

**REPORT ON THE STAKEHOLDERS WORKSHOP ON THE WTO  
NEGOTIATIONS ON AGRICULTURAL AND NON-AGRICULTURAL  
MARKET ACCESS HELD AT THE GUBABI ROYAL HOTEL ABUJA,  
NIGERIA (9<sup>TH</sup> TO 10<sup>TH</sup> OCTOBER, 2007)**

The workshop took off around 10:30 am on Tuesday 9<sup>th</sup> October, 2007 with the welcome remark by the Acting Permanent Secretary of the Federal Ministry of Commerce and Industry (Mrs Adegbite) who appreciated the support and assistance provided for the country by the ILEAP, ICTSD and the TPRTP on the organization of this dissemination workshop. She also welcomed all the stakeholders to the workshop and wished them happy deliberations on the Nigeria's position in the Doha Negotiations.

Professor Ademola Oyejide remarked that the Trade Policy Research and Training Programme (TPRTP) is participating in the workshop to present findings of research on Nigeria's Agriculture and NAMA negotiations in the Doha. He stated that negotiations are complex issues which require rigorous analytical studies to provide insights and recommendations upon which Nigeria's positions on these two areas of negotiations can be based. He mentioned that two years ago, there was a similar meeting where the TPRTP presented findings on a study on Services for Doha negotiation. These studies benefited from the financial support of the ILEAP which is commendable. He pointed out that comments offered in this workshop will enable the TPRTP finalise its report.

On his remark, Mr David Primack, the representative of the ILEAP appreciates the presence of the various stakeholders in the workshop and wishes them a fruitful deliberation. Similarly, the representative of the ICTSD expressed his appreciation to the Federal Ministry of Commerce and Industry and the TPRTP as well as the stakeholders for the anticipated success of the workshop. The ICTSD representative stated that the organization realised the fact that some countries do not have capacity for negotiations of WTO issues and do not have sufficient information upon which their positions can be articulated. He stated further that ICTSD also recognizes the idea that the various stakeholders including the NGOs, CSOs and the organized private sector should be equipped with the necessary information and capacity to enable them contribute to the process of articulating the negotiation positions of their countries. He mentioned that

these are the main reasons for providing financial and technical supports to countries including Nigeria.

Opening address by the Hon. Minister of the Federal Ministry of Commerce and Industry was presented on his behalf by the permanent secretary of the ministry (Mrs Adegbite). The minister's address begins with expression of appreciation of the support and assistance provided for the country by the ILEAP and ICTSD in particular on the studies on "Nigeria Agricultural and non-Agricultural market access negotiation in the Doha" and the organization of the dissemination workshop. The minister stated that he looks forward to working closely with the organizations so as to advance the trade policy agenda in Nigeria. Professor Oyejide and his team were also commended for the empirical analysis which was used for deliberations at the workshop.

The presenter of the address reinstated the objectives of the workshop to include the following:

- To familiarize the participants with recent developments on negotiations on agricultural and non-agricultural market access;
- To disseminate findings on studies commissioned by the ILEAP and ICTSD on behalf of the Nigerian government particularly the Federal ministry of commerce and Industry;
- To provide opportunity to exhaustively discuss Nigeria positions on negotiations on Agricultural and non-agricultural market access.

The minister opined that as Nigeria is presently involved in the Doha Development Agenda (under the WTO) as well as in the regional Economic Partnership Agreement (EPA) there is need to carefully review and streamline all the existing bilateral trade and investment frameworks so as to synergise and enhance Nigeria's development policy options and prospects. He stated that all the stakeholders present in the workshop have a stake and must contribute in the global enterprise. Their contributions become more important if Nigeria must achieve the Millennium Development Goals (MDGs), and stand to be positioned among the top twenty most developed nations of the world by 2020. He stated further that Nigeria regrets the continued lack of progress in the Doha work programme since the launching of

negotiations at the Doha, Qatar in 2001. He mentioned that although the anticipated results of the Doha are expected to benefit all the participants, the overwhelming consensus is that they are particularly aimed at making strong contributions to economic growth in developing countries. Nigeria therefore, remains fully committed to this mandate, which should be the key in our efforts towards ensuring a successful conclusion of the Doha work programme, both as individual members, and as active participant in the various group processes particularly the African group, G20, G33 and the African, Caribbean and Pacific (ACP) group of nations.

