearly stated where capacity lied and where demand could be built according to industry. For instance, the Malagueta pepper, treasured by Portuguese cuisine, was one of the country's niche products, now finding its way into restaurants of New York.

Sometimes Parliaments would not see the value added in investing into Ministries of Commerce, or certain types of trade-related infrastructure. This was a hard case to make. A political shift was necessary in terms to explain what trade could do for a country. The EIF helped Ministries of Commerce make that case by doing simple interventions (or studies) that translated into direct impacts into the lives of people, demonstrating thereby that trade does matter.

SESSION 47: Side Event: "Trade Facilitation for a More Inclusive and Connected AsiaPacific Region: Progress and Way Forward". Organizers: Asian Development Bank, United Nations Economic and Social Commission for Asia and the Pacific

MODERATOR

› **Cyn-Young Park,** Director of Regional Cooperation and Integration, Asian Development Bank

KEYNOTE ADDRESS

› **Kunio Mikuriya,** Secretary-General, World Customs Organization

PRESENTATION

› **Yann Duval,** Chief, Trade Facilitation Unit, Trade, Investment and Innovation Division, United Nations Economic and Social Commission for Asia and the Pacific

PANEL DISCUSSION

› **Fekitamoeloa Katoa 'Utoikamanu,** Under Secretary-General and High Representative, United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States

› **Pich Rithi,** Ambassador, Permanent Representative to the World Trade Organization, Cambodia

› **Naindra Prasad Upadhaya,** Secretary, Ministry of Commerce, Nepal

› **Arzybek Kozhoshev,** Minister of Economy, Kyrgyz Republic

› **Maria Ceccarelli,** Secretary, United Nations Centre for Trade Facilitation and Electronic Business, United Nations Economic Commission for Europe

› **Young-ki Hong,** Director General for, International Affairs Economic Bureau, Ministry of Foreign Affairs, Korea

OVERVIEW

Everyone stands to gain from making the process of trade easier. Trade facilitation is essential to enhancing overall trade inclusiveness and connectivity. It is also critical in achieving one of the SDGs Target 17.1 aiming to "Significantly increase the exports of developing countries, in particular with a view to doubling the least developed countries' share of global exports by 2020." Even modest reductions in trade transaction costs, such as lengthy border procedures, translate into significant increase in trade. Developing countries show higher relative trade gains from trade facilitation given the relative inefficiency of their current systems and because agro-food and small and medium-sized enterprises (SMEs) trade, which are most severely affected by inefficient procedures, are central for the economy of these countries.

This session was co-organized by the Asian Development Bank and the United Nations Economic and Social Commission for Asia and the Pacific and featured a discussion on progress and challenges in the regional and sub-regional efforts being made to streamline trade procedures. The benefits of trade facilitation including on SMEs participation in international trade and paperless/digital trade were also discussed since SMEs, which comprise a majority of businesses and the labour force, are an untapped but critical element for inclusive growth. Policy recommendations to accelerate progress and tap opportunities associated with the digital economy were drawn from the discussion.

Short summary

This event was co-organized by the ADB and UNESCAP. The keynote address on the trade facilitation efforts of the World Customs Organization (WCO) was given by the Secretary-General of the WCO. ADB and UNESCAP presented a joint publication on the trade facilitation in Asia and the Pacific (link: https://www.adb.org/publications/trade-facilitation-inclusive-connected-asia-pacific-way-forward) and discussed the progress and challenges in the regional and sub-regional trade facilitation efforts, highlighting the implementation status of the WTO's Trade Facilitation Agreement. A policy roundtable discussion of trade facilitation followed, joined by the representatives from Nepal, Kyrgyz Republic, Cambodia, Republic of Korea, UN-OHRLLS, and UNECE.

Summary

Kunio Mikuriya, Secretary-General, World Customs Organization gave a keynote speech on "The WCO Mercator Programme approach for Trade Facilitation and how it supports the Asia/Pacific region." Mr Mikuriya highlighted the WCO's efforts to ensure uniform implementation of the WTO Trade Facilitation Agreement, using the WCO instruments and tools as most of the TFA provisions relate to Customs.

Yann Duval, Chief, Trade Facilitation Unit, Trade, Investment and Innovation Division, United Nations Economic and Social Commission for Asia and the Pacific presented the main findings from the ADB-UNESCAP joint publication on "Trade Facilitation for a more Inclusive and Connected Asia-Pacific Region: Progress and Way Forward". These findings included that reducing trade costs was essential for economies to join regional and global value chains. It allowed trade to continue as a major engine of growth and sustainable development. Trade facilitation also had a direct impact on trade costs and an indirect impact on the price of traded goods; it increases trade flows and ultimately leads to higher growth. A global survey had been conducted first in 2015 to assess the implementation status of trade facilitation worldwide. The second global survey in 2017 drew on the final list of provisions under the World Trade Organization's Trade Facilitation Agreement and the text of the regional UN treaty on cross-border paperless trade facilitation. It also included additional questions on trade facilitation in the context of Sustainable Development Goals.

The survey covers 47 trade facilitation measures organized into seven groups: (i) General trade facilitation measures, (ii) Paperless trade, (iii) Cross-border paperless trade, (iv) Transit facilitation, (v) Trade facilitation for SMEs, (vi) Agricultural trade facilitation; and (vii) Women in trade facilitation. Overall, the survey showed that the Asia and Pacific region had a 50% average implementation rate for trade facilitation and paperless trade measures. However, the level of trade facilitation implementation varied widely within each sub-regional group. Apart from Australia and New Zealand, the highest average WTO FTA implementation was 73.7% for East and North-East Asia, followed by Southeast Asia (60.1%), North and Central Asia (52.4%) and South and Southwest Asia (45.8%). Pacific Island Developing Economies lags far behind other subregions (28.2%). On (i) General trade facilitation measures; and (iv) Transit facilitation mostly covered by WTO TFA, the region's implementation rates were generally high at 50-70%. However, areas such as cross-border paperless trade remained at an early stage. Very few countries in Asia and the Pacific had customized trade facilitation measures to support SMEs and women, as reflected by the low average implementation rates in (v) Trade facilitation for SMEs at 34% and (vii) Women in trade facilitation at 16%, respectively. Institutional coordination was key to successful trade facilitation. The Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific, as a UN treaty, provided a unique opportunity for member States to boost their trade and investment competitiveness and actively support the growth of their digital economy. Moving forward, further study is needed on how trade facilitation helps meet the Sustainable Development Goals.

A policy roundtable discussion of trade facilitation was joined by the Ministers of Trade from Nepal and Kyrgyz Republic, Cambodia's Ambassador to the WTO, the Director-General for Global Economic Affairs of the Foreign Ministry of Korea, the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States of the United Nations (UN-OHRLLS), and the Chief of Trade Facilitation Section, the United Nations Economic Commission for Europe (UNECE). The participants shared their trade facilitation experiences in their respective nations/regions regarding progress, challenges, and opportunities going forward. All participants unanimously voiced support for further trade facilitation activities - with a particular focus on single window, SME finance, and gender empowerment.

Arzybek Kozhoshev, Minister of Economy, Kyrgyz Republic, highlighted the importance of trade facilitation to reduce non-tariff barriers and obstacles to trade. Stating further that developing countries and least developed countries still face domestic challenges and urged donor countries to help overcome these barriers providing support in areas such as accredited laboratories, adoption of information technologies, automated state services, and others. He noted that the ADB had contributed to the implementation of the single window in the Kyrgyz Republic and it had helped reduce heavy red tape in the country.

Naindra Prasad Upadhaya, **Secretary, Ministry of Commerce, Nepal** noted that trade facilitation was a major tool for promoting trade and enhancing integration. He pointed out that Nepal still faced domestic constraints and had many issues to be resolved. However the country had put in place many reforms, including a plan to introduce a single window, the launch of a trade information portal and the establishment of a national committee on trade facilitation. He emphasized that SMEs should be integrated into international markets. Noting that being an LDC with high transport costs, Nepal placed a high priority on implementing all TFA measures. Nepal also aimed to find a balance between physical and electronic trade.

Young-ki Hong, Director General for, International Affairs Economic Bureau, Ministry of Foreign Affairs, Korea stated that trade facilitation was important for development and there was a long way to go for its full implementation. The Government of Korea had been active in supporting projects in the area by capacity building and sharing expertise on paperless trade and one stop border posts. In addition, he stated that Korea had assisted more than 20 developing countries in establishing master plans for customs modernization, and Tanzania was a success story in that regard. Furthermore, the Government of Korea had contributed funds to enable women to overcome the gender divide.

Pich Rithi, Ambassador, Permanent Representative to the WTO, **Cambodia** stated that Cambodia considered trade integration as a pillar for economic development. Cambodia has received funding from many developed countries and international organizations which have helped in the simplification of customs procedures and the establishment of a risk-based management system at all points in all border check points. He stated that because of Aid for Trade, Cambodia had been able to conduct two DTISs which had resulted in the generation of a medium-term plan for 2014-2018 covering ten clusters. Trade facilitation was among the clusters identified and he expressed Cambodia's need for support from its partners, especially to implement the ASEAN single window and the computerization of key certification documents in rules of origin and on SPS related measures.

Fekitamoeloa Katoa 'Utoikamanu, Under Secretary-General and High Representative, United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, highlighted the high costs and constraints faced by landlocked and small islands in the Asia and Pacific region. There was a huge diversity in the implementation rate of the TFA among the countries of the region. She underscored the important role that Aid for Trade could play to build capacity and boost productivity for the least developed, landlocked and small islands. She also stressed that the ADB and UN agencies had an important role to strengthen trade facilitation in the region and recalled Articles 13 and 21 of the TFA which stated that assistance and support for capacity building should be provided.

Maria Ceccarelli, Secretary, United Nations Centre for Trade Facilitation and Electronic Business, United Nations Economic Commission for Europe stated that the business sector needed transparent, simple and integrated procedures to trade. UNECE had worked in these areas with the purpose of supporting SMEs. Various projects had been launched, for example the establishment of single windows, single submission portals and lately UNECE had been working on blockchain technology. She also called for more work in the area of women and trade.

SESSION 48: Side Event: "Trade Facilitation Case Story Competition Finalists". Organizers: World Bank Group, World Trade Organization

PRESENTERS

› **Sheri Rosenow,** Counsellor, Market Access Division, World Trade Organization

› **William Gain,** Global Product Specialist for Trade Facilitation & Border Management, Trade & Competitiveness, World Bank Group

OVERVIEW

The WTO Trade Facilitation Agreement Facility conducted a case study competition in collaboration with the World Bank Group under their Smart Lessons programme. The goal of the competition was to showcase the lessons learned in implementing trade facilitation reforms that help countries align with the WTO Trade Facilitation Agreement. The winner of the competition was announced and following presentations made about trade facilitation reforms.

Short summary

This session was jointly hosted and organized by Sheri Rosenow (WTO) and William Gain (WBG). Case stories presented were part of the "Smart Lessons Case Story Competition" in the framework of "World Bank's Trade Facilitation Support Program (TFSP)". The program aims to help countries reform their trade facilitation practices to comply with WTO's Trade Facilitation Agreement. Of 13 case stories submitted, six were selected for presentation. The case stories from Jamaica and Zambia won the competition.

Summary

Botswana

The first case story was presented by Botswana. With the help of technical assistance from the World Bank Group, the Botswana Trade Portal was implemented. The Trade Portal was an advanced web-based system that was used to store documents and relevant up-to-date information on existing trade regulations and procedures, making it easier for the traders to seek advice on export, import and transit of goods in and out of Botswana. The trade was expected to be the basis of the future National Single Window.

