



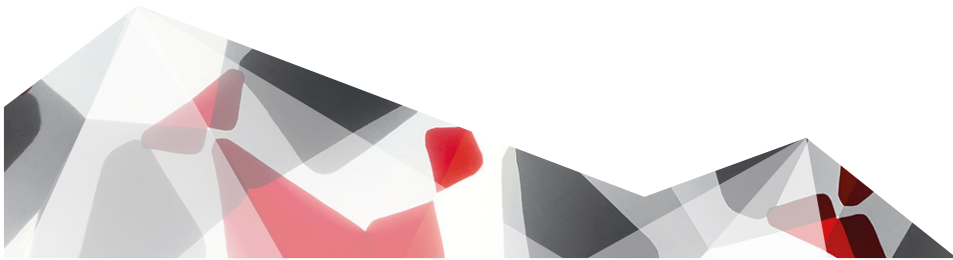
# **Facilitating the increasing participation of LDCs in trade in services: Examples from German Development Cooperation**

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1. Brief presentation of GIZ
2. German „Aid for Trade“ (AfT) contribution
3. Project examples of German Development Cooperation
4. Lessons learnt



# 1. Brief presentation of GIZ

- GIZ is a service provider in the field of international cooperation for sustainable development and international education work:
  - We support the German Government (esp. German Ministry for Economic Cooperation and Development) in achieving its objectives in the field of **international cooperation for sustainable development**.
  - We promote **international education work and human capacity development**.
  - As a Government-owned enterprise we uphold **German and European values**.
- We are working with our partners on **more than 1,500 ongoing projects** in about **120 countries**.
- Our work portfolio is diverse: Displacement and migration, rural development, security/reconstruction and peace, environment and climate, sustainable infrastructure, social development, governance and democracy, **economic development and employment**.

## 2. German Aid for Trade (AfT) contribution

- German AfT spending for LDCs (2017):
  - Roughly **367 Mio. USD** (8% of total German AfT spending; increase of 74% compared to 2010)
- Most important sectors:
  1. Energy generation / distribution
  2. Agriculture
  3. Business and other services

*NB:* Broad definition of „sector“ (based on OECD's CRS codes)

### 3. Project examples of German Development Cooperation\*

#### A) Support to the African Continental Free Trade Area (AfCFTA)

- Project overview:
  - Project duration: 2017-2021
  - Overall objective: Improving framework conditions for intra-African trade
  - Lead executing agency: African Union Commission (AUC)
  - AU members, incl., e.g., **Benin, Ethiopia, Sierra Leone**
- Support for trade in services:
  - **Regulatory audits** in AU member states
  - Regional **studies on services trade regulations** (currently ECCAS and ECOWAS)
  - Support to member states and RECs for **preparation of services schedules** (initial offers due Jan 2020)
  - **Development of AU Service Sector Development Program**

\* all commissioned by the German Ministry for Economic Cooperation and Development

## B) Cooperation for the Enhancement of SADC Regional Economic Integration

- Project overview:
  - Project duration: 2018-2022
  - Overall objective: Improving the preconditions for regional economic integration, notably in the areas of industrialization, trade, and peace and security
  - Lead executing agency: SADC (Southern African Development Community) Secretariat
  - SADC members, incl. **Dem. Rep. Congo, Madagascar, Malawi, Zambia**
  
- Support for trade in services:
  - **Support for negotiations and subsequent implementation** in the area of services trade in priority sectors relating to industrialization / regional value chains (incl. through sectoral studies and background papers)

## C) Support to East African Market Driven and People Centered Integration

- Project overview:
  - Project duration: 2019-2022
  - Overall objective: Improving the framework conditions for increased value addition in selected economic sectors in the East African Community (EAC)
  - Lead executing agency: EAC Secretariat
  - EAC members: **Burundi**, Kenya, **Rwanda**, **South Sudan**, **Tanzania**, **Uganda**
  
- Support for trade in services\*:
  - Supporting regional negotiating rounds on services trade, incl. through **consultation workshops and meetings with different stakeholders**
  - Various regional **trainings** on different principles and scheduling approaches
  - Sectoral **studies** (e.g. in tourism and business services)

\* Previous project phase (2016-2019)

## D) Strengthening regional small and medium enterprises (SME) support structures in the ASEAN region

- Project overview:
  - Project duration: 2018-2021
  - Overall objective: Improving the information and support structure for SMEs based on the ASEAN SME Strategy
  - Lead executing agency: ASEAN (Association of Southeast Asian Nations)
  - ASEAN members: Brunei, **Cambodia**, Indonesia, **Lao PDR**, Malaysia, **Myanmar**, Philippines, Singapore, Thailand, Vietnam
  
- Support for trade in services:
  - Setting up of the **ASEAN SME Web Portal**, incl. as regards services trade, to serve and promote SMEs in the ASEAN region



## E) Promotion of Competitiveness within the Framework of the Initiative for ASEAN Integration

- Project overview:
  - Project duration: 2018-2021
  - Overall objective: Establishing good regulatory practices in ASEAN's new member states (i.e. Cambodia, Lao DPR, Myanmar, Vietnam) to foster investment and competition
  - Lead executing agency: ASEAN (Association of Southeast Asian Nations)
  - ASEAN members: Brunei, **Cambodia**, Indonesia, **Lao PDR**, Malaysia, **Myanmar**, Philippines, Singapore, Thailand, Vietnam
  
- Support for trade in services:
  - Implementing key action lines related to services trade which are under the auspices of one of the CLMV countries
  - Implementing strategic ASEAN documents regarding services trade in CLMV countries
  - Supporting staff development in ministries/departments/agencies relevant to services trade in CLMV countries

## 4. Lessons learnt

- No specific projects related to the LDC services waiver (yet); rather, trade in services is one component of trade-related projects
- Overall, trade-related projects focus on regional economic integration
- Within such regional economic integration framework, there is a specific focus on individual countries and sectors
- Challenges encountered at regional/national level include:
  - Regional and national strategies & policies are often not (sufficiently) aligned
  - Services trade issues do not receive as much attention as goods trade issues
  - Stronger focus on negotiations/entering into new commitments than on implementation of existing commitments & removal of non-conforming measures
  - Institutional & regulatory capacities (to deal with new issues) are underdeveloped
  - Regulatory cooperation frameworks and sectoral regulatory disciplines are often lacking, which has an adverse impact on implementation