



Trade Negotiations and Development for West Africa: EPAs and the WTO 17-18 October 2005

ILEAP Post-July 2005 Capacity Building Activities¹

Aide-Mémoire and Detailed Agenda

I. Introduction

The end of 2005 will be marked by important deadlines in ongoing trade negotiations. Since agreement on the WTO's July 2004 framework to move the Doha round negotiations forward, little progress has been made on many issues of primary interest to African countries. Indeed, progress has been slow or non-existent across many of the WTO's negotiating areas, putting a great deal of pressure to reach common ground for developed and developing countries at the next WTO Ministerial in Hong Kong in December 2005. At the same time, African regional groupings are entering the second phase of the negotiation of reciprocal market access arrangements – Economic Partnership Agreements (EPAs) – with the EU, to be completed by 2008. These fall under the framework of the Cotonou Agreement – a comprehensive aid and trade strategy for countries in Africa, the Caribbean and the Pacific (ACP). The Doha Declaration launching the WTO round (or what has come to be known as the Doha Development Agenda) and the Cotonou Agreement both contain a number of ambitious development objectives. For instance, WTO Members agreed to “place the needs and interests of developing countries at the heart of the Doha work program,” while the EPA negotiations “shall take account of the level of development and the socio-economic impact of trade measures on ACP countries, and their capacity to adapt and adjust their economies to the liberalisation process.” African countries have engaged in the negotiations with the understanding that the development orientation of these processes would help them to achieve their own development goals. For this to be realised, two conditions need to be fulfilled. First, trade negotiations, in addition to countries' commercial interests, must have poverty reduction and sustainable human development – as opposed to simply trade liberalization – as their ultimate objective. Second, developing countries need to ensure an outcome from these processes that situate their trade positions within wider development strategies, which are primarily constrained by supply dimensions.

It is crucial that countries in sub-Saharan Africa ensure that the two sets of negotiations properly take account of their commercial and developmental interests. The work programme adopted by ILEAP in collaboration with its partners aims at preparing these countries to secure such interests.

¹ This workshop is an integral part of ILEAP's 2005-2006 work programme on trade and development. We would like to thank our ever-growing team of researchers and fellows, who are playing a key role in building trade capacity for African and Caribbean countries. This work program is funded by a consortium of donors, including USAID, IDRC, the Ford Foundation, DFID, Comart Foundation, ASDI and the World Bank.

Three overriding concerns now drive the push towards a development-centric outcome from the Doha and EPA trade negotiations:

- Production and supply-side issues;
- Development-supportive trade rules; and
- Enhanced market access in areas of interest to African countries

Production and Supply-side Issues

While trade rules and trade negotiations are key elements in the trade-development nexus, enhanced competitiveness and alleviation of supply-side constraints are the main factors in Africa's overall development strategies. At the very least, trade negotiations must meet the expectation of developing countries and of productive sectors in them that on balance more business opportunities will be generated than lost as a result. Given persistently low productivity and competitiveness in many economies in sub-Saharan Africa, there is concern that liberalization under WTO and EPA processes is likely to lead in many instances to significant economic and social adjustment costs. These countries are ill-equipped to take full advantage of new trade opportunities – or indeed, of existing preferences – because of significant supply-side and institutional constraints. Their ability to compete is undermined by the absence or inadequacy of the basic machinery for trade, be it modern and efficient customs, roads and ports, the infrastructure and institutions needed to meet standards in export markets, or simply knowledge about market opportunities and how to access them. A number of contributions on aid for trade have focused on expanding existing initiatives and increasing commitments from donors towards building productive capacity in the South. The Cotonou Agreement, for example, envisages targeted support for capacity building, business-related infrastructure and economic adjustment from the European Development Fund (EDF) and bilateral funds. Recent events such as the June 2005 G-8 Finance Ministers' meeting indicate that future disbursements in this area are likely forthcoming. However, for such funding to be allocated in an effective manner, there is a need for further Southern inputs into defining priorities, particularly in light of future EPA and WTO trade reforms.

Development-supportive Trade Rules

A development-centric approach to the negotiations will require short-term 'deliverables' on special and differential treatment appropriately linked with longer-term development strategies. This involves asking firstly what is achievable (and what should be avoided) in the immediate negotiations from a development perspective, and secondly how poorer countries can build longer-term capacity to ensure development is promoted in trade negotiations. Many of these issues are being dealt with already in the course of negotiations around flexibilities for developing countries and least developed countries within each of the WTO negotiating areas, as well as through the broader S&D mandate launched at Doha in 2001.

Market Access

In order for countries in sub-Saharan Africa to properly assess what they stand to benefit from EPA and WTO processes, there is a need to properly identify their own commercial interests. They must also review specific proposals that take into account the particular condition of lesser developed countries in the negotiations. This is particularly the case given recent research, which has shown that the gains for poor countries from a 'successful' Doha round may be much lower than previously expected. Such conclusions raise the question of what low income countries can

gain from Doha and EPAs. Addressing these countries' concerns in the major negotiating areas is critical. Such a process will help to develop both 'offensive' and 'defensive' approaches to negotiations in such areas as agriculture, services, industrial goods and trade facilitation.