Jamaica

The Jamaican task force was fulfilling the mandate of the National Trade Facilitation Committee and had put forward a Roadmap and Project Plan that was aimed at reducing time and cost and increasing transparency of cross-border operations, strengthening business compliance with international standards and fulfilling Trade Facilitation Agreement obligations. The task force was constituted of different agencies and stakeholders, both public and private institutions involved in trade. One of the results of the work of the task force was faster clearance times thanks to electronic licences and permits using UNCTAD's automated customs data system.

Malawi

With the support of the World Bank Group, Malawi established a Trade Portal that contains easily accessible information on laws, regulations, all licence and permit requirements, prohibitions, restrictions, technical standards, sanitary and phytosanitary measures, commodity classification, procedures, forms and instructions related to cross-border trade. It aims to increase transparency and accountability and is expected to help traders reduce transaction costs and consequently improve country's competitiveness. One of the positive externalities has been the improved public-private dialogue due to increased transparency.

Montenegro

With the support of the International Finance Corporation to design and implement regulatory and legal policy, identify gaps and TFA implementation capacity, Montenegro had established a National Trade Facilitation Committee in May 2015. One of the goals was to provide a forum for all stakeholders, including the private sector establishing an institutional framework to improve the effective movement of goods across borders, and streamline the documentation formalities to enhance the country's overall competitiveness. Another goal was to establish a sustainable structure with clear mandate, operational rules and guidelines. Establishing an environment of mutual trust improved the flow of information among public agencies and private sector.

Rwanda

To address the challenge of having multiple regulatory agencies that had overlapping roles and inefficient procedures, Rwanda had conceptualized an electronic single window to the international trading system. The implementation was based on three pillars: enhanced collaboration between government agencies involved in the regulation of international trade, strengthened government-business relationships and the use of Information and Communication Technology (ICT) to improve service delivery, communication and transparency. The results included in faster clearance of goods, increase cooperation among the agencies involved in customs and shipments and improved efficiency in the form of expedited and more transparent transactions and communications between government and private sector.

Zambia

The Zambia Revenue Authority has implemented a system of risk management to address high trade costs due to burdensome documentation requirements and low use of risk management protocols and automation by border agencies. The system is based on ASYCUDA World which is used to determine whether consignments are processed through the red (physical inspection), yellow (review documents), blue (post-release audit) or green (minimal interventions) channels. With use of this system, only 18% of cargo was subject to physical inspection. The implementation of the Memorandum of Understanding between the Zambian Revenue Authority and Zambian Bureau of Standards will automate the processing of import declarations, ensure that health and safety measures are in place, and reduce costs to all parties involved.

SESSION 49: Side Event: "Small States, Big Challenges. Enhancing Trade Capacity of the ACP through a Network of Trade Advisors". Organizer: African, Caribbean and Pacific Group

OPENING REMARKS

› **Armand Tazafy,** Minister of Commerce, Madagascar

MODERATOR

› **Viwanou Gnassounou,** Assistant Secretary-General, African, Caribbean, and Pacific Group of States

› **Teddy Soobramanien,** Head of Hub and Spokes Programme, The Commonwealth

› **Mere Falemaka,** Ambassador, Permanent Representative of the Pacific Islands Forum to the World Trade Organization

› **Hillary Kumwenda,** National Trade Adviser, Ministry of Industry, Trade and Tourism, Fiji

› **Serigne Bassirou Diene,** Regional Trade Adviser, Economic Community of Central African States

› **Axel Pougin de la Maisonneuve,** Deputy Head of Unit, EC DEVCO Private Sector and Trade Unit, European Commission

OVERVIEW

The small size, level of development and remoteness from main markets of many countries in the Africa, Caribbean and Pacific (ACP) regions often mean they cannot compete on the same level as larger economic players. Given their unique situation and particular vulnerabilities, there is a growing need to enhance connectivity and regional integration of these countries to ensure a more inclusive form of trade in world markets and enable these countries achieve the Sustainable Development Goals.

The Hub and Spokes programme, an AidforTrade Initiative of the EU, ACP Secretariat, the Commonwealth and the International Organisation of La Francophone, provides trade experts to ACP countries to help them develop their trade strategies in a way that reflects their national priorities and enables them to integrate into regional, inter-regional and the global economy. Through this network of trade advisers, the ACP countries share knowledge and experiences on a multitude of trade issues of interest to the ACP, providing a platform for continuous engagement between beneficiaries, partners and more widely the trade and development community. During the Aid for Trade Global Review, the programme will convene a panel to discuss the trade challenges facing some of the world's most remote and least developed states and their lack of capacity to overcome them. The discussions explored innovative solutions to these challenges with a particular focus on the ACP group of states and the role that the programme is playing to enhance trade capacities in the region. Speakers included the main partners and stakeholders of the programme, beneficiaries, the trade and development community as well as experts who work closely with the programme.

Short summary

The discussions focused on the issues affecting the development of small states in the African, Caribbean and Pacific (ACP) region. The panellists brought to the attention of the participants that the small size, level of development and remoteness from the main markets of many ACP States, reduces their ability to compete on the same level as larger economic players. In this regard, there is a growing need to enhance connectivity and regional integration of these countries to ensure that they derive maximum benefit from the global trading system and enable them to achieve the UN SDGs by 2030.

Around 70 participants were also informed of the Hub and Spokes Programme, an AidforTrade programme supported by the EU, ACP Secretariat, the Commonwealth Secretariat and the Organisation internationale de la Francophonie (OIF). The programme provides trade advisors to ACP beneficiary countries to help them develop their trade strategies in a way that reflects their national priorities and enable them to integrate regionally and globally. The programme also serves as a platform through its network of trade advisers to exchange knowledge and experience that are of particular trade or economic interest to ACP countries.

Summary

Teddy Soobramanien, Head of Hub and Spokes Programme, The Commonwealth and Kako Nubukpo, Director of Economics and Digital Economy, Organisation International de la Francophonie briefly outlined the Hub and Spokes Programme. They explained that it consisted of a network of trade advisors that are attached to regional bodies or national governments in the ACP regions; their primary aim was to build institutional capacity in trade. The Programme was supported by the EU, Commonwealth Secretariat, OIF and the ACP Secretariat.

Ambassador Mere Falemaka, Permanent Representative of the Pacific Islands Forum (PIFs) to the WTO highlighted the current difficulties facing Pacific island states in integrating their economies in the global economy including: high transportation costs due to their remoteness; reliance on a small number of products for export; the vulnerability of open economies to external shocks and climate change. She noted that e-commerce in the Pacific islands was both as an opportunity and a threat. It enabled people to sell their products through platforms such as Facebook. However, this form of economic activity is taking place without the proper legal frameworks which catered for consumer rights protection and data protection. The lack of infrastructure, internet access, financial incentives for innovation were major constraints in deriving maximum benefits from e-commerce. Nevertheless, the Pacific islands region was cognisant of the fact that e-commerce could provide a number of opportunities in the areas of health, education and finance. She expressed the Region's concern on the rise of protectionism in the global trading system. She explained that despite the measures not being directed at the smaller economies, they inadvertently became victims of protectionist measures because they relied heavily on these larger markets for their exports. With respect to the assistance provided by the Hubs and Spokes Programme, she stated that it had been very useful for both the PIFS and the national governments. Advisors had assisted national governments in drafting and implementing their national development plans and programmes such as the Deep Sea Mining Policy in Kiribati.

Axel Pougin de la Maisonneuve, Deputy Head of Unit, EC DEVCO Private Sector and Trade Unit, European Commission underlined the EU's support to the Hubs and Spokes Programme. He added that it provided a great opportunity for ACP regions to exchange ideas and experiences with respect to trade and development. Since its creation in 2004, the programme had directly benefited 35,000 people. He added that the EU would also be supporting other capacity-building initiatives in trade and would also include investment, infrastructure and ecommerce as areas of assistance to the ACP. He conceded that the nature of trade between the ACP and the EU was changing; there was a stronger focus on global value chain integration. Finally, he noted that for island states, the EU was currently working on creating a specific technical assistance model.

Hillary Kumwende, National Trade Advisor, Ministry of Industry, Trade and Tourism, Fiji informed that he was a Zambian national and part of the Hubs and Spokes Programme currently working as a national trade advisor to the Ministry responsible for Trade in Fiji. He stated that the Programme was particularly useful in the Pacific due to the small size of trade divisions. on average they consisted of one to three people. He has also realized, while working in the region, that Pacific islands faced far greater constraints to trade than landlocked states due to their remoteness. The Programme had created a regional consultative network building the capacity of trade officials in the Pacific islands region. The capacity building efforts had resulted in increased engagement by more Pacific island countries in the Regional Free Trade Agreements (FTAs) negotiations such as the PACER-plus with Australia and New Zealand and the Economic Partnership Agreement (EPA) with the EU.

Serigne Bassirou Diene, Regional Trade Advisor, Economic Community of Central African States (ECCAS) provided a background on the ECCAS headquartered in Libreville, Gabon. He noted extreme economic difficulties faced in the region, due to the sudden drop in global oil prices. in some cases national budgets for some its member States have been reduced by 50%. The only countries which are showing resilience are Cameroon and Rwanda. which recently re-joined the Organization. He stated that Gabon and Cameroon do not qualify for ODA because their GDP per capita is considered to be too high, with the exception of the Hub and Spokes Programme. However, both countries require considerable technical assistance in terms of capacity building. He mentioned that the problem in Gabon is much more acute, as an example he stated that prior to the technical assistance provided by under the Programme, the country's tariffs were above its WTO bound rates. He added that the regional technical assistance on the implementation of Trade Facilitation Agreement - provided under the Programme, has been the most effective in ECCAS. This enabled the launch of the Trade Facilitation Facility for Central Africa on the 7th of July 2017.

The quadripartite cooperation EU-ACP-Comsec-OIF to deliver long term AidforTrade assistance for more than 40 ACP countries and 11 RECs is very relevant and considered as an innovative model of best practices.

SESSION 50: Side Event: "The CFTA: Ensuring Inclusive Outcomes Through Boosting Intra-African Trade and Connectivity". Organizer: United Nations Economic Commission for Africa, Office of the High Commissioner for Human Rights, Friedrich-Ebert-Stiftung

WELCOME REMARKS

› **Hubert René Schillinger,** Director, FES Geneva office

MODERATOR

› **Rajesh Aggarwal,** Chief, Trade Facilitation and Policy for Business, International Trade Centre

PANEL DISCUSSION

› **David Luke,** Coordinator, Africa Trade Policy Centre, United Nations Economic Commission for Africa

› **James Thuo Gathii,** Professor, Loyola University Chicago, USA and HRIA Project Lead

› **Simonetta Zarrilli,** Chief of Trade, Gender and Development, UNCTAD

› **Deborah Vorhies,** Managing Director, ICTSD

OVERVIEW

The African Union is negotiating a Continental Free Trade Area (CFTA) which is expected to significantly boost intra-African trade and enhance connectivity on the continent. To ensure inclusive outcomes, it will be important for these gains to be equitably distributed, consistent with the continent's commitments to equity, justice and fairness under the Agenda 2063 and Global Agenda 2030. In this context, the Economic Commission for Africa (ECA), the Office of the High Commissioner for Human Rights (OHCHR) and Friedrich-Ebert-Stiftung (FES), have undertaken joint research to answer how the CFTA can be used to achieve food security, support the connectivity of informal cross-border traders , and enhance the livelihoods of vulnerable groups such as women, the youth and smallholder farmers. The event presented the main findings of this research, including a list of priority policy recommendations for African policymakers and development partners.

Short summary

UNECA, OHCHR and the FES Geneva office have completed an ex-ante human rights-based assessment of the CFTA. The Human Rights Impact Assessment (HRIA) considers, *inter alia,* food security, employment, and women's rights, as well as looking at detail on the CFTA's possible impact on farmers, those engaged in agro-manufacturing and on informal cross-border traders; an important economic but mostly neglected part of African livelihoods. At this event, the results of the HRIA as well as concrete recommendations for African governments and other stakeholders were presented.

