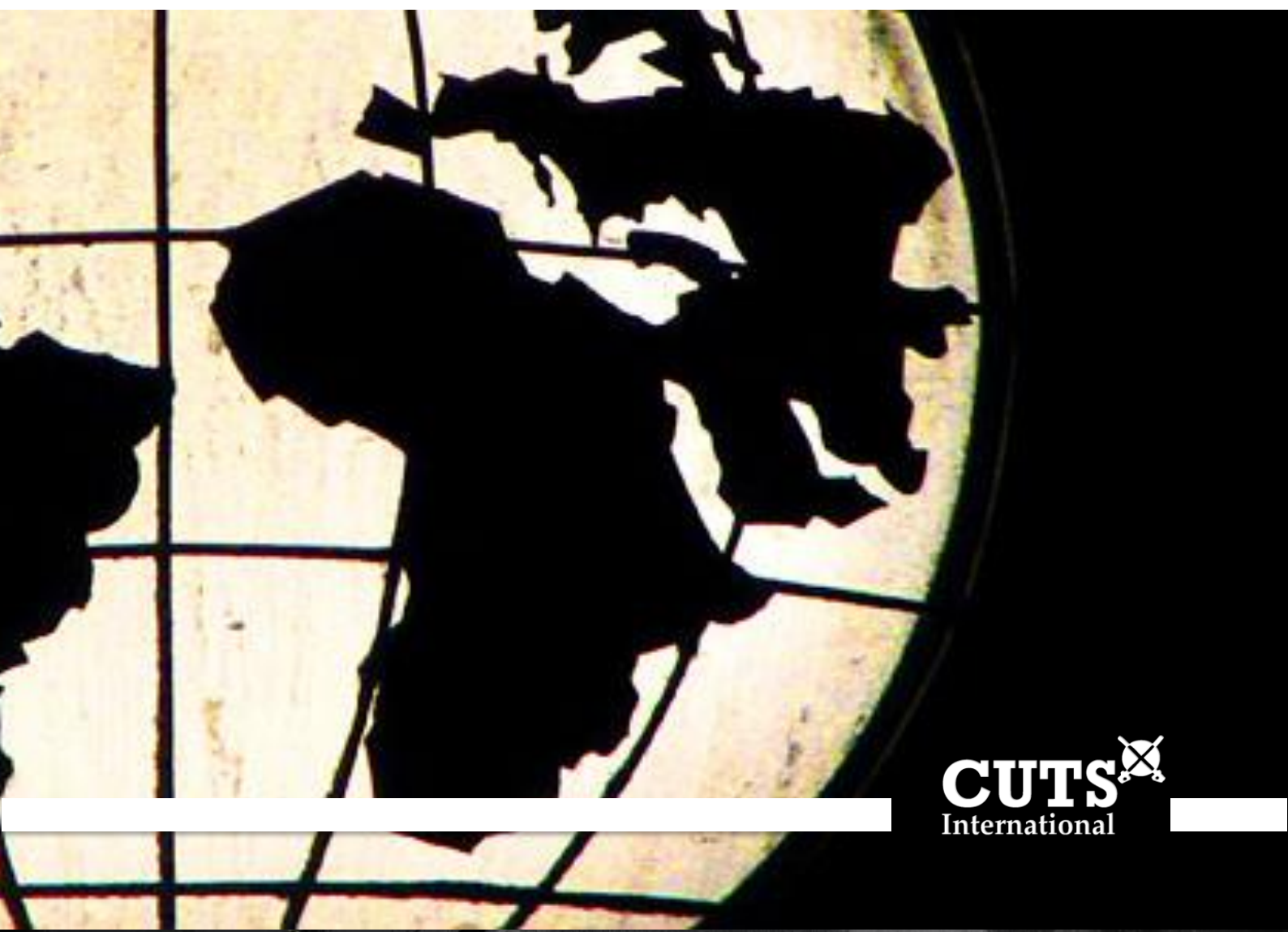


Reforming the World Trade Organization

Suggestions for an African Agenda



Reforming the World Trade Organization: Suggestions for an African Agenda

Published by:



CUTS INTERNATIONAL, GENEVA

Rue de Vermont 37-39
1202 Geneva, Switzerland
www.cuts-geneva.org

This paper was undertaken by a former diplomat from an African permanent mission to the WTO. It is published under CUTS International Geneva's project "Keeping Pace with Trade Developments", undertaken with funding support from the Ministry of Foreign Affairs, Sweden.

Disclaimer: The views expressed in this publication represent the opinions of the author, and do not necessarily reflect the views of CUTS or its funders.