II. Workshop Objectives

A series of regional workshops being prepared for West, East and Central Africa aim to respond to these central concerns by assisting decision-makers to come forward with clear recommendations for how to achieve outcomes from the Doha and EPA negotiations that are supportive of development beyond simply expanded market access. In the process, they will aim to meet the following objectives:

- (1) Inform and update regional actors responsible for following Doha and EPA processes about the principal development-related aspects of the negotiations.
- (2) Discuss funding opportunities and available mechanisms with particular attention to their effectiveness and relevance to regional priorities.
- (3) Identify negotiating priorities, including immediate and longer-term actions to undertake in specific sectors.

III. Commissioned Research

ILEAP has commissioned research from each of the regions that responds to the three overriding concerns referred to in the Introduction above. Specifically, papers are being prepared on Agriculture, Services, NAMA, Aid for Trade, and Trade Facilitation. ILEAP further expects to provide a forum for the presentation of research generated from other areas.

The expectation is to come out of each meeting with specific conclusions and suggestions – based on the reality of each region – as to what negotiating positions in EPA and WTO could be. In addition, the workshops will help to envision supply-side/aid for trade agendas that could help address regional development priorities.

IV. Location and Dates

- West Africa: Cotonou, Benin, 17-18 October.
- Eastern Africa: Arusha, Tanzania, 27-29 October.
- Central Africa: Yaoundé, Cameroon, 2-4 November.



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***Trade Negotiations and Development for ECOWAS: EPAs and the WTO
17-18 October 2005***

Convened by ILEAP & ECOWAS

Marima Benin Hotel (former Sheraton), Cotonou, Benin

~ Detailed Agenda² ~

Monday, 17 October

8:30 - 9:00

Welcome and Opening Session
ILEAP & ECOWAS

9:00 - 10:00

Session I (Plenary): Introduction to Workshop & Organization of Work

This session will provide the strategic direction of the Workshop and outline how the sessions will be undertaken.

Chair: TBA

Speaker: Dominique Njinkeu, Executive Director, ILEAP

Discussion

10:00 - 11:00

Cluster allocation and Coffee Break

**Following the morning session, the first day will be in three parallel clusters:
(A) Development; (B) Trade in Goods; and (C) Trade Facilitation and Services.**

² The programme for this Workshop has been put together with the input of the collaborating institutions.

Cluster A: Development

11:00 - 13:00

Session II (A): Special and Differential Treatment – Short and Long-term Perspectives

This session will (1) review proposals currently on the table at the WTO on S&D (in agriculture, NAMA, services, trade facilitation) and proposals under rules; and (2) consider some of the longer-term approaches to bringing S&D more fully into the multilateral trading system. Presentations will provide an update of work in the Committee on Trade and Development, with focus on proposals of interest to African countries. The session will also discuss competing proposals on systemic issues of interest to low income countries.

Chair: TBA

Presentations

Speaker 1: Bernard Hoekman, World Bank – S&D and Aid for Trade - confirmed

The first presentation will survey research results on development highlight concrete proposals that the meeting could consider.

Speaker 2: Iba Mar Oulare, Conseiller Tehnique, Ministère de l'Economie et des Finances, Senegal - confirmed

The second presentation will complement the first by providing a negotiator's perspective on the same issues.

Discussion

Although the discussion could touch on selected areas in specific negotiations (e.g. agriculture, NAMA, etc.), the focus should be on development as a cross-cutting issue. In addition, the discussion should focus on specific proposals for capacity building that enables effective ability to (i) negotiate, (ii) produce, and (iii) trade.

The discussion will in particular cover the following:

1. In the S&D debate, what are the short and long term objectives and how can these be achieved?
2. The relevance/adequacy of using the Integrated Framework for providing trade capacity building to countries in the region, and what are the desired features of a possible redefined IF.
3. The relative merit of a dedicated trust fund for trade capacity building and how such a fund is to be fuelled and managed. Also how such a fund relates to existing mechanisms that are relevant for countries in the region.

13:00 - 14:30

Lunch

14:30 - 15:30

Session II (A): Special and Differential Treatment – Short and Long-term Perspectives (continued)

15:30 - 16:00

Coffee break

16:00 - 18:00

Session III (A): Regional Priorities on Aid for Trade

This session will provide an overview of production and trade capacity building in the ongoing aid for trade agenda. The session will also review of core supply-side problems and assessment of funding opportunities and priorities. In all the session will aim to come forward with regional priorities on how to build capacity to (i) negotiate; (ii) produce; and (iii) trade.

Chair: TBA

Presentations

Speaker 1: Ademola Oyejide, University of Ibadan - confirmed

The first presentation will discuss a framework for ensuring that participation in EPA and WTO negotiations responds to Africa's development objectives. The presentation will look at the extent to which the aid for trade agenda as currently shaped can address the capacity to (i) negotiate, (ii) produce, and (iii) trade. It will in particular draw lessons and attempt to draw out the relevance of the analysis to a number of countries in the region both in national and regional development aspirations.