The nine key recommendations of the HRIA project were: (1) to ensure broad consultation and participation in the CFTA negotiations and implementation, (2) to collect data, (3) to integrate and address disaggregated effects of trade and investment measures, (4) to explicitly recognize women, (5) to fully estimate potential revenue gains and losses, (6) to engage in paced, layered and targeted liberalization, (7) to maintain policy space, (8) to ensure adjustment mechanisms, and (9) to monitor and evaluate CFTA impacts.

Summary

In his opening remarks, **Hubert René Schillinger, Director, FES Geneva** reiterated that trade is not an end in itself. Trade and human rights belong together in the 21st century since they are both preconditions to an inclusive economy delivering benefits for all. He presented the study and indicated that its objective was to trigger further thinking into the possible impact of the CFTA in terms of human rights. In this regard, the study provided recommendations to policy makers and possible solutions. The assessment also aimed to provide practical steps and to help maximize opportunities especially for cross border traders. He referred to the recent G20 meeting where G20 Members pledged to protect human rights for more sustainable development.

David Luke, Coordinator, Africa Trade Policy Centre, UNECA noted that the CFTA confirmed commitments enshrined in the Africa 2063 agenda as well as in the Sustainable Development Goals. However, the challenges were enormous given poverty rates of up to 70% on the continent. Changing the structure of African economies towards more diversification and higher trade rates within the continent was not an easy task. The HRIA project was one tool on how to make the CFTA a win-win agreement between and within African countries. So far, six rounds of negotiations of the CFTA's first phase have taken place, with a seventh expected in October 2017.

James Thuo Gathii, Professor, Loyola University Chicago, USA and HRIA Project Lead noted that there was more willingness to engage in the context of human rights and trade. He said that the HRIA helped to identify the losers of trade, therefore strengthening the accountability of states to realize, fulfil and protect human rights. The methodology of the study was an *ex ante* approach since the agreement was at its negotiating state; therefore the study relied on the experience of other regional trade agreements, interviews, consultations with stakeholders, and inputs from experts. He emphasized that the HRIA presented an opportunity for those negotiating the agreement by presenting policy recommendations for modifying proposals or abandoning proposals that might be harmful. He considered the human rights approach critical to help illustrate the true gains of trade, and that trade liberalization in itself would not be enough for structural transformation. He summarized the nine recommendation points including: (i) ensuring broad consultation and participation in the CFTA negotiations and implementation, (ii) collecting data with a range of economic and social indicators, (iii) integrating and addressing disaggregated effects of trade and investment measures, (iv) explicitly recognizing women, (v) fully estimating potential revenue gains and losses, (vi) engaging in phased, layered and targeted liberalization, (vii) maintaining policy space. therefore resisting that CFTA provisions that undermine the ability of the government to implement future measures to ensure that human rights are respected, protected and fulfilled, (viii) ensuring adjustment mechanisms, and (ix) monitoring and evaluating CFTA impacts.

Simonetta Zarrilli, Chief of Trade, Gender and Development, UNCTAD noted the evolution in discussing the correlations between trade and human rights. She also appreciated the emphasis on trade and gender during the Global Review. She referred to complimentary initiatives in UNCTAD. First, the Trade and Gender Toolbox, launched during the Review, performed *ex ante* assessments of trade measures. She emphasized that trade measures were usually put in place without knowing the impact to specific groups in society with some shocks being painful for the losers. Referring to the strong concerns against trade and globalization, she was of the view that the HRIA study was going in the right direction to help make trade more inclusive and sustainable. She referred to recommendations 3, 4 and 5 of the study and appreciated the shift to identify the impact of specific segments of society. She also noted the importance of services, particularly for informal cross border traders such as toilet facilities for women at border points.

Deborah Vorhies, Managing Director, ICTSD reiterated that trade liberalization alone does not create equal gains for everyone. She emphasized that gender equality was key for stepping up the pace of economic growth but it was not automatic. She referred to the rise of different trade and production structures. For instance, 60% of trade takes place through global or regional value chains. She emphasized that intra-African trade could help to engage in these value chains. She also drew note to the rise of services trade and their role in African economies and emerging digital economy effects. However, she emphasized that the gains were not automatic and on occasions the inequality gap could grow and not narrow. Therefore it was important to look at the process and how human rights lead to sustainable development. She recommended the need to shape objectives in the broader context of the SDGs and to reflect the needs of civil society. She considered the report to be ambitious and comprehensive from an SDG perspective and suggested that the report could be studied further by identifying the gaps from a sustainability point of view. Lastly, she said the monitoring and evaluation aspect of the CFTA was critical.

During the discussion, questions and comments by a representative of the World Bank regarding women in informal cross border were addressed. The Simplified Trade Regime mentioned in the HRIA report would not be perfect and the need for capacity building for traders and border officials should be highlighted in a more prominent way. The Ambassador of Sierra Leone welcomed the report by underlining the difficulties of discussing trade and human rights at the WTO. SDGs and human rights would need to get the attention they deserve; however, the challenge remains on how to achieve this end.

In closing, James Thuo Gathii highlighted that the HRIA report was not the end, but rather the beginning of looking at various areas in trade from a different and human rights based perspective.

SESSION 51: Side Event: "Fostering Trade, Inclusivity, and Connectivity Through PTAs". Organizers: United Nations Economic and Social Commission for Asia and the Pacific, United Nations Economic Commission for Africa, United Nations Economic Commission for Latin America and the Caribbean, and United Nations Conference on Trade and Development

MODERATOR

› **Ben Shepherd,** Principal, Developing Trade Consultants

SUMMARY ON REGIONAL EXPERIENCES AND LESSONS

› **Asia and the Pacific: Mia Mikic,** Chief, Trade Policy and Analysis Section, Trade, Investment and Innovation Division, ESCAP

› **Latin America and the Caribbean: Jose Duran,** Chief, Regional Integration Unit, Division of International Trade and Integration, ECLAC

› **Africa: Heini Suominen,** Economic Affairs Officer, Regional Integration and Trade Division, ECA

PANEL DISCUSSION

› **Mina Mashayekhi,** Head, Head of Trade Negotiations and Commercial Diplomacy Branch, United Nations Conference on Trade and Development

› **Deborah Elms,** Executive Director, Asian Trade Centre

› **Francisco Rivadeneira,** Permanent Representative of Ecuador to the International Monetary Fund

› **Fousseni Kone,** Chamber of Commerce and Industry, Burkina Faso

› **Assad Bhuglah,** Director, Trade Advocacy for Africa and former Director, International Trade Division, Ministry of Foreign Affairs, Mauritius

OVERVIEW

Preferential trade agreements (PTAs) have a very important role to play in fostering trade and inclusivity. In recent times the increasing thrust on digitization in the elements of the PTAs has the added benefit of helping to facilitate connectivity. It is this perspective on the contribution of PTAs to the theme of the Global Review that was brought out in this side event.

PTAs are a very active area of trade policymaking today. While Asia-Pacific leads in terms of number of physical PTAs (169 in 2016), Africa (30) and Latin America (75) are becoming more active at an increasing rate. PTAs which include specific e-commerce chapters can be seen as an innovation with respect to the cross-border promotion of ecommerce. As part of a broader digital economy, cross-border e-commerce is a strong driver of inclusive trade and of connectivity. While as many as one-fifth of PTAs notified to the WTO include some provisions on ecommerce (WTO, 2017), these are not always sufficient, and more can be done to effectively address other inclusivity issues, such as consumer protection, privacy, internet neutrality, competition and data access, small value trade, etc. Proper formulation of the provisions could help PTAs deliver more inclusive trade and facilitate connectivity even more effectively.

This side event was co-organized by UNESCAP, UNECA, UNECLAC and UNCTAD and will draw on findings in their joint project on "Enhancing contribution of preferential trade agreements to inclusive trade". It will discuss experiences, lessons and recommendations on the formulation of relevant provisions and adjustment mechanisms in PTAs to promote greater inclusivity.

Short summary

The objective of the session was to investigate the linkages between trade liberalization and trade inclusivity through PTAs. At the outset, the representatives of UNESCAP, UNECLAC and UNECA presented the results of their studies on trade agreements and their impacts on trade, connectivity and inclusivity in their respective regions. Presenters highlighted the importance of accurate pre- and post-impact assessment of trade agreements to ensure that nobody was left behind while conducting such assessments. In doing so, tailor-made complementarity policies and trade adjustment assistance should be put in place. Following presentations, the panel discussion generated a constructive dialogue on comparison of public expectations and actual outcomes of trade agreements.

Main point raised by Presenters:

- Pursuing social policy objectives and achieving trade inclusivity and connectivity through PTAs is a demanding task.
- Close attention should be paid to closing the gap between the legal texts of agreements and their actual implementation.
- Social and economic impact assessment of trade agreements should be conducted beyond macroeconomic policy considerations and should include other social elements, such as, poverty reduction, gender equality, etc.
- Appropriate complementarity policies and trade adjustment assistance, such as, human capital and labour mobility policy, access to credits, mitigation policy, etc., should be put in place based on accurate impact assessment of trade agreements.
- Intra-continental (in Africa) trade agreements generated more gains from trade and promoted inclusivity, and thus diversification and industrialization.
- Raising awareness among private sector on details and opportunities of trade agreements is crucial.

Summary

Panel Discussion: How much should we expect from trade agreements? Do we risk overloading public expectations when we are not accurate and precise about our forecasts on impacts of trade agreements?

Mina Mashayekhi, Head of Trade Negotiations and Commercial Diplomacy Branch, United Nations Conference on Trade and Development stated that trade negotiations should be based on developmental needs. In her view, social policies, such as environmental, labour policy, etc. should not be dealt within the context of trade agreements. Instead, careful postimplementation mechanism should be put in place. She argued that artificial transition periods did not necessarily meet development needs. She also opined that trade agreements should allow for reversibility in cases of negative outcomes that cannot be dealt with by any instruments.

Deborah Elms, Executive Director, Asian Trade Centre remarked that political economy dimension of trade agreements should be taken into account in setting "expectations". The needs of those who lose from trade agreements should be addressed through domestic policies. She agreed that post-implementation political will was crucial. She was of the opinion that social and economic outcomes of trade agreements should be compared with actual textual content of such agreements to draw an accurate picture of the results.

Francisco Rivadeneira, Permanent Representative of Ecuador to the International Monetary Fund suggested that it was important to distinguish between different types of trade agreements (FTAs, Economic Partnership Agreements, etc.) when assessing their impact. He suggested that inclusivity through PTAs should be fostered through special and differential treatment provisions (as was the case of in the EU-Ecuador agreement).

Fousseni Kone, Chamber of Commerce and Industry, Burkina Faso was of the view that tailor-made capacity building technical assistance for the private sector is vital for the success of trade agreements. Such technical assistance should address the needs of private sector in developing countries to meet SPS standards, technical regulations and other NTBs in developed countries.

Assad Bhuglah, Director, Trade Advocacy for Africa and former Director, International Trade Division, Ministry of Foreign Affairs, Mauritius stated that capacity constraints among developing countries during and after negotiations of trade agreements were a major hurdle for inclusiveness. He also suggested that the physical (land, air, and sea) and digital connectivity needs of developing countries should be addressed in during the negotiation phase.

During the discussion, examples were requested of provisions in PTAs that could foster inclusivity. In reply, the representative of UNESCAP noted provisions on rules of origin, trade adjustment assistance combined with capacity building, and "graduation" provisions across different chapters in PTAs.

SESSION 52: Social Event: "Trade Facilitation". Organizer: Global Express Association

› **Carlos Grau Tanner,** Director General, Global Express Association

OVERVIEW

E-commerce is making it possible for micro, small and medium-sized companies to go global. The three members of the Global Express Association (DHL Express, FedEx Express and UPS) provide worldwide logistics services that can help MSMEs reach clients all over the planet.