Cover Photo: WTO

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Abstract

What is the future of the WTO and what is Africa's place in that? Is there an African agenda for WTO reform? What should its' tenets be? This paper provides critical reflections on what Africa's core score in the WTO reform debate should be. It proposes approaches that learn from Africa's engagement in the close to 25-year life of the WTO. Overall, it argues that the main challenge for Africa in the WTO is to ensure that the system is restructured to yield an effective response to the structural weaknesses in African economies.

Introduction

Africa's engagement in the work of the World Trade Organization (WTO) has been largely shaped by the dynamics in the Doha Development Agenda of trade negotiations. This strategy worked fairly well when the institution's own focus was on updating the multilateral rulebook. But the tide has shifted. The talk is *reform*. And while negotiations and their outcomes are a part of that conversation, the more pressing issues are systemic: institutional functionality, disputes, effectiveness in responding to 21st century trade concerns, and others.

What is the future of the WTO and what is Africa's place in that? Is there an African agenda for WTO reform? What should its' tenets be? This paper provides critical reflections on what Africa's core score in the WTO reform debate should be. It proposes approaches that learn from Africa's engagement in the close to 25-year life of the WTO. Overall, it argues that the main challenge for Africa in the WTO is to ensure that the system is restructured to yield an effective response to the structural weaknesses in African economies.

While it might be easier for Africa prepare the nuts and bolts of a response strategy to reform proposals from other WTO Members, this will not be the most optimal strategy. After all, the 17 years and counting of the Doha negotiations have gifted Africa the art of perfecting negotiation response skills.

Rather, what will be truly game changing is to get, through WTO reform, a systemic overhaul of how trade capacity building is conceptualized, planned and rolled out for Africa. A new generation trade capacity building programme, focused on productive capacities, will take Africa out of its current spectating role—gazing at those with

capacity who continue to transform the lives of their people through opportunities in international trade.

In today's world, in which WTO Members have, as part of the global community, committed to *use trade as a means for implementation of the sustainable development goals (SDGs)* - it is no longer sufficient to say that the *WTO is not a development agency* – a retort that many that have interfaced with the multilateral trading system from the development perspective would have heard severally. The period of WTO reform is the perfect opportunity for Africa to situate the WTO in its *true development context* – as an institution which, per the preamble of its' own founding document, works for the attainment of sustainable development.

It is hoped that the ideas presented here can trigger a debate on how the WTO can more effectively tackle the SDG challenge. For it is well understood by many analysts that the battleground for whether the fight will be won, or lost, is in Africa.

The paper commences with a background that chronicles some of the broader issues in the reform process. Through an assessment of utilization rates, it finds that while Africa is a beneficiary to several preferential market access schemes, the continent remains a marginal player in global trade. It zones in on what we call the bottom line: that the cog in Africa's wheel of beneficial integration into global markets *is weak trade capacities*. Removing this requires a syndicated structural response to boosting Africa's capacity to trade. The paper proposes how the WTO could go about this and concludes with a reiteration of key messages.

SECTION 1

Africa and the Broader WTO reform Agenda: Contextual Background

Throughout the life of the WTO, African countries: individually and/or working collectively within the WTO Africa Group ¹ – have focused on development. By development is meant the right to benefit from special and differential treatment – a WTO principle that allows developing country Members the flexibility to make less tariff reduction or services sectoral commitments, manage the scope and timing of obligations assumed and, in some cases, exclusion from requirements for liberalization that may, in the country's estimation, be contrary to its development aspirations. ²

With respect to negotiations, Africa has championed calls for reforming global rules to create a level playing field in international trade. Its' positioning has been a complex puzzle seeking to attain far-reaching concessions from lucrative markets while maintaining its own right to *policy space*. In agriculture for example, Africa has sought that tariffs (both in and out of quota), peaks and escalation are disciplined to widen markets, and that trade distorting subsidies are eliminated. At the same time, Africa has defended its right to subsidize its poor farmers. A similar approach is taken in negotiations on industrial tariffs (Non Agricultural Market Access), in which the continent's aspirations to industrialize have shaped positioning – calling on key markets to eliminate tariffs to create access for African products, while guarding its right to

industrialize, including through protective tariff walls. Similarly, on trade in services, Africa has sought to lock in its diversification ambitions through new opportunities for services exports - in sectors and for natural persons from the continent. It has sought to safeguard its ability to keep some of its services sectors closed to WTO based liberalization.

Broadly, Africa has been reluctant to include new trade topics into negotiations before finding solutions to its core development challenges.

Concerning the regular work of the WTO, there is very limited participation from Africa in the committees that govern implementation of WTO Agreements. The Committee on Agriculture, on Sanitary and Phytosanitary measures, the Council on Trade in Services, on Trade Related aspects of Intellectual Property Rights all keep the *machine going*. In practice, they are a valuable resource for global business and are central to unlocking many of the day to day challenges faced in trade. But because of the reality of small delegations, many African missions have focused their attention on negotiations.