The minister declared that it is because of the importance that Nigeria attached to the on-going negotiations on agricultural and non-agricultural market access (NAMA) and services that the country has duly submitted our initial offer under the General Agreement on Trade in Services (GATS) negotiations. He pointed out that the workshop should lead to the production of Nigeria's schedules in Agriculture and NAMA after the modalities phase of the negotiations. He pointed out further that, for Nigeria and most other members of the developing world, the issue of agricultural trade liberalization in the Doha negotiations is one of livelihood rather than profits or commercial interests. This is because majority of the people depend on agriculture for their sustenance and survival and this sector has remain threatened by the huge domestic subsidies and market access barriers of the developed nations. Finally, the Minister's address contains the following observations;

- That the modalities paper does not substantially reflect the views of most members and the paper does not contains the same details in all its sections;
- It does not make specific recommendations in many areas and therefore the approach would lead to partial modalities;
- Incompatibility of the ranges of figures proposed in respect of some areas of negotiations (e.g domestic support, agricultural tariffs, export competition) in the draft text with those proposed by the ACP and African groups. This is considered punitive;
- The draft modalities in Agriculture have ignored the views on the majority who wants disciplines and monitoring mechanism on the Green Box. There exist no provision for any criteria in important areas such as direct payments;

- There is no indicator or threshold on criteria for decoupled payments;
- On NAMA, the current position in the NAMA modalities does not leave us with much room for negotiation at a binding average of 90% of tariff lines at an average rate of 28.5%.

## **Day 1 TECHNICAL SESSIONS (9<sup>th</sup> October, 2007)**

### **Technical session ONE**

This technical session was chaired by the representative of the Permanent Secretary Federal Ministry of Agriculture.

**Paper one:** WTO Agreement on Agriculture and the Doha Mandate presented by Dr. E.O. Ogunkola, TPRTP Ibadan.

### **Summary of the Paper**

Dr Ogunkola began by tracing the evolution of the WTO Agreement on Agriculture and stated that the Uruguay Round Agreement on Agriculture (AoA) has three main parts, which are the Market access (MA), Domestic support (DS) and Export competition (EC). He also traced experience in the implementation of AoA. He mentioned that the mandate for the Doha Negotiation was contained in the Article 20 of the WTO AoA and the Doha declaration or mandate. He stated that GATT and multilateral trade negotiations in Agriculture were characterized by weak multilateral trade discipline (exemptions), Non-comparability to disciplines in manufactures. He also stated that there are two types of distortions based on the stage of development of the world economies. The Developed countries are characterized by quantitative restrictions, variable import levies, minimum import prices, discretionary import licensing, state trading enterprises and voluntary export restraints, while the developing countries are characterised by taxation of agricultural activities, skeletal domestic supports (largely constrained by inadequate government revenues).

He reinstated the fact that the Structural Adjustment Programme (SAP) has sapped the remaining supports to the sector in the developing countries including Nigeria.

He therefore submitted that the role assigned to Nigerian agriculture is quite different from that of the developed countries and that Nigeria's agricultural problems are different from that of the developed countries. He pointed out that the long-term objective of the Uruguay Round agreement was to establish a fair and market oriented agricultural trading system and that a reform process should be initiated through the negotiations of commitments on support and protection and through the establishment of strengthened and more operationally effective GATT rules and disciplines. He mentioned the commitments in Agriculture by Group of countries. He also mentioned that there is evidence of dirty implementation of AoA by the developed countries. He presented the notified domestic support by some major countries in 1999, and export subsidies in 1998.