Summary

A reception was held by the Global Express Association (GEA) at the end of day 2. Opening the side event, **Carlos Grau Tanner, Director General, Global Express Association** emphasized the role played by transport companies, courier services in particular, in shipping goods across the globe. With the e-commerce boom, shipping and transport activity was on the increase. Micro, small and medium-sized companies were now able to trade globally and reach clients all over the planet. This was made possible by transport and logistic services such as the ones provided by the GEA and its members.

DAY 3. 13 JULY 2017

SESSION 53: Plenary: "Enhancing Connectivity And Advancing The Sustainable Development Goals". Organizer: World Trade Organization

MODERATOR

› **Shishir Priyadarshi,** Director, Development Division, World Trade Organization

PANEL DISCUSSION

› **Fekitamoeloa Katoa 'Utoikamanu,** Under Secretary-General and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States

› **J S Deepak,** Ambassador, Permanent Representative to the World Trade Organization, India

› **Tomochika Uyama,** Deputy Director-General, Economic Affairs Bureau, Ministry of Foreign Affairs, Japan

› **Paulo Salesi Kautoke,** Head of Trade, Commonwealth Secretariat

› **Matthias Helble,** Senior Economist, Asian Development Bank Institute

› **Frans Lammersen,** Principal Administrator, Development Co-operation Directorate, Organisation for Economic Co-operation and Development

OVERVIEW

The penultimate plenary session looked at the different themes and perspectives that had emerged from the sessions held on the previous days of the Global Review. The discussion considered these insights in the context of the contribution that Aid for Trade makes to 2030 Agenda for Sustainable Development and the 17 Goals contained therein. Enhanced connectivity, supported by e-commerce and ICT adoption, offers significant opportunities for growth, development and job creation, particularly in sectors, countries and segments of the population that need the most support to participate in international trade. In particular LDCs and Small Economies, SMEs and women stood to benefit greatly from the trade cost reductions brought about by enhanced connectivity therefore helping make trade more inclusive and perhaps accelerating progress to achieving the SDGs. However, a lot of assumptions underpinned this "theory of change". assumptions that the panel were invited to critically discuss.

The monitoring and evaluation exercise for the 2017 Global Review highlighted how developing countries, donors and south-south partners view Aid for Trade as supporting the implementation of the 2030 Agenda for Sustainable Development. The 2005 Hong Kong Ministerial Declaration and subsequent Ministerial Decisions tasked the WTO to promote the mobilization of resources for developing countries and LDCs to build their supply capacity, strengthen trade-related infrastructure and stimulate their trade performance, notably with regards to their penetration of export markets. In order to maximize its benefits, Aid for Trade needed to be targeted, focused and predictable, going to where it was needed the most. In this way, capacity building for trade would help in accelerating achievement of the SDG targets that focus on sustainable economic growth; fostering industrialization, innovation and infrastructure; gender equality; reducing inequalities among countries; and increasing participation in world trade.

Summary

Shishir Priyadarshi, Director, Development Division, World Trade Organization introduced the session and speakers. In his remarks, he recalled discussions over the last two days of the Global Review ranging from the importance of Aid for Trade for the Sustainable Development Goals, implementation of the Trade Facilitation Agenda, gender, MSMEs and digital connectivity. He noted that the objective of the session was for the panellists to provide their views on the way forward for the Aid-for-Trade Initiative. He noted that the topics for Global Reviews tended to emanate from key messages harvested from the preceding Review.

Fekitamoeloa Katoa 'Utoikamanu, Under Secretary-General and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UNOHRLLS) noted that Landlocked Developing Countries and Small Island Developing States (SIDs) faced major geographical challenges that greatly impeded their access to markets and ability to integrate into global value chains. Landlocked developing countries and SIDs also had very limited broadband and internet connectivity that constrained their ability to benefit from e-commerce. The UNOHRLLS undertook comprehensive advocacy and outreach activities in support of the most vulnerable countries in the world. The UN office was also tasked to coordinate to follow-up implementation and monitoring of the three programmes of Action for LLDCs, LDCs and SIDs while also promoting coherence with the SDGs in these countries in an integrated manner. UNOHRLLS also undertook analytical work to address structural and geographical challenges and ensured that infrastructure, connectivity and digitalization were systematically mainstreamed into outcome documents. She recalled that SDG 8 called to increase Aid for Trade, in particular to LDCs as laid out in the Vienna and Istanbul Programmes of Action. She called upon development partners to increase Aid-for-Trade support to LLDCs and SIDs.

J S Deepak, Ambassador, Permanent Representative to the WTO, India stated that digital connectivity had been a game changer for India and a tool for economic empowerment. The mobile phone had transformed from merely a tool for communication to a tool of empowerment. The Digital India programme, led by the Prime Minister, intended to take high-speed broadband to every village in India over the next three years. On trade, e-commerce was growing by more than 35% per year, online trading platforms were offering services, manufacturing had grown due to the demand for smartphones, e-education, telemedicine and efficiency due to connectivity that reduced costs and meant that various SDGs came within grasp. However, he emphasized that connectivity was not enough; affordability and accessibility remained a problem. It was important to develop local content in local languages and to increase computer literacy. India was also working on two South-South cooperation projects. First, the pan-African e-network project worth US$15 million which connected 143 African countries and 5 Universities to five partner Universities and 10 medical centres in India through an optical fibre network. This had resulted in an improvement in e-education and telemedicine services in Africa. Second, the South Asian Satellite provided satellite connectivity to the seven South Asian countries. Finally, he noted that while India believed in the role of e-Commerce for development, it also considered that rule-making on eCommerce at the WTO was premature. Rulemaking would constrain policy space for developing countries.

Commenting on the presentation, Mr Priyadarshi reiterated the importance of digital connectivity as a tool for empowerment and suggested that the next work programme could focus on Aid for Trade as a tool for Economic Empowerment. He also noted the importance of highlighting the needs of LDCs, LLDCs and SIDs and requested that UNOHRLLS continue to communicate to the WTO the specific needs of this constituency.

Tomochika Uyama, Deputy Director-General, Economic Affairs Bureau, Ministry of Foreign Affairs, Japan noted that Aid for Trade was very important and was an important means to achieve sustainable development. Since trade was crucial for economic growth, Aid for Trade therefore could contribute to achieving all the SDGs. The emergence of GVCs in Asia had altered the way of making things and the meaning of trade and development. The connectivity revolution through ICT technology had played a fundamental role. In the last few decades, manufacturing production had surpassed borders through the creation of regional value chains. Today, more than two-thirds of trade within Asia are in parts and components, commonly known as "Factory Asia". FDI is also a major contributor to the transfer of technology to developing countries. In this regard, developing countries should focus on improving the business environment to attract FDI. More specifically, governments should engage in dialogue with the business community. In Viet Nam for example, the "Joint Initiative" had allowed the Government to listen to the bottlenecks faced by Japanese businessmen. By addressing these issues, Viet Nam was now one of the major manufacturing giants. He emphasized the importance of ownership by developing country governments of their needs to ensure Aid for Trade was meaningful. Finally, he referenced initiatives around the world working to create value chains and trade-led growth, including the Mercosur, the Pacific Alliance and African Union Agenda 2063. Japan was looking forward to work with Africa in line with its industrialization objectives.

Paulo Salesi Kautoke, Head of Trade, Commonwealth Secretariat stated that trade costs were 50% higher for small states and 100% higher of African LLDCs than the developing country average. Small states in Africa also had limited economic activity resulting in a bias in global shipping connectivity. Entry into force of the Trade Facilitation Agreement was an important step to help the small economies in tackling the issue of high trade costs. However, the TFA did not address some of the inherent disadvantages of small economies and Sub-Saharan African LLDCs including infrastructure to connect to ports. It was essential to use Aid-for-Trade support to develop trade infrastructure, implementation of the Trade Facilitation Agreement and to increase services trade capacity. However, support to TFA implementation should not substitute support to other trade-related needs.

Matthias Helble, Senior Economist, Asian Development Bank Institute highlighted the key messages from ADBI's recent book on the importance of trade in contributing to the SDGs. He noted that trade can contribute to improving access to medicines, education and clean water. Further, complementary polices were needed to ensure that trade was inclusive.

Frans Lammersen, Principal Administrator, Development Co-operation Directorate, OECD reflected on the past, present and the future of the Aid-for-Trade Initiative. The WTO had succeeded in establishing an inclusive policy dialogue between various stakeholders within the trade and development community based on transparency and accountability. The initiative had been flexible and covered numerous themes. The initiative had also succeeded in mainstreaming trade into developing countries' development strategies and donors were aligning their support around these priorities. Donor support had doubled since the start of the Initiative. There were now various empirical Aid-for-Trade case stories that showed how Aid for Trade worked to increase trade, export diversification and made a difference in the lives of men and women in developing countries. He reiterated how the SDGs called for more and better delivery of Aid for Trade. He emphasized that building trade capacity was a long term effort and the benefits of trade also took time to materialize. typically 10-20 years. It was important to look more closely at what was working, including the benefits of South-South Cooperation, engage the private sector as an actor, regional programs, financing modalities, binding constraints in different country contexts and to examine trade as a tool for transforming economies. There needed to be a renewed effort to convince the donor community that this was a worthwhile initiative and to remain engaged. To stay relevant, Aid for Trade needed to link to poverty reduction and achieving the SDGs. Further, he recommended that Aid for Trade focus on: geographically isolated countries as well as isolation within countries, access to finance, non-tariff barriers, and trade costs. Aid for Trade needed to scope in on issues relating to climate change and adaptation; services and mainstreaming gender. He concurred with Mr Priyadarshi's recommendation that the next work programme focus on Aid for Trade for Economic Empowerment.

In reply to a question from the moderator, Mr Priyadarshi, on the way forward, participants made the following remarks:

- **Tomochika Uyama, Deputy Director-General, Economic Affairs Bureau, Ministry of Foreign Affairs, Japan** recommended that Aid for Trade should also look at the issue of digitalization particularly on how it could increase SME's and women's participation in international trade, as well as, its linkages with investment liberalization to achieve industrialization.

- **Fekitamoeloa Katoa 'Utoikamanu, Under Secretary-General and High Representative, UNOHRLLS** noted that it was also important to coordinate the efforts of development agencies and the donor community in order use available resources in the most efficient manner.

- **J S Deepak, Ambassador, Permanent Representative to the WTO, India** emphasized that there was a need to increase Aid-for-Trade support to digital connectivity and services needs particularly in providing broadband infrastructure to the unconnected. Without focusing on these basic connectivity needs, many more would be left behind.

- **Paulo Salesi Kautoke, Head of Trade, Commonwealth Secretariat** stated that focus should be on inclusiveness particularly rural and urban areas, of small economies and LLDCs, and of women and SMEs. Aid for Trade to trade-related adjustment support should also be considered.

- **Matthias Helble, Senior Economist, Asian Development Bank Institute** also reiterated the need to focus on trade-related adjustment support.

In closing, Mr Priyadarshi noted the unanimity amongst the panel for the future work of Aid for Trade to focus on tools for holistic economic empowerment, poverty alleviation and inclusivity. In addition, the initiative should address geographical isolation (both international and national) and gender discrimination. Finally, he emphasized the importance of being innovative in forging partnerships and in demonstrating results.

SESSION 54: Side Event: "Book Launch: Trade and the Sustainable Development Goals: Achieving Win-Wins". Organizer: Asian Development Bank Institute

PANEL

- **Matthias Helble,** Senior Economist, Asian Development Bank Institute
- **Frans Lammersen,** Principal Administrator, Development and Co-operation Directorate, Organisation of Economic Co-operation and Development
- **Aik Hoe Lim,** Director, Trade and Environment Division, World Trade Organization
- **Ben Shepherd,** Principal, Developing Trade Consultants

OVERVIEW

The recently agreed Sustainable Development Goals are expected to guide development through the 2030 time horizon. The 17 SDGs cover many areas, such as poverty, health, sustainable development, and the environment; however, there is no specific SDG trade goal. The objective of this book is to demonstrate to the international development community, including policymakers in developing countries, the contribution that international trade can make to achieve the SDGs. This book maps out a triple-win scenario: when good trade policy spurs international trade, contributes to development-friendly outcomes, and supports achieving the SDGs.