African countries, like all WTO Members, can access the WTO dispute settlement mechanism. In practice though, even if many have challenges with the regulatory applications in force in export markets, the continent has, at best, used the

¹ An informal group of WTO Members that meets every week (either at expert or ambassador level) to prepare collective responses to the negotiations in the Doha Round. It is facilitated by the Secretariat of the WTO.

² For more on special and differential treatment, see https://www.wto.org/english/tratop_e/dda_e/status_e/sdt_e.htm. Accessed 30 January 2019.

system as *third parties*. Issues of cost, complexity and political economy get in the way of African choices to trigger WTO disputes.

Decision making in the WTO is by consensus. Nothing is agreed until all Members agree. This empowers countries or groups thereof to block issues that they do not like. Africa is, in principle, capable of leveraging on its numbers. And yet this has not been sufficient to keep the continent's core issues of interest, especially in the negotiations, on top of the WTO agenda.

Member categorization determines the scope of obligations to be assumed – with developing countries having access to special and differential treatment. Positioning on whether some developing countries are too large economically and should assume more responsibilities in the system is an issue Africa may have to contend with.

While several WTO Members have tabled a broad range of proposals on the above and other issues; and notwithstanding that Africa will have to contend with these issues, this paper is not about that.

Rather, it seeks to propose how the opportunity presented in a conversation around broader institutional reform can be seized to create stronger responsiveness to the needs of Africa. Amidst the broader range of topics under discussion, Africa must decide, early in the day and with full conviction, where its best bet will be and what its unique game-changing win must be. In order to understand what this is, we assess below, the continent's utilization of existing opportunities created by WTO markets.

SECTION 2

Is There a Case for Reform?

In 2005, WTO Ministers adopted a decision to grant duty and quota free market access to all products originating from Least Developed Countries (35 of which are from Africa) – with an initial target of 97 per cent and the understanding to work progressively towards attainment of full coverage.³

WTO data finds that much of the trade for this group of countries enters key markets on preferential regimes, or on zero-rated MFN tariffs.

The table below, presents utility ratios for LDC exports across 22 product categories and preference granting Members.⁴

Table 1: Imports of LDC products receiving MFN duty-free or preferential tariff treatment, in % of total LDC product imports, 2016 (or latest available year)⁵

Product Description	Australia	Canada	Chile	European Union	India	Japan	Korea, Rep. of	Norway	Switzerland	Chinese Taipei	USA
Animal products	-	100	-	87.2	0.8	100	40.7	0	100	0	99.9
Dairy products	100	0	-	0	0	94.7	0	-	-	-	13.6
Fruits, vegetables, plants	99.1	92.7	0	98	32.8	93.1	5.1	94.2	41.5	0.7	87.9
Coffee, tea	99.9	100	0	100	0	97.7	87.8	100	99.5	94.6	100
Cereals and preparations	95.9	94.7	0	98.3	2.4	90.4	54	99.1	87.1	14.1	63.4
Oilseeds, fats and oils	99.9	96	0	98.5	50.9	100	7.8	82.2	98.3	2	98.8
Sugars and confectionery	93.8	61.8	-	5.1	0	100	0	99.9	99.1	0	99.4
Beverages and tobacco	90.9	92.6	0	99.5	0	100	91.4	93.6	99.7	0	95.1
Cotton	-	100	-	100	100	100	100	100	100	100	-
Other agricultural products	100	99.3	0	98	60.4	87.4	41.7	100	65.3	73	99.8
Fish and fish products	100	99.1	57	95.7	10.2	67.3	17.6	100	99.7	51.1	99.8
Minerals and metals	98.8	98.4	99.2	99.4	20.1	99.5	98.9	100	98.9	99.8	99.5
Petroleum	-	100	100	99.9	99.7	100	0	100	100	100	85.2
Chemicals	84	92.3	0	52.6	0.1	55.1	93.9	100	62.9	11.7	87

³ See Annex F, Special and Differential Treatment. Online available: https://www.wto.org/english/thewto_e/minist_e/min05_e/final_annex_e.htm. Accessed 30 January 2019.

⁴ See Market access for products and services of export interest to LDCs. Note by the Secretariat. WT/COMTD/LDC/W/66 at p.31.

⁵ The data for Chile and India refer to the year 2015.