Speaker 2: Kathleen van Hove, ECDPM - confirmed

The second presentation will help the meeting understand EU practices and procedures in providing trade-related development support in order to better prepare them for negotiating the development financing package of the EPA.

Discussion

The discussion, building on that of the previous session, will focus primarily on specific proposals for countries in the region in the area of aid for trade.

Cluster B: Trade in Goods

11:00 - 13:00

Session II (B): Agriculture

This session will, from the regional perspective, look closely at agriculture negotiations at the WTO and EPAs, addressing in particular ‘offensive’ market access interests (i.e. Northern subsidy reform, tariff reduction formula) and ‘defensive’ strategies (i.e. options around preference erosion, effects of CAP reform, S&D, SPs, SSM) for countries in the region. Where possible, it will address specific sectors of importance to the region, such as bananas, rice, cotton, coffee, cocoa and sugar. This will also include the question of how regional market access commitments are being coordinated for EPAs and the WTO.

Chair: TBA

Presentations

Speaker 1: Will Martin: Simulation of July Package, World Bank - confirmed

The first presentation will provide overall simulation of the July package and spell out the main conclusion, with specific reference to Africa.

Speaker 2: Olawale Ogunkola, Department of Economics, University of Ibadan - confirmed

The second presentation will build on the first but focus ECOWAS specific situation. This presentation should also establish an interface between the WTO and the EPA.

Speaker 3: Ambroise Balima, Mission of Burkina Faso to the WTO - confirmed

The third presentation will focus on specific situations of countries on primary products and the cotton initiative. Particular attention will be given to the political economy of sectoral initiatives in the WTO.

Discussion

13:00 - 14:30

Lunch

14:30 - 15:30

Session II (B): Agriculture (continued)

15:30 - 16:00

Coffee break

16:00 - 18:00

Session III (B): Non-Agricultural Market Access (NAMA)

This session will look closely at industrial products negotiations at the WTO and EPAs, addressing ‘offensive’ market access interests (i.e. tariff reduction formula, sectoral initiatives, NTBs) and ‘defensive’ strategies (i.e. S&D, less-than-full reciprocity, LDC exemption, etc.) for countries in the region. It will look in particular at important industrial product areas that could be either exempted from liberalization or phased in over a longer timeframe. This will also include the question of how regional market access commitments are being coordinated for EPAs and the WTO.

Chair: TBA

Presentations

Speaker 1: Olumuyiwa Alaba / Dominique Njinkeu - confirmed

The presentation will focus on research results on West African industrial products and the primary interest of West African countries in the NAMA negotiation. Particular attention will be paid to NTBs.

Discussion

Cluster C: Trade Facilitation & Trade in Services

11:00 - 13:00

Session II (C): Trade Facilitation

This session will assess the implementation challenges of TF proposals on the table at the WTO and those that could arise in the course of the EPA negotiations. This will include a presentation of state of play as well as country case studies.

Chair: TBA

Presentations

Speaker 1: Ibrahima Diagne, Administrateur Général du Groupement GAINDE 2000 (Informatique Douanière), Senegal - confirmed

Speaker 2: Gunnela Becker, Becker Consulting AB - confirmed

Discussion

13:00 - 14:30

Lunch

14:30 - 15:30

Session II (C): Trade Facilitation (continued)

15:30 - 16:00

Coffee break

16:00 - 18:00

Session III (C): Trade in Services

This session will cover the state of play of services negotiations at the WTO and EPAs. It will look at offensive and defensive interests of the region, review successes and / or failures of services liberalization initiatives, and recap progress in the region in coming forward with requests and offers. Like the other market access sessions it will also include the question of how regional market access commitments are being coordinated for EPAs and the WTO.

Chair: TBA

Presentation

Speaker 1: Abdoulaye Ndiaye, CEO Agir Promouvoir, Senegal - confirmed

Discussion

Plenary

Tuesday, 18 October

8:30 - 10:00

Session IV: Other Elements of the Doha and EPA Work Programmes

This session will review progress to date on other aspects of the negotiations at the WTO and EPAs. Includes issues such as TRIPS; implementation issues; trade, debt, and finance; and transfer of technology.

Chair: TBA

Presentation

Speaker 1: TBA

Discussion

10:00 - 10:30

Coffee break

10:30 - 12:30

Panel with development partners

This session will provide an opportunity for key funders to present ongoing and planned activities for trade capacity building for West Africa.

Chair: TBA

Presentations

Speaker 1: USAID - TBC

Speaker 2: World Bank/WTO/ITC (IF/JITAP, etc.)/Dutch/DFID - TBC

Discussion

12:30 - 14:00

Lunch

14:00 - 15:30

Session VI: Plenary - Reporting back

Reports by Chairs of each cluster grouping

Chair: TBA

Discussion

15:30 - 16:00

Coffee break

16:00 - 17:00

Session VI: Plenary roundtable on negotiation strategies

This session will focus on what strategies would be appropriate to adopt to best enable development-centric outcomes from the WTO and EPA trade negotiations.

Chair: TBA

Discussion

17:00 - 17:30

Closing

ILEAP & ECOWAS