Short Summary

The recently agreed Sustainable Development Goals are expected to guide development through the 2030 time horizon. The 17 SDGs cover many areas, such as poverty, health, sustainable development, and the environment; however, there is no specific SDG trade goal. The book "Trade and the Sustainable Development Goals: Achieving Win-Wins" was presented by its authors to demonstrate to the international development community, including policymakers in developing countries, the contribution that international trade could make to achieving the SDGs.

Summary

Matthias Helble, Senior Economist, Asian Development Bank Institute introduced the panel and presented the publication about how trade can help achieve the SDGs. He emphasized that the focus of the book was to understand trade as a means of implementation and to look beyond the income channel. He indicated that the first part of the book looked at the links between trade, poverty, hunger and inclusive growth. Part two was on sustainable growth and covered topics including climate change, sustainable fisheries, water and sanitation and food labelling. Part three covered the links between education, health and trade. Lastly, the book looked at other linkages such as urbanisation and infrastructure.

Aik Hoe Lim, Director, Trade and Environment Division, World Trade Organization discussed how the book was timely. Firstly, he indicated that the world economy had benefited from the momentum of freer trade, which had also worked as a vehicle for lifting millions out of poverty. However, that engine was slowing down and affecting growth. Secondly, there had been a certain backlash against trade and globalization with many people being left excluded from the gains from trade. Therefore, despite having lifted many people out of poverty, he wondered how trade could be more inclusive. He noted that such concerns were inter-related and one could not be addressed without the other. He mentioned that trade was not specifically cited as a goal in the 2030 Agenda but it was recognized as an important means of implementation. He emphasized that the book was useful since it gave expert evidence insights into how trade could support the SDGs and in some cases where trade could be a target. for instance elimination of fisheries subsidies and illegal and unregulated unreported fishing was a target and was under negotiations in the WTO under the rules negotiations.

He indicated that the Millennium Development Goals (MDGs) were often referred to in relation to the SDGs. He said the MDGs were launched during a period of rapid globalization; and trade had grown at twice the rate of economic output, which was no longer the case. He emphasized that up to US$7 trillion would be needed to finance the SDGs through to 2030. In this regard, he believed that trade could play an important role in financing the achievement of the SDGs.

He referred to education being one of the goals in the SDGs, which he indicated as another overarching cross-cutting goal. He emphasized that people would need to have the tools, knowledge and skills to compete in the global economy. In this regard, he raised the question as to whether trade could do more to boost education services. an integral backdrop to his chapter. He noted that trade agreements and services could often be used to try to attract FDI, reduce barriers to entry, drive efficiency, enlarge choices, and improve infrastructure. He stated that education was also a public good and was needed to attain social objectives. Therefore, it would be important to look at a balance between using trade agreements to improve education services. He suggested looking at the modalities by which education services could be traded. He recognized that there were more commitments particularly in preferential trade arrangements (PTAs) on services. He suggested looking more deeply at the regulatory framework that would be needed to accompany the opening of education services and the commitments taken in education services agreements.

Ben Shepherd, Principal, Developing Trade Consultants mentioned that he felt there was an opportunity to make good trade policies that promoted economic efficiency and reduced distortion, but it could also be a win-win for sustainable development, thus promoting inclusivity, environmental sustainability, and gender inclusion, all of which had prominence in the SDGs. He noted that trade was not a goal in the SDGs, and that trade was never and would never be an end in itself. Therefore, it would always be a means of implementation and a means of doing something. He raised the issue on the number of ways to produce different results and analyses, which could understate the true level of impact of trade on consumers and producers. For instance, focusing solely on tariffs would not necessarily indicate the binding constraint on exports. Furthermore, there was no such tracking of non-tariff measures in the SDG process.

His other motivation to collaborate with the authors for the book was related to non-income linkages. He believed that trade could help produce income growth, which could subsequently help produce sustainable and inclusive development. However, he recognized that the development discourse would not necessarily support the view that trade could lead to income growth. In this regard, he expressed the importance of illustrating that good trade policies could help promote development in many ways. He gave the example of the trade policies in health, which he considered to be restrictive, including import bans on pharmaceutical products thus resulting in difficult access for important health products for many countries.

Frans Lammersen, Principal Administrator, Development and Co-operation Directorate, Organisation of Economic Co-operation and Development expressed the importance of the book for many reasons, including the timely publication of the book in light of the current backlash against trade. He referred to the Addis Ababa Action Agenda, as well as the previous Financing for Development Agendas in which trade was integral for development. He indicated that the importance of trade as the largest source of foreign currency for developing and least developed countries. He invited the authors to also present the book at the OECD, since he felt that it was an important basis for knowledge. He also suggested translating it into something more accessible for civil servants, including infograms.

A comment was raised from the floor to include tourism in a revised version. A participant expanded on a point raised by the panel about the effects of trade barriers on products such as health and referred to a study that indicated additional deaths caused by trade barriers on goods like mosquito nets. Therefore by simply reducing tariffs on goods such as mosquito nets could save a number of lives.

A question was raised on what recommendations could be made to WTO Members on moving the trade and gender agenda forwards. Moreover, a further comment was mentioned to the panel for a further understanding on the focus of the book. A final question questioned how trade could help resolve issues such as fishing subsidies.

Ben Shepherd referred back to the point raised on mosquito nets and said that it would be hard to identify in trade data what could be a mosquito net and what could be a related type of netting. In terms of women and trade, he mentioned that many organizations had become very focused on the link between women and trade. He referred to the Chapter that focused on women's roles in the trading economy as producers, workers, consumers' cross-border traders and also as business owners. He noted that the UNCTAD Toolbox was a great step forward, and future advancements could be made in relation to the labour market, consumption and ownership. He mentioned that many countries did not collect statistics on production and consumption disaggregated by gender. Therefore data should be a number one priority.

Aik Loe Him referred to the WTO negotiations related to eliminating and prohibiting fishery subsidies and over fishing, illegal, unreported and unregulated fishing. He noted that there were also discussions about waste in general. a problem for fish and more broadly for resources. He said that it was important to look at the effects of trade in an evidence-based way and in terms of what makes good policy. He expressed that when seeking to promote use of a certain good or service, it would not make sense to impose high punitive tariffs.

Matthias Helble agreed that a certain degree of openness could help growth and add more productivity. He recognized that some people had been left behind and that there had been a backlash to globalization in the developed world. He emphasized the importance of coming together with public health experts.

A final question was raised from the floor on why the trade community was not more involved in the practical process of formulating the SDGs. Ben Shepherd noted that there had been an issue of communication as well as what he termed "bureaucratic history". He mentioned that the climate was different when formulating the SDGs and this had been more of a political negotiation in comparison to the MDGs, which had been more of a technical exercise.

SESSION 55: Closing plenary. Organizer: World Trade Organization

OVERVIEW

The plenary session provided an opportunity for Members and Observers to make formal statements on the theme of "Promoting Trade, Inclusiveness and Connectivity for Sustainable Development" and to offer views on the future direction of the Aid-for-Trade Initiative.

This session was presided by the Chair of the World Trade Organization Committee on Trade and Development, Taonga Mushayavanhu, Ambassador, Permanent Representative of Zimbabwe to the World Trade Organization.

Director-General Roberto Azevêdo offered concluded remarks after the interventions by Members and closed the Aid for Trade Global Review 2017**.**

Summary

Taonga Mushayavanhu, Ambassador, Permanent Representative to the WTO, Zimbabwe and Chair of the WTO Committee on Trade and Development, noted that the Aid for Trade Global Review 2017 had brought together a diverse group of Ministers, Heads of Organizations, and trade and development professionals. He referred to the enriching discussions that had taken place over the three days on the theme of "Promoting Trade, Inclusiveness and Connectivity for Sustainable Development". He highlighted some key messages. First, he mentioned that enhanced connectivity could offer significant opportunities for growth, development and job creation, particularly in sectors, countries and segments of the population that needed the most assistance to participate in international trade. It could make trade more inclusive and could accelerate progress in achieving the Sustainable Development Goals. Second, digital connectivity intertwined with physical connectivity. He urged Members to start considering digital connectivity as a trade cost and to discuss how Aid for Trade could help meet the infrastructure needs in developing countries, particularly for landlocked developing countries. Third, he emphasized how connectivity and trade could contribute to women's economic empowerment and that it was important to consider the gender dimension, particularly in trade policy formulation. Lastly, he drew attention to the need to boost capacity to produce tradeable goods and services, the need to industrialize, the need for technology transfer, the need to train and the need for equitable trading terms.

China, speaking on behalf of the Friends of Investment Facilitation for Development (FIFD), mentioned that 12 years had passed since the launch of the Aid-for-Trade Initiative in 2005, which had proven to be very successful in terms of providing support and building trade capacities to the developing Members and least developed countries in the WTO. The representative stated the task of achieving the SDGs would require more comprehensive and multidimensional coordination among WTO Members. He referred to the workshop on investment facilitation for development that had taken place immediately prior to the Global Review, during which there was a consistent message that trade, investment and development were closely interlinked and were mutually reinforcing. He indicated that in the process of globalization, the essence of FDI had changed from the flow of capital to the flow of information and knowledge; and that FDI was a catalyst for urbanization, industrialization and inclusion into global value chains. In this regard, he suggested that aid for investment could become equally important to ensure inclusive development. He informed participants that FIFD was a group with an open mandate and that promoted informal dialogues on investment facilitation for development in the WTO. FIFD Members shared the conviction that investment itself meant development and that the multilateral coordination on investment facilitation could create a win-win for both the investor and recipients. He referred to the categories of investment identified by UNCTAD: investment liberalization, promotion, protection and facilitation. He noted that investment facilitation could be discussed multilaterally, as it would not impact governments' right to regulate. He mentioned that ongoing open-ended dialogues were taking place with a focus on exploring the possible role of the WTO in facilitating investment and providing aid to those Members in need. He encouraged all WTO Members, in particular developing country Members and LDCs, to be open minded to this dialogue, which provided an opportunity to share ideas on investment.

The representative of Cameroon expressed appreciation for the Global Review. It had given his delegation renewed insights on connectivity. Cameroon's wish was that more should be done to allow developing countries to find their place in international trade. He then recalled a few elements that had been brought up by his delegation during the Global Review preparations. Industrialization needed to remain at the core of work. It was through industrialization that developing countries' efforts would gain value. In an April 2017 press release, the WTO Secretariat had raised the fact that exports from developing countries had increased in volume, but not in value. The equation formed by industrialization, product valuation and value chains made the whole difference. Cameroon had shared the idea for a review to take place before the launch of the 7th Global Review of Aid for Trade. This review would consist in a holistic approach on monitoring and evaluation, by the Committee on Trade and Development and by the General Council, to examine the perspective of the Aid-for-Trade's Initiative's objectives as initially elaborated in the task force. The review would necessarily include the whole preparation process, as well as its periodicity. These points that Cameroon had raised, he wished to reiterate so that they could be duly taken into account, prior to launching preparations for the 7th Global Review of Aid for Trade.

The representative of India noted that the Global Review had highlighted some important elements. He referred to the At a Glance Report and mentioned key take away messages: (i) the importance of addressing traditional physical connectivity constraints in order to unlock the opportunities created by digitalization and digital trade; and (ii) the digital divide meant that 3.9 billion people did not have access to the internet, many of whom lived in LDCs. He said that the digital divide could also be viewed as a market access divide with digital connections as a trade cost. He mentioned that India attached importance to the 2030 Agenda for Sustainable Development and the overarching objective of poverty eradication. He was encouraged by the growth of South-South Cooperation and informed participants that India had provided development assistance to partner countries through lines of credit, grant assistance projects and capacity building programmes. Since 2005, 243 lines of credits on concessional terms had been extended to LDCs and developing countries in Africa, Asia and Latin America in various sectors, of which US$9.32 billion had been allocated for African countries and US$14.88 billion for non-African countries. Moreover, he informed participants that under the Indian Technical and Economic Cooperation and other schemes, 12,900 training slots had been offered to 161 developing countries from 2017 to 2018.