Wood, paper, etc.	91.9	95	0	94.8	39.1	96.4	96.2	100	63.8	100	96.4
Textiles	88.4	88.1	1.2	92.7	0	73.1	90.3	89	47.6	4.6	39.9
Clothing	93.8	89.4	2.9	95.3	0.3	96.4	91.9	73.2	45.7	0	0.4
Leather, footwear, etc.	80.2	85.3	4.3	97.1	2	80.5	96.1	100	27.5	42.9	12.6
Non-electrical machinery	68	97.1	0	17.6	1.7	100	40.8	100	46.2	92.2	88.7
Electrical machinery	98.3	94.8	0	46.1	9.5	100	93.9	100	32.9	27.8	71.5
Transport equipment	43.3	95.4	0	77.3	3.4	100	88.2	100	41.9	0	86.6
Manufactures n.e.s.	59.8	84.6	0	77.6	0.2	80.9	77	100	60.3	2.9	86.3

Source: WTO Integrated Database, June 2018

Rates vary, based on several factors such as rules of origin. And while in some cases the numbers are at 99.9%, we see much less impressive numbers in the case of manufactured products pointing to the lack of capacity of preference receiving countries to produce exports in this product range. This calls for urgent attention in light of Africa’s need for diversification, value addition and structural transformation.

In 2011, WTO Ministers agreed to grant special priority market access to services and service suppliers originating from LDCs.⁶ Below is the WTO’s compilation of the countries that have provided notifications for preferential access in this regard.

Table 2: Notifications under the LDC Services Waiver

Notifying Member	Date of notification	References
Australia	29-May-15	S/C/N/805
Brazil	04-Nov-15	S/C/N/839
Canada	14-Dec-15	S/C/N/792/Rev.1
Chile	08-Oct-15	S/C/N/834
China	22-Jul-15	S/C/N/809
European Union	16-Nov-15	S/C/N/840
Hong Kong, China	24-Jul-15	S/C/N/810
Iceland	09-Oct-15	S/C/N/835
India	29-Sep-15	S/C/N/833
Japan	31-Jul-15	S/C/N/820
Korea, Rep. of	10-Jul-15	S/C/N/808
Liechtenstein	30-Nov-15	S/C/N/841

Notifying Member	Date of notification	References
Mexico	20-Aug-15	S/C/N/821
New Zealand	28-Jul-15	S/C/N/813
Norway	25-Jun-15	S/C/N/806
Panama	4-May-17	S/C/N/890
Singapore	24-Jul-15	S/C/N/812
South Africa	02-Dec-15	S/C/N/853
Switzerland	30-Jul-15	S/C/N/819
Chinese Taipei	24-Jul-15	S/C/N/811
Thailand	17-Feb-16	S/C/N/860
Turkey	14-Jun-16	S/C/N/824/Rev.1
United States	03-Sep-15	S/C/N/825
Uruguay	12-Jan-16	S/C/N/857

Source: WTO Secretariat

⁶ Preferential Treatment to Services and Service Suppliers of Least Developed Countries. Decision of 17 December 2011, WT/L/847.

The above notwithstanding, LDCs are still unable to, even on preferential terms such as those in the above notifications, take advantage of opportunities offered, due to lack of capacity. According to the WTO, LDCs' contribution to world services exports remained well below 1 per cent in 2017, up by only 0.3 percentage points since 2005.⁷

In 2017, Africa recorded a 3.1 per cent increase in trade volume growth.⁸ There are no African countries in the top 20 exporters in world merchandise trade among developing economies in the period 2016-2017.⁹ Similarly, there are no African countries in the top 10 leading world exporters of commercial services in the same period.¹⁰

⁷ See World Trade Statistical Review. Online available: https://www.wto.org/english/res_e/statis_e/wts2018_e/wts2018_e.pdf. Accessed on 30 January 2019.

⁸ Ibid, at p.10.

⁹ Ibid, at p.13.

¹⁰ Ibid, at p.16.

SECTION 3

The Bottom line: How can the WTO create a pro-sustainable development trade capacity building agenda for Africa

In order for Africa to unlock the wheel of its beneficial integration into global trade, it has to face squarely what is holding it back and work *within the WTO* to seek impactful and sustainable solutions. Below we propose some key options.

Shifting from a training-only focus to strengthening productive capacities for trade in Africa: a conceptual rebirth for WTO TRTA

The WTO's trade related technical assistance (TRTA) is constructed around *training*. The Institute for Training and Technical Cooperation (ITTC) offers a range of courses to developing and least developed countries, based on a progressive learning strategy.

This approach has been very successful in raising awareness of the content of WTO Agreements. It has created experts across African ministries – both Anglophone and francophone – that understand what WTO Agreements are about. But 25 years of WTO training and Africa is still lagging behind. This speaks to two issues: one, that the

knowledge gained is not being used to trigger export strength in Africa and two; that training in and of itself is perhaps meant to achieve a different goal than strengthening capacities to produce for export trade per se.

According to Paragraph 38 of the Doha Ministerial Declaration, “the delivery of WTO technical assistance shall be designed to assist developing and least-developed countries and low-income countries in transition to *adjust to WTO rules and disciplines, implement obligations and exercise the rights of membership, including drawing on the benefits of an open, rules-based multilateral trading system*”.¹¹ The practical implication of this on the delivery model is that it largely focusses on explaining to countries the nature and scope of the agreements and on the obligations countries must meet to implement them. It is strongly geared towards information sharing on what the agreements are about – and somewhat less on how to reap the opportunities presented in these agreements.