According to the presenter, the main elements of the Doha Mandate on agriculture are substantial improvements in market access; reductions of, with a view to phasing out, all forms of export subsidies; and substantial reductions in trade-distorting domestic support; integration of special and differential treatment for developing countries in all elements of the negotiations; and accounting for non-trade concerns in the negotiations as provided for in the Agreement on Agriculture. He discussed the issues in the Doha Negotiations of Agreement on Agriculture by stating that in the area of Market Access the issues concern the application of the Tiered formula and tariff reductions; Sensitive Products (selection and treatment of special products, special safeguard mechanism); fullest liberalization of trade in tropical and diversification products; recently Acceded Members; Least-Developed Countries; Cotton issue; Small, Vulnerable Economies; Monitoring and Surveillance; as well as the issue of preference erosion. In the area of Domestic Support, he discussed the final Bound Total AMS; Product-Specific AMS caps; *De minimis*; Blue Box; and the overall reduction of trade-distorting domestic support; Green Box; Cotton issue; recently Acceded Members; and monitoring and surveillance. On export competition, he mentioned the general provision on export competition, export Subsidy Commitments, export credits, Export Credit Guarantees or Insurance Programmes, agricultural exporting state trading enterprises, international food aid, export prohibitions and restrictions and Commodity Arrangements.

**Paper Two:** State of Play in the Agriculture Negotiations presented by Ambassador Y.F. Agah

The Ambassador's discussion focused on three main areas of negotiations, which are market access, domestic support and competition. He stated that for each country participating in the Negotiation, the main concern is to find what is relevant for them. There are complexities of issues in the negotiations. He reviewed the timeline and activities in Agricultural negotiation. He also discussed the areas of agricultural negotiations by actors. He stated that Nigeria and other African countries are more interested in the Agricultural negotiation. He highlighted the main issues on market access as tariff reduction (by the developed countries) and special treatment on sensitive product/ special products and (in the case of developing countries).

## **FLOOR DISCUSSIONS**

The chairman in his initial remarks summarised the two papers by stating that the interests of the two groups (developed and developing) differ. He reinstated the point made by Dr. Ogunkola that the new round of Negotiation on Agriculture was supported by the Article 20 of the WTO agreement and the Doha mandate. He also stated that there is tariff escalation as value is added to the raw agriculture products along the production value chain. He also commented on the groupings of actors and where Nigeria belongs. He mentioned that the second speaker discussed the milestone area of agricultural negotiations and that a lot of efforts are been required. The chairman stated that Agricultural Negotiation is very important these days that the new government has Agriculture as the second item of its 7-point agenda.

In his intervention, the Representative of the Apex Farmers Association of Nigeria posed the following questions:

- (1) How do you enforce the various sanctions in the Agricultural Agreement?
- (2) For the big giant such as the US, how are the sanctions been implemented?

He mentioned that there is confusion on subsidies because here in Nigeria the government will tell us that they are subsidizing us to the tune of an amount but the amount will not show up in our activities. He further asked, "How can the government subsidise agricultural production so as to reduce production cost and enable producers to sell at the international market?" Also, he stated that there is confusion on the issue of the

subsidy because even the US government gives out a substantial amount of dollars as subsidies but here in Nigeria we argue against subsidy.

Ambassador Agah stated that the WTO does not prevent a country to act in any way. The WTO provides you the opportunity to justify why countries are not doing certain things. He said that Nigerian government can subsidise agriculture because it has a per capita income of less than \$1,000 which according to WTO is among the countries that are exempted from subsidy withdrawal. Nigeria can subsidise any product for export because the rules allow it to do so. Government subsidies are not charity but it should be based on incurrent of losses. He stated that it is the same people who lobby the government to ban a product who also lobby the reversal of the policy to their favour. The producers are not consistent because they lobby for waivers that benefit them.

Dr. Ogunkola stated that we can challenge the so-called economic giants, because the rule is clear and to do so we should have the right data and information and the right caliber of people to present the challenges.

A participant refers to the statement by the Ambassador that Nigeria has not been able to fully appropriate available preferences to its benefit. She asked “What are the preferences and why are we not making use of the preferences?” Another participant asked, “why is it that the developed nations are making it difficult for the developing nations to reap the benefit of the sensitive and special products/safeguard mechanism? And why should Nigeria not concern itself with the issue of preference erosion in the negotiations?”