Initiatives to strengthen cross-border connectivity with India's neighbours were making progress. For example, in order to enhance connectivity with Myanmar, as well as the ASEAN region, physical connectivity from India to Thailand was being established through a 1,360 kilometre trilateral highway starting from Moreh in Manipur to Mae Sot in Thailand and through Mandalay in Myanmar. An example of India-Africa Cooperation was the Pan-African eNetwork project launched in February 2009, which provided tele-education and telemedicine services by linking educational and medical centres in India with their counterparts in 54 African countries. South-South Cooperation could complement North-South Cooperation but could not substitute it. Unlike South-South Cooperation, which was voluntary, North-South Cooperation was an obligation and essential to enable developing countries to reach internationally-agreed development goals within their agreed timelines; this included the long-standing commitment to bring developed country's ODA levels to 0.7% of their GNI.

The Hong Kong Ministerial Declaration had clearly stated that Aid for Trade could not be a substitute for the development benefits that would result from a successful conclusion to the Doha Development Agenda, particularly on market access. He said that successful conclusion of the Doha Round was a shared responsibility of all WTO members. He mentioned that the Aid-for-Trade Task Force in its 2006 report emphasized that additional, predictable, sustainable and effective financing was fundamental for fulfilling the Aid-for-Trade mandate, in particular to enable developing countries, particularly LDCs, to use trade more effectively to promote growth, development and poverty eradication and to achieve their development objectives. He also noted that the Task Force had mandated the Director-General to consult on appropriate mechanisms to secure additional financial resources for Aid for Trade so that the joint mandate in Paragraph 57 of the Hong Kong Declaration could be implemented in a holistic manner. He stated that the donors had also made pledges at the Hong Kong Ministerial and the Gleneagles Summit in 2005 and that aid flows would increase to US$50 billion per annum by 2010. However, he said that according to the Aid for Trade at a Glance 2017, only US$333.1 billion had been disbursed for financing AidforTrade programmes and projects since the launch of the Aid-for-Trade Initiative, which was quite less in comparison to pledges of US$50 billion per annum made in Gleneagles.

He considered that holding biennial Global Reviews of Aid for Trade without strong evidence of additional, predictable, sustainable and effective financing could reduce their meaningfulness. In his concluding remarks, he supported the statement by Cameroon on the way forward and reiterated India's position as indicated in the Dedicated Session of the Committee on Trade and Development (CTD) on the Aid for Trade in February 2017. Before the launch of the next Global Review, India hoped to have a holistic review of the entire Monitoring and Evaluation exercise by the CTD and the General Council in light of the objectives of Aid for Trade, including the preparatory process and the frequency of the Global Review.

The representative of the Republic of Korea expressed his appreciation to the WTO Secretariat for the excellent preparations of the Global Review and that it had provided a valuable opportunity to take stock of Aid for Trade, how Aid for Trade could help promote trade, inclusiveness and connectivity more effectively and how it could contribute to achieving the 2030 Agenda for Sustainable Development. He informed participants that Korea had hosted a regional workshop on promoting connectivity through trade facilitation and Aid for Trade in Incheon, Korea from 27 to 28 March 2017, during which there were discussions on Aid-for-Trade efforts at regional and sub-regional levels. Moreover, he said that Korea had been providing Aid for Trade to assist developing countries with customs modernization and trade facilitation. He stated that from 2000 to 2015, Korea was ranked the seventh biggest donor of Aid for Trade, and it accounted for around 45% of Korea's total ODA. He informed participants that Korea's AidforTrade programme was mainly focused on building trade-related infrastructure, modernizing customs administration, and supporting the implementation of the Trade Facilitation Agreement. In addition, he mentioned that Korea had contributed US$1 million to the second phase of the Enhanced Integrated Framework. In his concluding remarks, he emphasized that Korea was committed to continuing its efforts to help build trade capacities of developing countries and that Korea would also ensure that positive outcomes of Aid for Trade would lead to a greater participation of small and medium-sized enterprises (SMEs) in international trade and to promote women's economic empowerment, thereby contributing to achieving the SDGs.

The representative of Japan congratulated the Secretariat for the success of the Global Review, which he believed was held at a critical juncture and noted the timely theme of "connectivity". He indicated that the Global Review was held for the first time since the adoption of the 2030 Agenda for Sustainable Development. He stated that the SDGs were common goals for the international community at which Aid for Trade was directed. He said that economic growth expanded the resources of the country, ultimately becoming the necessary foundation for the enhancement of human security and the eradication of poverty and hunger. Second, he stated that it was held at a time of the growth in protectionism and increased global scepticism about trade. He said that in order to ensure inclusive trade, Aid for Trade should continue to play an important role.

He noted that promoting trade facilitation and digital trade would contribute to improving connectivity was widely discussed during the Global Review. Moreover, he reaffirmed the importance of combining various elements such as hard infrastructure, human resource development, regulatory framework and gender empowerment. He stated that Japan was a top donor country of Aid for Trade and had provided assistance amounting to more than US$45 billion between 2006 and 2015. For instance, Japan was providing comprehensive assistance, including in the areas of productive capacity building, as well as trade policy and regulations in order to meet the needs of the recipient countries. He informed participants that Japan had recently made an additional contribution to the WTO Global Trust Fund for the second time this year amounting to approximately CHF450,000. He mentioned that Japan would continue providing Aid for Trade to developing countries, including LDCs, though various initiatives such as High Quality Infrastructure, One-Stop Border Posts and the One Village, One Product movement.

He informed participants that Japan would be implementing the pledge, announced by Prime Minister Abe at TICAD VI last year, to provide support of US$30 billion, including private investment to Africa. He hoped this would help African countries to pursue their strategic visions envisaged in the Agenda 2063. He also reiterated that mobilization of private resources, including FDI, played important roles in areas such as trade facilitation and digital trade, and that a good investment environment including policy consistency and transparency was critical. He hoped that the ownership by developing countries and the catalyst effect of Aid for Trade would create good synergies and lead to sustainable economic growth.

The representative of Zambia congratulated the Chairman for successfully convening the Global Review. She commended and thanked the Director-General for his continued commitment and leadership in ensuring that issues of interest to LDCs remained relevant to the regular work of the WTO, and the Agenda for MC11. She stated that the Global Review provided an important platform for Members and development partners to deliberate on ways and means of addressing supply-side capacity and trade-related infrastructure constraints affecting many developing countries, in particular the LDCs. She referred to the 2017 At a Glance Report, which highlighted a number of challenges faced by many developing countries. She noted that most LDCs had a long way to go to graduate due to the uneven progress in the levels of development and that current efforts were being hampered due to climate change, poor trade relations, poor connectivity, high cost of doing business, poor infrastructure and low productivity. She expressed that on the resourcing front, the noticeable decline in both multilateral and bilateral donor commitments was a concern for many LDCs. Real impact could only be attained if Aid-for-Trade initiatives were adequately resourced, sequenced and implemented according to national and/or regional priority needs. She said that there was a need for concerted effort at a national and global level. For example, Zambia being both landlocked and an LDC had a greater need for huge resources outside of the national budget to finance large scale infrastructure projects. She indicated that effective implementation of Aid-for-Trade resources could bring about a lasting impact on the beneficiary countries, especially LDCs and LLDCs which had greater resource needs.

Going forward, she mentioned that effective and successful implementation of the AidforTrade Initiative would require a well-coordinated approach among development partners and aid recipient countries. She expressed that there was a need for an integrated, systematic and coherent process that could provide a more reliable platform for discussions aimed at addressing any specific gaps which may occur in the course of implementing the Aid-for-Trade Initiative. She suggested that development partners could base their support on priority needs, projects and programmes identified by developing countries and LDCs, as well as by their potential merit in relation to the objectives of the Aid-for-Trade Initiative.

She called for increased efforts to improve infrastructure, services, technology and innovation to support genuine and pro-poor growth. She noted that true structural transformation would only occur when these concerns were adequately addressed. Therefore, she urged concrete commitments to increase financial and technical assistance to LDCs. Furthermore, she mentioned that there was a need to continue to support efforts directed at integrating and mainstreaming Aid-for-Trade initiatives into national planning frameworks.

She informed participants that Zambia had moved from sectoral based planning to an integrated development approach through the National Development Planning Process and referred to the recently launched 7th National Development Plan 2017, which recognized the multi-faceted and inter-linked nature of sustainable development and called for interventions to be tackled simultaneously through a coordinated approach to implementing development programmes.

In addition, she said that the Government recognized the need to put in place a unified trade policy review framework for assessing progress not only for the implementation of the Aidfor-Trade Initiative, but also for other global development initiatives that had been recently adopted and were all closely linked. In conclusion, she reiterated that Zambia remained resolute and committed to the cause of ensuring that LDCs could move out of this category.

The representative of Mali, on behalf of the Cotton-4 countries, thanked the WTO and its collaborators for the success of the Global Review. He thanked the development partners for having contributed to the financing of development programmes since the last Global Review in 2015. He noted that progress had been made, but a lot still remained to be done. He referred to the 2015 Ministerial Declarations in which Members underlined the important link between Aid for Trade and the question of cotton, as well as financing programmes and projects linked to cotton. He informed participants about the "Route Programme on Cotton", which emphasized the importance of value chains and connectivity. It had been initiated by the C-4 and officially launched on 20 April 2017 in Cotonou, Benin. He welcomed the contribution of Members to implement the programme through Aid for Trade and the EIF. He informed participants that the final documents would be circulated to partners in the near future.

The representative of Chinese Taipei expressed his appreciation to the WTO Secretariat for organizing the Global Review. He informed participants that Chinese Taipei had disbursed a total of US$303 million on ODA in 2016, and that more than 25% of this was devoted to improving the economic infrastructure and production systems in recipient countries. In 2015 and 2017, he noted that Chinese Taipei had made additional voluntary contributions totalling US$200,000 to the Advisory Centre on WTO Law (ACWL), which was also an expression of their appreciation of the high quality of legal advice and training courses provided by the ACWL to developing country Members and LDCs.

He referred to the Aid-for-Trade side event hosted by Chinese Taipei, which was designed to communicate and to discuss "E-Commerce, Connectivity and Development". He said that participants had considered the general problem of the "digital divide" and raised the specific problem of cyberspace trade barriers (CTBs), which tended to be applied in the early stages of etrade transactions. Moreover, he shared some experiences from their own e-commerce projects in Latin America. In Guatemala, for example, their technical assistance team had set up an "ecommerce online platform" for the Association of MSMEs in the Tourism Industry. This had enabled travel agencies to advertise their tour packages on their websites and to attract new foreign tourists through the internet. Moreover, Chinese Taipei had also helped a further 15 MSMEs in other industries to design their own websites, and provided them with special training programmes. As a result, they had made new e-commerce transactions worth US$1 million from 2011 and 2012. In the Dominican Republic, Chinese Taipei had also provided expertise and capacity to build e-commerce online platforms for the Bamboo Marketing Association and the Metal Processing Industry. These projects enabled both industries to promote their businesses online and helped local MSMEs in these two industries to expand their markets.

He mentioned that connectivity to the world of e-commerce was the most important challenge to be overcome. He suggested that the elimination of CTBs at all stages of e-trade transactions, as well as the establishment of reciprocal and equal access to the Internet for every WTO Member would be the only way to ensure that developing and LDC Members could have the chance to enjoy the future benefits of e-commerce, and to participate in global value chains.