According to the WTO, its TRTA activities aim to help developing countries build their trade capacity so that they can participate more

¹¹ See Technical Cooperation and Capacity Building. Paragraph 38 Doha Ministerial Declaration. Online available:

https://www.wto.org/english/thewto_e/minist_e/min01_e/mindec_l_e.htm#cooperation. Accessed 29 January 2019.

effectively in global trade.¹² The ITTC works towards “enhancing understanding and knowledge of the multilateral trading system”.¹³

Many trade officials in African governments have participated in various WTO training courses or Secretariat internship/fellowship programmes. What this has done is produce a corp of African trade officials that know the WTO. Where we need to go, building hereon, is to ensure that beyond knowing the provisions – they can transpose that knowledge into the shaping of policies to support utilization – of benefits and opportunities. This is not something that would take shape automatically. *It has to be policy driven* – to ensure that the various special and differential treatment provisions across WTO Agreements can be turned into policies in goods, services, intellectual property as the case may be, to bring home the fruits of multilateral trade treaties such as those embodied in the WTO.

For example, it is not sufficient to know that LDCs are exempt from applying the bulk of the TRIPS Agreement (with the exception of core non-discrimination provisions). Rather, the WTO should support LDCs to be able to transform this policy space created by WTO flexibility provisions into policies to boost local industrial capacity in specific sectors. This argument is as valid for pharmaceutical production in LDCs based off the extension of the period of non-application of the TRIPs Agreement, as it is for designing country and as appropriate, regional niche capacities in

the services sectors that have been notified as part of the LDC services waiver.¹⁴

Moving from a training only focus to a policy support role is the next generation of impact-driven trade capacity building that the WTO is uniquely placed to support Africa with, so as to strengthen its preparedness for utilizing opportunities created in WTO Agreements.

One could argue that that is not the purpose of the WTO to provide policy support for utilization of trade agreements. And yet in fact it is. For the WTO itself acknowledges that its TRTA aims at *addressing trade policy issues*.¹⁵ Indeed, a key tool in the WTO’s training toolbox is the Trade Policy Course.¹⁶ Further, a key function of the WTO, as espoused in Article III (4) of the Agreement Establishing the WTO is to *administer the Trade Policy Review Mechanism (hereinafter referred to as the “TPRM”) provided for in Annex 3...* The purpose is to assess, in a peer style manner, the policy environment in which WTO commitments are implemented.¹⁷ And so, it would not be accurate to exclude the WTO from trade policy advisory matters. In fact, the institution sits squarely in the trade policy landscape – as the operative environment in which trade rules are implemented.

In the context of a reform process therefore, the WTO should support Africa in strengthening its policy-readiness, to target opportunities created in WTO agreements. A practical way to do this is to focus country and regional work on the policy imperatives of *how to* reap opportunities created

¹² See WTO technical assistance and training. Online available: https://www.wto.org/english/tratop_e/devel_e/teccop_e/tct_e.htm. Accessed 29 January 2019.

¹³ See ITTC Newsletter, August 2018. https://www.wto.org/english/tratop_e/devel_e/teccop_e/ittc_newletter_e.pdfTC. Accessed 29 January 2019.

¹⁴ For more on the services waiver, see Preferential Treatment to Services and Service Suppliers of Least Developed Countries. Decision of 17 December 2011, WT/L/847.

¹⁵ See Institute for Training and Technical Cooperation (ITTC). Online available:

https://www.wto.org/english/tratop_e/devel_e/teccop_e/ittc_e.htm. Accessed on 29 January 2019.

¹⁶ See Trade Policy Courses. Online available: https://www.wto.org/english/tratop_e/devel_e/train_e/tradepolicycourse_e.htm. Accessed on 29 January 2019.

¹⁷ See Article III (4) Agreement Establishing the World Trade Organization (Marrakesh Agreement). Online available: https://www.wto.org/english/docs_e/legal_e/04-wto_e.htm. Also see Trade Policy Review Mechanism. Online available: https://www.wto.org/english/tratop_e/tp_r_e/tp_r_m_e.htm. Accessed on 29 January 2019.

in WTO Agreements. There is a qualitative difference between this and the current model - that would manifest in different outcomes.

Some may argue that it is not the role of WTO officials to advise African governments on how to take advantage of opportunities in WTO Agreements. In fact it is. One of the important confirmations in the Doha Ministerial Declaration's Paragraph 38 was that technical cooperation and capacity building are core elements of the development dimension of the multilateral trading system. Ministers also instructed the Secretariat of the WTO to support domestic efforts for mainstreaming trade into national plans for economic development and strategies for poverty reduction.

