

ANNEX B

Building Capacities for Pro-poor Services Reforms: Focus and Design for AfT for Regional Integration and EPA Negotiations in Africa

24 April 2009

Berlin, Germany

I. Background

Domestic trade reform, regional integration and international trade negotiations have assumed centre stage in public policy debates in African, Caribbean and Pacific (ACP) countries. While there has been intensive debate about whether and the speed at which individual countries could integrate smoothly into the international trading system, a near consensus has been reached on the need to deepen regional integration. The Cotonou Partnership Agreement (CPA) signalled a profound reorientation of the ACP-EU trade and development relationships. The Economic Partnership Agreements (EPAs) have been expected to be the framework for discussions aimed at making trade and regional integration an effective tool for welfare enhancement and poverty reduction in the ACP. As the trade regime of the Cotonou Agreement was about to expire in December 2007, a subset of countries, individually or as part of regional economic communities, signed interim EPAs that provide for WTO-compliant reciprocal liberalisation of trade in goods. Comprehensive EPAs covering other subjects such as trade in services, investment and other trade-related issues are expected to be completed in 2009.

In all African sub-regions intensive work has been undertaken on trade in services, either in the context of deeper regional integration or in terms of ongoing trade negotiations such as the EPAs and the Doha Development Round. The aim of this work is to deliver a good understanding of how regional integration of services markets can furnish benefits for African countries through enhanced capacities, joint regulatory policies, institutions and surveillance, and market opening and investment. Another goal is to show how trade in services reform and negotiations can be pursued without undermining the overriding objective of regional integration, and how trade in services negotiations can be used to improve the regulatory framework and trigger harmonisation at regional and country levels. This work also aims to encourage various stakeholders to identify sectors and modes of supply that are of interest to them as a basis for regional and international trade negotiations. African ACP positions towards trade in services are, however, still plagued by several concerns: In which sectors is there potential for African service providers to grow their exports and how can they be supported in this endeavour? How can services sectors where markets still have to be protected be defined? What approach should be used in order to deal with services sectors where the local private sector and consumers would benefit greatly from more lively competition? For which sectors and modes

should attention be focussed on promoting regional trade by establishing a framework for trade in services and agreeing on regional liberalisation before opening up to Europe? How can African service providers and professionals gain from asymmetrical market opening as pursued in the EPAs? The ongoing turbulence in international markets, combined with the stalled WTO negotiations and protectionist policy proposals in developed countries have further complicated the case.

A consensus has emerged from both the EU and the African sides that a trade agenda alone cannot lead to growth and poverty alleviation. Capacity needs to be developed to enable African countries to pursue and deepen their regional integration process and exploit opportunities arising from international trade negotiations. Because of the emphasis of the EPA negotiations on trade in goods until recently, capacity building and trade-related assistance (CB/TA) for trade in services does not feature prominently in most assistance programs. CB/TA in trade in services – based on partners’ strategies – is therefore required to support pro-poor legal and regulatory reforms at country and regional levels, build the human resource base and institutional capacity by offering assistance on trade negotiations such as negotiation strategies and expertise, and address the supply-side and productive capacity constraints. Such capacity building should take a holistic view, combining assistance for services policies, regulation and implementation at the country and regional levels with support for trade in services negotiations.

Against this background it should be recalled that the 14 March 2007 consensus between the EU and ACP reached during the German Presidency of the EU stressed that the central common goal of EPAs is to fight poverty, promote sustainable development in the ACP partner countries and ensure them a fair share of the global economy (see www.EU2007.de – consensus). This consensus created the conditions for concluding the CARIFORUM EPA and for signing interim agreements in other ACP regions. The challenge for the trade in services agenda is therefore to realise the threefold objective of securing pro-poor trade in services components in the forthcoming comprehensive EPAs, ensuring a contribution to regional integration also in the services area, and providing the basis for assistance appropriate to an outcome consistent with the March 2007 consensus.

II. Objective/focus

The seminar is aimed at bringing together, in an informal setting, ACP and European partners to exchange views on key requirements for pro-poor trade-related services reforms and supportive technical assistance. The discussion will focus on needs and types of support at the regional and country levels arising out of trade in services reforms in general and EPA negotiations in particular. Approaches and best practices for supporting human, institutional, and productive capacities, at both regional and country levels, will be discussed.

The deliberations will be informed by, among others, the ILEAP trade in services work programme.

III. Participants/speakers

Participants and speakers will be drawn from both the ACP and Europe. Approximately 30 people will take part, including representatives of ACP regions, EU Member States, the European Commission and other relevant stakeholders, but with a focus on Europe-based participants.

IV. Location and Date

The seminar will be held at the BMZ Berlin, Stresemannstraße 94, on Friday 24 April 2009.

Programme

9:30 – 10:00 Session 1: Introduction

Chair (morning sessions): Paulina Mbara Elago

Speakers:

Ambassador Ali Mchumo, Chairperson, ILEAP
Evita Schmieg, Head of Division BMZ

**10:00 – 12:30 Session 2: Trade in services reforms, regional integration and
EPA negotiations: Needs assessment**

This session will review African countries' and regions' strategies in trade in services reform with regard to both deeper regional integration and EPA negotiations. Presenters will consider strengths and weaknesses in the policy, reform and negotiation processes, as well as respective CB/TA needs at country and regional levels for pro-poor trade-related services reforms and EPA negotiations. The discussion will seek to define and prioritise concrete capacity needs in order to enable developing countries to formulate pro-poor regulatory reforms, trade in services strategies and pro-development negotiation positions, and also to implement them in African ACP countries and regions.

Presentations:

- Trade in Services Strategies and Needs: Western African Perspective I
Ken Ukaoha, President of the National Association of Nigerian Traders
- Trade in Services Strategies and Needs: Western African Perspective II
Kalilou Traoré, Director Ministry of African Integration, Cote d'Ivoire
- Trade in Services Strategies and Needs: A methodological approach to assessing needs
Wamkele Mene, DTI South Africa

Discussant:

- Reflection on Strategies and Needs
Johannes Bernabe, ICTSD
Gerald Ajumbo, EAC

12:30 – 14:00 Lunch

14:00 – 16:30 Session 3: Building capacity for trade in services

Chair (afternoon sessions): Birgit Hofmann, BMZ

This session will discuss concrete capacity building solutions that respond to the needs arising from session 2. It will review lessons from ongoing capacity building programs by featuring the experience of capacity building in the area of trade in services. Presenters will briefly review their approaches and lessons learnt in trade in services CB/TA and then discuss their future

plans for capacity building in the field of services trade reform policies, regulation and negotiations at the country, regional and international levels.

Presentations:

- Trade in Services Strategies and Needs: Good Practices in CB/TA
Thierry Ngomo, Member of the National EPA Negotiations Committee, Gabon
- CB/TA Approaches I:
Martine Julsaint Kidane, UNCTAD
- CB/TA Approaches II:
Silke Trumm, GTZ

Discussant:

- Comment on proposed CB/TA plans
Johannes Bernabe, ICTSD
Paul Kalenga, SADC Secretariat

16:30 – 16:45 Coffee/tea

16:45 – 17:30 Session 4: Way Forward

This session will summarise the discussions and propose a way forward for supporting pro-poor and pro-regional trade in services reforms.

- Dominique Njinkeu, Executive Director, ILEAP
- Regine Qualmann, Head of Trade Programme, GTZ

17:30 – 18:30 Cocktail reception & Launch EPA Reader