In his concluding remarks, he reaffirmed Chinese Taipei's commitment to the Aid-for-Trade Initiative and that they stood ready to work with development partners to help facilitate connectivity to e-commerce, to help establish a trading environment of reciprocal and equal internet access for all, and to advance the integration of developing country Members and LDCs into the multilateral trading system, which he considered key to achieving the 2030 Agenda for Sustainable Development.

The representative of Norway emphasized that the themes had been well chosen and that the discussions during the Global Review had been extremely interesting and enlightening. He posed the question as to how to promote trade inclusiveness and connectivity for sustainable development. He indicated that the 2030 Agenda and the SDGs were the roadmap to the future, also in terms of managing globalization and trade. However, he said that this roadmap would show the right direction but would not take us there. In this regard, collective efforts would help Members to achieve the SDGs.

The Norwegian Government had published a paper on the SDGs and the Norwegian Development Policy, which elaborated how Norway would contribute to these goals. He indicated that Aid for Trade was an important part of Norway's response. He emphasized that digital connectivity could provide opportunities for inclusive trade and job creation in developing countries and he reiterated the importance to work on regulations and predictable frameworks, as well as private investment. He said that enhancing developing countries and LDCs capacity on digital trade should be key when discussing connectivity, as well as ensuring access for all to digital infrastructure and low cost ICT products. He referred to the recent Information Technology Agreement (ITA) Symposium, which had illustrated how entrepreneurs in developing countries could enter GVCs as they have access to duty-free ICT products through their government's participation in the ITA. He noted that the majority of these entrepreneurs were MSMEs.

Members' work towards assisting developing countries and LDCs to climb the value chain should include a particular focus on ensuring equal access for both men and women to reap the benefits of digital connectivity. He said that inclusive trade meant paying special attention to ensure that women could take part in and benefit from digital trade at the same level as men. Moreover, he stated that expanding trade and promoting the multilateral trading system under the WTO were important parts of the 2030 Agenda. He stated that trade and foreign investment were drivers in the global economy and that transparent and predictable policies were key to achieving more trade and more foreign investment, which could lead to economic growth and sustainable development. He emphasized the continued support for the multilateral trading system, as well as demonstrating the will to stand up against protectionism was more important than ever.

The representative of Zimbabwe thanked the Secretariat for organising a successful Global Review. He took the opportunity to thank development partners for giving Zimbabwe assistance in the area for Aid for Trade within the various frameworks of South-South, NorthSouth and Triangular cooperation. He said that for most developing countries, the focus should now shift towards value chain support so that producers in developing countries could link to national, regional and international value chains, which would have a positive impact on small producers, as well as SMEs, in domestic, regional and international trade participation. He believed that value chain support was an important stepping stone towards inclusive and sustainable industrialisation, as well as poverty eradication. In his concluding remarks, he mentioned that the Global Review had also highlighted the challenges faced by landlocked developing countries, such as the high cost of ICT connectivity. In this regard, it was important to develop initiatives that addressed the vulnerabilities of LLDCs so that they were not left out from the benefits of trade.

Axel Addy, Minister of Trade, Liberia, mentioned that he had participated in sessions during the Global Review that showcased how Aid for Trade could help advance the 2030 Agenda for Sustainable Development with much emphasis placed on women's empowerment. He said that he was honoured to be back in Geneva to speak at the Global Review albeit this time as the 163rd Member of the WTO. He noted that Liberia valued its Membership to the WTO and the process of accession had served as a blueprint, roadmap and a foundation to build on the full transformation of Liberia's economy. He indicated that Liberia would ensure full integration into the multilateral trading system by implementing a reform agenda that would improve the business climate and by ensuring that transparency and predictability in the way business is conducted. He emphasized that the process to accession had taken over eight years and he hoped that in 25 years' time the future Minister of Commerce from Liberia would be standing in the same room stating that Liberia was one of the largest exporter of oil palm products, rubber products and a destination for tourism.

Trade mattered more than ever in the history of our world. Healthy competition, predictable and transparent trade could showcase innovation, particularly since he felt that too many innovators were operating in an invisible economy with no desire to come from the shadows of informality and tap into the many opportunities that could take their production to scale. However, he mentioned that Aid-for-Trade initiatives had brought to light some of the many innovations often traded in the informal sector. He emphasized how innovation could facilitate sustainable livelihoods for vulnerable populations, particularly for women and youth.

Some of the biggest champions of trade were rethinking their positions in the world, whether to look within for strength or to continue to look outward. Fundamentally, with the advancement of technology and with so many innovations, policy makers were questioning the value of trade and the protection of jobs. He believed that integration across our borders was necessary for growth and survival. He emphasized that trade should foster the transformation of the people and that the quality of trade mattered more now than ever, as it could be a vehicle to ensure that no person would be left behind. He said that Aid for Trade should ensure that countries, in particular the least developed, could catch up in their readiness to compete globally. He stated that the world was divided only by borders, as technology had brought us closer than ever. In this regard, connectivity had allowed innovators to leap-frog their operations into multinational corporations such as Google, Apple, Samsung and Alibaba. He took the opportunity to applaud the innovators present at the Global Review that were driving hope. He gave the example of young entrepreneurs, including an entrepreneur selling waste palm coconut shell as a product for biofuel companies in Portugal and another entrepreneur who was beginning to process spices to export to markets in New York.

In his concluding remarks, he took the opportunity to extend his gratitude to the DirectorGeneral, who stayed true to his words during the Bali Ministerial when he assured President Ellen Johnson Sirleaf that Liberia would become a Member at the Nairobi Ministerial Conference in 2015. He said that Liberia remained committed to the organization.

The representative of United States said that his delegation had learnt a lot and had benefited from the interactions during the Global Review. He noted that this year's Global Review focused on trade, inclusiveness and connectivity for sustainable development and built on the theme of reducing trade costs in the 5th Global Review. He stated that the Global Review helped to expand his delegation's understanding on trade costs in the digital domain and allowed participants to reflect on the changing nature of trade. He recognized the importance of mainstreaming gender and women's empowerment as a cross-cutting theme during the Global Review.

He referred to the At a Glance Publication, in which it noted that digital networks could be another avenue for developing countries to connect to global trade. He said that digital connectivity was pertinent to other modes of physical connectivity such as air, sea, road and rail.

The United States had hosted a side event on new trends in the digital economy, connectivity innovation and assistance. He said that during the session, participants had reflected on how business transactions, including cross-border transactions would increasingly depend on the internet and access to information communication technology (ICT). Companies that could sell their products and services online were more likely to export, which underscored the importance of the digital economy as a driver of innovation, competitiveness, growth and trade. It also highlighted the challenges related to connectivity, affordability of ICT goods and services, establishing a digital presence, trade facilitation, and the enduring challenge of logistics. The panel discussed how the work of USAID and its partners were adapting to the ever-changing digital landscape to help expand digitally-enabled trade in the developing world.

He was pleased that the Global Review continued to focus on implementing the Trade Facilitation Agreement, which had entered into force earlier this year. He noted that the thematic session and related side events during the Global Review reinforced the importance of the TFA to advance development outcomes in the trade sphere. He said that since the TFA had been concluded in 2013, US Aid agencies had been magnifying their focus on trade facilitation and in particular helping developing countries to implement their commitments, particularly through the Global Alliance for Trade Facilitation. The Alliance illustrated that private sector voices were critical to trade facilitation reforms and that it utilized their insights for country selection, problem identification, technical solution and monitoring the impact of assistance activities through the real experience of traders at the border. He noted that presently the Alliance was working in Colombia, Ghana, Kenya and Viet Nam, and there were several more countries in the pipeline. In his concluding remarks, he thanked the Director-General and the Secretariat for putting together a successful programme. He looked forward to engaging with other to build on the work showcased during the Global Review and to work towards the next review in 2019.

The representative of European Union thanked the Director-General, the Secretariat and the Development Division for their efforts in organizing the Global Review, as well as the monitoring and evaluation exercise. She referred to the statement made by Neven Mimica, Commissioner of International Cooperation and Development, European Commission during the Global Review, who highlighted the EU's strong commitment to the multilateral trading system and to Agenda 2030, and also presented elements of the EU's new consensus for development and external investment plan.

Aid for Trade had an important role in ensuring the benefits of participation, growth and prosperity from trade were distributed in an inclusive and sustainable manner. It was extremely important that Aid for Trade contributed to a positive narrative for trade in general. She also emphasized the importance to monitor and evaluate the successes and to tell the positive stories in a visible and meaningful way through case stories and quantitative reporting. This would allow Members to look forward, to take stock and to ensure that the Initiative would stay relevant. She highlighted three areas of discussion during the Global Review: (i) the need to connect the excluded, (ii) the need to support SMEs, and (iii) to address the issue of economic empowerment of women and young people. She reiterated that it had been recognized by most speakers that digitalisation and e-commerce had potential to contribute across the board to all these aims.

In her concluding remarks, she congratulated the WTO Secretariat and the OECD for selecting a very relevant theme that had borne fruit in terms of other themes. She looked forward to future discussions and Aid-for-Trade work to ensure that it would continue to contribute to inclusive, sustainable, economic empowerment and trade.

Aja Fatoumatta Jallow Tambajang, Vice President, The Gambia thanked the Secretariat for providing The Gambia with the opportunity to reposition itself from a difficult situation. She thanked donors for their support and emphasized that The Gambia was ready to embrace Aid for Trade in a transparent way and to improve their human development index, which had been stagnant for the past ten years. She said that The Gambia was committed and was putting people at the centre of its development. She said that 52% of the population was composed of women and 60% were youth, most of whom had left for the diaspora due to the economic situation and lack of employment. However, 6,000 young people had come back in light of the enabling environment that was recognized for its democratic values.

She indicated that women had been left behind for too long. In this regard, she emphasized the importance of women empowerment, as well as those marginalized including farmers and entrepreneurs. She highlighted specific challenges for The Gambia including infrastructure and capacity building. She said that The Gambia was a small country with talent and ingenuity, which needed to be supported and strengthened so that the people could have ownership of development. She emphasized that for a long time, The Gambia had been dependent and she hoped to transform that dependence syndrome. She recalled that the side events during the Global Review had helped strengthen The Gambia's position and political commitment. She emphasized that women were now being put at the forefront and the President attached high importance to women's empowerment. She said that transparency and good governance was The Gambia's hallmark, and the next hallmark would be competence. She hoped that the international community and regional bodies would accompany her country towards development through capacity building in a transparent and people-oriented manner and respond to the needs and reality of The

Gambia and the world as a whole. In her concluding remarks, she noted that she would ensure that her delegation would follow up on their commitments made during the Global Review. Moreover, she hoped to have a platform to interact with WTO Members and exchange ideas moving ahead. Lastly, she emphasized that The Gambia was ready with strategic plans to put her country back on the map.

The representative of Pakistan noted that Aid for Trade was a good reminder of the commitment to development and provided guidance for future course of action. He stated that with more than 75% of Members being developing and LDCs, development was an integral part of the WTO's work and that Aid for Trade was a key way for operationalizing this commitment. He indicated that Pakistan greatly appreciated the Secretariat and partner institutions for their excellent knowledge management and logistic coordination. His delegation had experienced valuable experience-sharing and a clear articulation of expectations of LDCs and developing Members that they had from development institutions and the multilateral trading system. He noted that, in total, there were 55 sessions on trade, inclusiveness, connectivity and sustainable development, an estimated 40% of which had digital connectivity and e-commerce as a key component. A majority of the sessions culminated in highlighting the key linkage of Aid for Trade with e-commerce, investment facilitation, MSMEs, inclusive trade and SDGs. In his concluding remarks, he mentioned that with the WTO being a Member of the Geneva Gender Champions, he hoped to ensure that in the future Aid-for-Trade planning, there should be no gender blind panel.