In the context of a conversation around reform of the WTO, Africa should re-posit the critical role that the WTO must play in supporting the development of capacity to shape appropriate policies to utilize market access opportunities.

It could be argued that placing Secretariat officials in this role would compromise neutrality. However, the type of advice given by WTO officials would build on space that has already been created - by tariff reductions, removal of discriminatory services regulations or by special and differential treatment. It would be advisory services premised on utilization of opportunities that exist, meaning that the legal basis for proposed policy approaches would be, as a starting point, settled.

WTO officials have a unique role to play in supporting Africa to strengthen trade readiness precisely because the best policies must speak to what is acceptable within the rules framework. Such officials are best placed to draw this link in

light of the comprehensive knowledge they have on the agreements themselves. And this is a *win win* for the WTO and the country, because it would promote assumption of a policy direction that is in line with the letter and the spirit of WTO Agreements - which the Secretariat is sworn to support and the Members committed to implement.

It could be argued that the WTO already has key partnerships - notably with the International Trade Centre (ITC) - that can support countries to develop export readiness. As a technical cooperation agency of the WTO and the United Nations Conference on Trade and Development (UNCTAD), ITC is indeed uniquely placed to help countries that have the right strategies to get off the ground working on specific products and especially with small business.¹⁸ This is a relationship that should be enhanced including through additional resources.

It could also be argued that the role of policy formulation can be done by others - such as UNCTAD. UNCTAD plays a critical role in supporting Africa to shape policies for trade, which should be supported to continue.

It none the less rests on the WTO, the shaper and framer of these rules, to support countries to implement them. This is what the new generation pro-sustainable development trade capacity development programming must look like.

The approach of making rules and delegating responsibility to others to support implementation assumes that there are available resources within the partnerships to have comprehensive support programmes. The reality though is that the project approach to support may not produce far reaching sustainable outcomes. Success requires

¹⁸ For more on ITC, Our role: Online available: <http://www.intracen.org/itc/about/how-itc-works/>. Accessed on 29 January 2019.

significant resources to sustain momentum let alone scale to the regional character of African trade. Aligning the project cycles and focus areas to the work of the WTO should be a responsibility of the WTO.

In sum, knowledge generation through training is important. Especially in the context of Africa where turnover of staff in ministries of trade is quite high. But evidently, as the numbers on utilization demonstrate, knowledge is not sufficient. It has to be complemented with a focus on trade capacity building in areas of the trade environment and productive capacities at national and regional level.

Partnerships for effective delivery

New partnerships are key for the WTO to have impactful support to Africa. Organizations such as the United Nations Industrial Development Organization (UNIDO) can play an important role in supporting African countries to create the necessary enablers to utilize opportunities for industrialization and entrepreneurship that are presented by lower WTO tariffs.

Similarly, the WTO must strengthen its relations with the African Union Commission (AUC) which is at the center of shaping Africa's trade policy. This relationship should be managed at the highest level of leadership with senior officials managing the day to day liaison. Much of the terrain of trade – both old and new generation, for Africa, will be shaped out of Addis Ababa under the auspices of the AUC. Getting to understand the dynamics and influence them positively will require trust. To get there, the WTO needs to cultivate these relationships. African countries should stress the need for the WTO to deepen its engagement with the AUC including through appointment of senior officials to manage WTO/AU relations.

Strengthening institutional responsiveness, putting the WTO at the service of its African Members

A key strategic interest for Africa in the WTO reform engagement is the need to have an institutional home that is dedicated to the specific needs of Africa – to ensure that the system becomes truly responsive to Africa's trade capacity challenge.

While important arrangements exist, they are spread in various Divisions and need to be galvanized and put together – coalesced – to ensure that there is full impact.

This is urgent particularly in a dispensation in which Africa has integrated through the African Continental Free Trade Area (AfCFTA). Increasingly, the continent speaks with one voice – and while there are important divergences within the group – the continent is united for several reasons that make it imperative for the WTO to harmonize its institutional support to its African Members.

An integrated approach to Africa will allow for a stronger interface with Pan African institutions – including at the right senior levels. It will also keep a spotlight on the critical issues of Africa in global trade and put at Africa's disposal the WTO system's full resources. It will be the gateway for African delegations and capitals – building on existing informal arrangements of support. It would need to have sufficient resources for programmatic interventions at national and regional level to ensure that impact does not fall within the cracks.

While it may be argued that the WTO Secretariat is not organized around geographical lines, the unique situation of African countries, their historical context and the strong integration

through the AfCFTA creates a new set of circumstances that merit creation of an institutional structure within the WTO that is dedicated to Africa.