The representative of Rwanda noted that the Global Review offered an opportunity to Members and regions to share experience both on physical and digital connectivity, as well as the impact on reducing trade costs and competitiveness. He summarized key take away messages from the Global Review including on the digital divide, the importance of bearing in mind the benefits of connectivity, the need to continue developing digital infrastructure and to ensure that the private sector was connected.

He remarked on the definition of digital industrial development and he said that empirical evidence showed that the digital market was highly concentrated and that only a few companies worldwide were dominating the digital market, specializing in management and development of data centres and exploiting big data. He noted that only a few developing countries were able to catch up. Moreover, he mentioned that Members did not know what kind of digital industrial policies could be adopted to catch up. He believed that the digital economy was evolving dramatically but unevenly, and that the disruptions that would be associated with the fourth industrial revolution were not yet known. In this regard, he indicated that defining roles in this area appeared to be premature. He said that there was no priority as to whether some suggested rules would be able to catch up or would further marginalize new comers. He suggested focusing on the development of e-commerce at an international level and regional level so that the private sector could catch up and continue discussion in the e-commerce work programme.

He mentioned that many countries shared experience on actually how they were trying to catch up on past revolutions, notably industrialization. Physical connectivity and electricity remained a challenge in many countries. He posed the question as to whether Aid for Trade could help industrialization in Africa. Aid for Trade would matter if it was oriented to the root causes of marginalization such as technological divide, differences in productivity, and if it was allocated to energy transport infrastructure, and technology transfer. He emphasized to partners to work together without duplication of efforts, government and private sector, and the need to support the industrial development. In his concluding remarks he emphasized the importance to correct MTS unbalances and distorting subsidies.

The representative of Germany thanked the WTO for organizing the Global Review, which allowed for in-depth discussion on how trade, inclusiveness and connectivity could be promoted in order to foster sustainable development. He associated his remarks with those delivered by the EU. He welcomed the strong focus on MSMEs, gender equality and the LDCs in the different sessions. He stated that the area of quality infrastructure was important to allow countries to fully utilize their trading potential under preferential market access and he looked forward to an increased focus on this area in the future. He noted that the High-level Political Forum was meeting in New York to take stock of the implementation of the 2030 Agenda for Sustainable Development.

He commended on the strong focus throughout the sessions on the potential of trade towards poverty reduction and sustainable development. He mentioned that Germany was in the process of realigning its policies and strategies in the light of the 2030 Agenda for Sustainable Development, and the Global Review provided an opportunity to launch Germany's revised AidforTrade Strategy. Looking forward, he mentioned that the Aid-for-Trade Agenda needed to be anchored more strongly in the SDGs. He recalled that the 2030 Agenda called for new types of partnerships, bringing together governments, civil society, international organizations and private sector. In this regard, he provided the example of the partnership of the Global Alliance for Trade Facilitation between government and private companies.

He said that the German G20 presidency launched a new partnership with Africa to focus on facilitating additional private sector investment to leverage sustainable economic development. He noted that the G20 had also agreed on the need to specifically focus on supporting youth employment in rural areas. Jobs, public and private investment were the highest priorities for German Chancellor Merkel.

In his concluding remarks, he said that Germany was the second biggest bilateral AidforTrade donor in 2015 providing more than US$5 billion and that Germany would continue to be a leading donor on the area of Aid for Trade. Lastly, he emphasized that his delegation would also continue to support the Geneva-based international organizations in their important work in the area of Aid for Trade.

The representative of Benin thanked development partners for the efforts towards poverty reduction by helping to transform the rural environment and economy, including the integration of women, youth and MSMEs. He informed participants of the recent 2016-2021 Action Plan to promote the digital economy in Benin, with e-commerce at its centre. He referred to the digital service platform in West Africa for e-commerce, which would be a universal market place for consumers and businesses. He referred to the implementation of a national electronic mobile platform, an ecosystem to help digital start-ups and the promotion of MSMEs, and implementation of a postal system. He said the programmes would allow the deployment of the internet in Benin thus facilitating digital connectivity to all producers and integration into international trade. The programme was financed by an international budget of US$80 million. He indicated that this was a sign that LDCs were making great efforts to adapt to the digital revolution. In his concluding remarks, he suggested to make Aid for Trade more specific in terms of the 2007 recommendations made to the Task Force and to promote successful experience-sharing and expertise in connectivity and inclusive trade.

The representative of Nepal, speaking on behalf of the LDC Group, shared his appreciation to the WTO Secretariat for successfully organizing the Global Review with multistakeholder participation. He recalled that the Aid-for-Trade Initiative, which had been introduced at the Hong Kong Ministerial Conference of the WTO, should concentrate on creating positive impacts on social, economic and environmental arena, as well as making Aid for Trade more predictable, additional, result oriented, need based/demand driven, country owned to have a positive impact on structural transformation of the economy, export promotion, job creation, poverty reduction and value chains development.

Reinforcing physical connectivity with digital connectivity was fundamental for inclusiveness, sustainable growth, poverty reduction, and achieving the 2030 Agenda for Sustainable Development, Istanbul Plan of Action for LDCs and Vienna Programme of Action for LDCs.

He expressed his appreciation for the continuous support extended by development partners to LDCs, including Nepal, through Aid for Trade, in areas such as trade policy and regulation, trade-related infrastructure, building productive capacity, trade-related adjustment and other trade related needs. He requested development partners to pay more attention to trade-related infrastructure, construction and productive capacity building. He noted that Aid for Trade should also support the process of regional integration for which enhancing regional connectivity was the essential first step. He believed that regional integration constituted the building blocks for global integration. He recalled that the Nairobi Ministerial Declaration mentioned that the Aid-for-Trade Initiative should support developing country Members to build their supply-side capacity and trade-related infrastructure.

He emphasized the importance of systematic implementation of the Trade Facilitation Agreement. He informed participants that Nepal had already notified its category A trade facilitation measures to the WTO and was in the process of notification of category B and C measures. He suggested that the TFA should not only be confined to address border level issues such as standardization, simplification and harmonization of customs procedures but to equally focus on the hardware part such as developing physical infrastructure that could connect development with trade and establishing facilities to enhance the supply side capacity of trade.

He mentioned that it was important to make all international support mechanisms, including Aid for Trade and the Enhanced Integrated Framework more results oriented. Effective coordination between development partners and LDCs governments, institutionalizing the ownership and results for sustainable impacts, strengthening institutional and policy mechanism, leveraging the resources, addressing supply-side constraints, gender dimension of trade and mainstreaming of trade into the LDCs' development strategy for better integration of the LDCs into the global trading system bared great importance.

He noted that the focus should be given on quality infrastructure such as storage, testing, warehousing, packing houses, cold storage and multifunctional testing labs. He said that SPS and TBT have become challenges for food and agriculture exporters from LDCs.

In his concluding remarks he said that trade deficit posed a serious challenge to Nepal. He said that the TFA should also support export promotion by way of implementing measures that helps in structural transformation and diversification of economies. He emphasized that the share of Aid for Trade to the LDCs should be commensurate with their development needs and challenges, as well as their structural constraints and multiple vulnerabilities. He urged development partners to ensure that at least one third of total Aid for Trade was disbursed to LDCs.

Closing remarks by Roberto Azevêdo, Director-General, World Trade Organization

I want to thank all those who have intervened in this session. I have met with many of you, in one format or another, over the course of the week. I have heard your views directly. And I have been kept well-briefed on your contributions in those sessions that I was not able to attend.

There has been a great sense of energy around the Global Review. and this is reflected in the numbers. Over these three days we have seen over 1,500 attendees, 55 sessions and hundreds of pages of analysis. We have had a lively and informed debate, looking at the importance of Aid for Trade, and the direction of the initiative in the coming years.

This high level of interest underlines the significance of this work.

And let's recall again the scale of what we are discussing:

- Almost US$300 billion has been disbursed in Aid-for-Trade support since 2006.
- The latest data available is for 2015, when disbursements reached US$39.8 billion. the highest amount for a single year so far.
- 146 developing countries have benefitted from this support to date. mainly in Africa and Asia, with 27% of the total going to LDCs.

Building supply side capacity and trade-related infrastructure is hugely important. It is a necessary complement to more open markets. And, together, this is a proven recipe for greater growth, development, poverty reduction and job creation.

I have heard this message loud and clear during the course of the Global Review. But what else have we learned? I want to highlight some of the key messages which have struck me this week. and which I think may be helpful in guiding our future work.

First, I see a close synergy and correlation between Aid for Trade and the Sustainable Development Goals. Achieving economic growth is a key objective for both initiatives. In fact, the SDGs call for an "increase in Aid-for-Trade support for developing countries, particularly LDCs". So we must ensure that Aid for Trade continues to deliver more and better. and that we improve our coordination across the international community.

Secondly, the Global Review has put an important spotlight on LDCs. There have been a number of sessions focusing on LDCs this week. The message I take away here is that we need to be more innovative. We need to look more closely at the range of specific needs that these countries have and ensure that they are being met. For example, we may need to look at directing help in different sectors.

More than three-quarters of overall Aid-for-Trade disbursements go to four sectors: transport and storage, energy generation and supply, agriculture, and banking and financial services. Of course these sectors are essential, but there may be other areas which need focus. Tourism has been a hot topic this week. Only 1% of Aid-for-Trade support goes directly to this sector. But, for many LDCs, tourism represents over 10% of GDP. So that's my second point we need to maintain our focus on LDCs, but with a greater readiness to innovate and to prioritize support on the basis of the specific needs expressed.

My third point relates to the Trade Facilitation Agreement. With the entry into force of the TFA, implementation is becoming a greater priority for both developing countries and donors. Infrastructure and associated services play a fundamental role in connecting developing countries to international markets. So this must remain an important focus. and one that can be viewed in the broader context of the sustainable development challenges that Members face.

My fourth point is about connectivity. It is clear that promoting inclusive trade for sustainable development requires us to improve connectivity. both physical and digital. Without connectivity, trade does not take place, and we are all poorer. High trade costs have the potential to price many firms out of markets and reinforce economic isolation. This is also evident in the digital networks that intertwine with physical trade infrastructure, and which are integral to trade.

Indeed, one thing that has struck me this week is the recognition that digital connectivity is essential for growth, irrespective of the sector. From tourism to agriculture, being connected is becoming fundamental. But of course, without an affordable connection, individuals and firms cannot access the marketplace of the world-wide web. And without the necessary skills and regulatory environment in place, micro, small- and medium-sized enterprises cannot thrive. So we must act to bridge these gaps in connectivity. both digital and physical. Failure to do so would be to reinforce existing inequalities between developed and developing economies, and within countries between women and men, rural and urban, and large and small firms. I think that Aid for Trade must be mobilized to address this challenge.

And this brings me to my final point. I have been hearing calls from many to mainstream gender issues into our Aid for Trade work. I agree, and I think we should ensure that future work goes further in taking gender perspectives into account. We need to keep up our momentum in this area. So those are the key messages that I have taken away from the week. And I think that they can inform this work as we look to the future.

Before I close, I would like to note here that, of course, the Global Review comes just a few months before the 11th Ministerial Conference.

Over the coming months I would ask you to reflect on what has been achieved and where we should take this work next. With any initiative of this kind, we need to keep analysing our progress. We need to keep debating the way forward. This is how we will ensure that the work remains fresh and relevant to members' needs. This evolution is essential. and it must be driven by you.

This week has provided a lot of food for thought. Enough for a feast! So let's work together to ensure that the Aid-for-Trade Initiative continues to go from strength to strength. It has been a great pleasure to host the Global Review. Thank you all for your engagement, and for the knowledge, passion and commitment that you have shown. Let me also thank the WTO Secretariat, particularly the Development Division, for their excellent work in putting all of this together. I know that it has been a lot of work.

So congratulations to you all. Thank you for listening.

I hereby close the Sixth Global Review of Aid for Trade.