Mobilizing resources to build productive capacity for trade in Africa – the role of the WTO

The build up from training into trade policy and productive capacity support will require a deeper pool of resources to work with countries and regions in Africa. This calls for a strong fundraising drive – to allow the WTO to leverage credibly with others in the delivery of capacity building programmes aimed at strengthening Africa's readiness for trade. Below we assess three approaches that could help:

Strengthening the Official Development Assistance and Trade Nexus

The Aid for Trade initiative¹⁹ has played an important role in spotlighting the need for official development assistance to pay attention to trade – and there have been improvements over the years.²⁰ With a focus on trade policy and regulations (2.5% as a share in Aid for Trade), economic infrastructure (at 51.9%), building productive capacity (45.6%) and trade related adjustment (0.0%)²¹, attention has, since the

2005 birth of the Aid for Trade initiative, risen on trade issues in overall aid.

However, we still see much more resources committed than disbursed.²² For example, according to the WTO and the OECD, Aid for Trade disbursements took only 25% of total ODA in 2015.²³

In 2015, Africa received 375.5 million USD for trade policy and regulations, 7,743.9 billion USD for economic infrastructure, 5,950.7 billion for building productive capacity and 0.3 billion USD for trade related adjustment, all sub totaling to 14,070.4 billion USD. This is in comparison to Asia's disbursements totaling 14,911.1 billion.²⁴ The numbers would need to be viewed, in terms of scale and impact, in light of Africa's at least 55 sovereign nations.

LDCs received 10,550.0 billion in Aid for Trade disbursements.²⁵ By contrast, lower middle-income countries received a sub total of 14,571.8 billion USD. This points to the need to channel resources where the most need is. More will need to be done for the LDCs and for Africa – in the broader ambit of ODA – so that the continent's productive capacities agenda can materialize sooner rather than later.

¹⁹ For more see Aid for Trade. Online available: https://www.wto.org/english/tratop_e/devel_e/a4t_e/aid4trade_e.htm. Accessed on 29 January 2019.

²⁰ For more see Aid for Trade at a Glance 2017: Promoting Trade, Inclusiveness and Connectivity for Sustainable Development. Online available: <http://www.oecd.org/dac/aft/aid-for-trade-at-a-glance-22234411.htm>. Accessed 29 January 2019.

²¹ Ibid, Annex A, Key Aid for Trade Data. Share in total Aid for Trade.

²² See for example, Annex A, Key Aid for Trade Data, Ibid t p.493.

²³ Ibid.

²⁴ Ibid. Table A.2 Aid for Trade by category and region, at p.494.

²⁵ Ibid. Table A.3 Aid for Trade by category and income group, at p.495.

Scaling the Enhanced Integrated Framework for Least Developed Countries to an Africa-wide programme

The Enhanced Integrated Framework (EIF) for LDCs has demonstrated the power of a good idea put into action. Dedicated for LDCs and itself building on other previous successful programmes, (such as the Joint Integrated Technical Assistance Programme – JITAP), it works with LDCs to undertake the trade diagnostics of a country from an economy-wide perspective. It identifies opportunities and challenges and presents an action matrix of needed interventions to turn around the economy and make trade play its key role for development.

The EIF model is worth learning from, and considering for an upscale at a continent-wide level – to strengthen trade capacities in Africa. It can help to frontload resources and analytics to help create linkages and networks on the basis of which governments can leverage their own and other resources to invest in the enablers for trade across Africa.

Although heavy on procedures and in spite of the fact that a lot of time was spent in the initial phases in setting up systems and processes, the programme is now ready for transposition to a wider range of beneficiaries such as African non-LDCs.

A programme of this nature could be well partnered with the AUC in light of the fact that the latter is the repository for the AfCFTA. It has demonstrated the ability for large programmes to touch individual lives and in an African environment – with over 90 per cent as SMEs.

However, in order to have impact, the EIF model would need to be heavily resourced.

Leveraging the “coherence mandate” to create additionality in WTO resources for building productive capacity for trade in Africa

Because the nature of the trade capacity challenge in Africa is about enabling environments and tackling structural weaknesses, the interventions needed must address the entire production chain - from farm to export markets.

The scale of resources needed to get this fully off to a meaningful scale, and turn the tide on *business as usual* – into poverty crashing life stories, is heavy. Again the EIF model tells us that it is possible for the WTO to frontload its resources, create institutional centers within it and use that as a base to engage with others for scale.

And here the WTO function to achieve greater coherence in global economic policy-making²⁶ could play an interesting role.

The institutions with which the WTO shall cooperate, i.e. the International Monetary Fund and the International Bank for Reconstruction and Development and its affiliated agencies are the global repositories of financial resources. The WTO should pursue its coherence mandate from the perspective of leveraging support for trade capacity in Africa – using networks to advocate for more resources from the IMF and the World Bank to go into creation of enabling infrastructure and productive capacities for Africa’s development.

²⁶ Article III.5. Online available: https://www.wto.org/english/docs_e/legal_e/04-wto_e.htm. Accessed on 29 January 2019.

Targeting the regional dimension in WTO trade capacity building programmes in Africa

Much of the work on trade in Africa is at regional level, especially in light of the AfCFTA. This means that the support that the WTO provides should envisage a better alignment with regional objectives as, increasingly, they are the expression of how countries plan their implementation of WTO commitments including in such areas as standards such as sanitary and Phytosanitary measures, technical barriers to trade.

It is also at regional level that most trade facilitation reforms take place as well as services liberalization and the necessary regulatory cooperation needed to bring to life the opportunities created by sectoral liberalization.

More so, for some years now, the WTO has championed the tracking of *trade in* tasks and the important role that regional and global value chains play in production processes. The WTO should realign its support programmes to deliver at regional levels in a manner that supports its objectives while not compromising the aspirations of Africa.

The AfCFTA, Special and Differential Treatment and WTO reform

In a reform context, the threshold question will be how Africa can maintain a full scale advocacy on policy space (while seeking ambitious access from others) in light of the scope and reach of the AfCFTA. The AfCFTA will have an impact on receivability of such positioning.

This will require African countries to be ready to protect the integrity of the AfCFTA by

distinguishing the two contexts – emphasizing that the African integration approach selected in the AfCFTA is about promoting industrialization and structural transformation in line with the aspirations of the AU Agenda 2063 and the SDGs: learning by doing, growing regional value chains and pursuing the trade component of an integration agenda that is over and above purely trade concerns.

At the level of the WTO, *vis a vis* the AfCFTA, Africa should call on WTO Members to support implementation – emphasizing the need for an approach to trade capacity building that supports national and regional preparedness, the building of productive capacities and an enabling environment for trade.

Recruiting a new generation of specialists to deliver WTO's contribution to building productive capacity for trade in Africa

The WTO will need to widen its recruitment pool – to target development specialists that understand Africa, its integration, the dynamics of successful trade capacity building and the new generation of Pan Africanism defining the continent's approach to partnerships for trade. This is an unavoidable step in allowing the WTO to conceptualize programmes that will work. The seismic shift in approach requires new ideas and new development professionals.

The good news is that there is a rich pool from which to draw. WTO training has had tremendous success in creating highly skilled professionals- in and out of government – that can provide credible and high-quality advisory services to Africa, operating under the umbrella of the WTO. The AfCFTA negotiations have also

honed key skills of African professionals, especially those in regional economic communities (RECs).

Understanding the unique environment in which trade capacity building must operate in Africa requires a home-grown appreciation of the dynamics – a skill that is abundantly available on the continent. The real experts on how Africa can conclude trade deals and take advantage therefrom is on the continent – in pan African institutions. It also serves the added advantage of trust and confidence – when an institution looks like all of its Members.

Strengthening the face of WTO's trade capacity building teams for Africa is urgent – not least for reasons of supporting Africa's own integration agenda: itself designed and negotiated as a *proudly African* initiative.

The tables have turned on how Africa wants to be treated in the needed partnerships for development. The WTO's preparedness for this, privileging ownership, mutual respect and accountability will be inescapable for success.

SECTION 4

Conclusion

We have demonstrated that in spite of a series of market access initiatives, Africa is at the bottom of global trade. The cog in the wheel propagating this is weak trade capacities. These have to be strengthened by a direct and targeted capacity building programme that encompasses several dimensions such as: institutional reforms which create a home for Africa in the WTO that is appropriately pitched, staffed and resourced; a reconceptualization of the notion of capacity building in the WTO with more emphasis on productive capacity development than on training per se; a resource mobilization drive that scales the EIF to an Africa-wide programme and strengthens partnerships including with the AUC to create supportive synergies with the AfCFTA as a stepping stone to more effective integration into the multilateral trading system.

According to proponents, WTO reform is about many things – differentiation, disputes, notifications, decision making. Africa should frontload its own agenda for reform – hinged on strengthening trade capacity readiness to utilize opportunities created in WTO agreements. It is important to prepare for the likely pushback which might be clothed in a reiteration of existing programmes. Success will hinge on clarity that this is a call for a seismic shift – in concept, design and delivery of WTO support – with a focus on building productive capacity. It will require a spirited and steadfast commitment, using the political strength of the African Union with strong Ambassadorial leadership and the needed political impetus from Addis Ababa.

What Africa is yet to do, and which might well be what makes the system work for its development, is place a major part of its efforts on leading institutional reform to creating a WTO that works for Africa. If the WTO does not change its' conceptualization of trade capacity building, Africa will remain a long shot away from utilizing opportunities created in multilateral agreements.

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