Ambassador Agah reacted to some of the issues by stating that he was only trying to provide the state of play in the sense of what each country wants from the negotiations which informs their priority. Nigeria does not have the facilities and structure to utilize the preferences. For example, the Euro Certificate No. 1 that is supposed to be issued by the Customs that is being issued by the NACCIMA. This ab initio precludes Nigeria from enjoying the benefits of that ACP-EU agreement. There is need to balance the interest of the various stakeholders so as to avoid conflict of interests. This is because as some countries are not utilizing the preferences others actually depend on preferences. Therefore, how will Nigeria hammer on preferences during negotiation? He stated that it seems as if the opportunities for utilizing the provisions on special products (SP) and

special safeguard mechanism (SSM) by the LDC and Developing countries are being restricted by the US and others giants as they place barriers on the extent to which they can be used after the agreement. He also stated that there is need to understand provision in the various agreements. Government policies and priorities at a point in time can reduce or limit ability to enjoy preferences. For instance, Nigeria could have gained from AGOA by improving fabrics from China but for the ban.

### **Technical session TWO**

This technical session was chaired by The Chairman of The National Association of Cassava Growers.

**Paper one:** Analysis of Nigeria's possible positions on Agriculture in the DOHA Round Negotiation presented by E.O. Ogunkola, TPRTP Ibadan.

#### **Summary of the paper**

The presenter of the paper stated that the July Framework resolved many of the key SSA concerns, namely, exemption of least-developed countries (LDCs) from formula cuts, the agreement on reductions from bound rather than applied tariff rates. He pointed out that some key issues remain unresolved. These key issues include the banding, type of formula to be applied within the 'tiered' structure, tariff cap, treatment of tariff escalation, treatment of tariff rate quotas (TRQs), the SSM and preference erosion. He highlighted the achievements so far to include agreement on 'single-tiered approach', elements of the formula, and that reductions will be made from bound rates. He also stated that the LDCs will be exempt from tariff reduction commitments and that 'progressivity' will be achieved through deeper cuts in higher tariffs, while 'proportionality' will be achieved by requiring lesser tariff reduction commitments or tariff quota expansion commitments from developing country members.

However, he stressed that many key elements of the formula are still under negotiation, including the number of bands and the cut-offs for defining the bands, the formula that will apply to each band, the role of a tariff cap and the treatment of tariff escalation.

The presenter opined that given that the bound rate in Nigeria is 150% then applying the cut implies that the new bound rate will be 77 – 84%. He then raised the

question of: Are we comfortable with this? What can we do with the adoption of CET? He mentioned that what we can do is to declare commodities with tariffs higher than 84% as sensitive products. The main rule is to add 2/3 of 84 to 84 and declare products that fall on this tariff as sensitive products. He stated that the actual domestic support utilized in the US and EU is far less than the bound therefore it is proposed that a higher percentage should be used for cut.

**Paper Two:** Implications of Doha Negotiations for the ECOWAS (WA) - EU EPA presented By E.O. Ogunkola, TPRTP Ibadan

Discussing issues in the EPA negotiations, the presenter stated that special preferences were defined by some Protocols such as those on Sugar, beef and veal and Bananas. There are those that define preferential market access (market duty free or tariff rate quota). He mentioned that at the beginning of the first phase of the EPA negotiations, EU's main interest with respect to agriculture includes elimination of charges having equivalent effect to tariffs; national treatment for the EU's trade in goods including agriculture; the base for tariff reductions be applied rates on entry into force of the EPA agreement; safeguard and anti-dumping measures neglect the concerns of ACP countries, and elimination of quantitative restrictions and measures having equivalent effect on entry into force of EPA negotiations. Similarly, the list of "requests" and "offers" by ACP countries include eliminations of subsidies and domestic support for all agricultural products originating from ACP countries; preservations of existing preferential arrangements; increase in quotas under commodity protocols; restoration of cost quotas under the sugar product, and measures to address the special needs of net-food-importing states, single commodity producers and non-trade concerns such as rural development.

He stated that a thorny issue was the sequencing of trade liberalization of agriculture under EPA in relation to the provisioning of support for the development of the ACP countries' agriculture. He also stated that in accordance with other FTAs signed by EU, issues in the West-Africa-EU EPA negotiations of agriculture include product coverage, transition and sequencing of liberalization, tariff concessions, tariff rate quota concessions, safeguard clauses and specific rules of origin for agricultural products. Further, he stressed that although removal of subsidies and government support to

agricultural practice in the EU is on the West Africa's request, issues relating to domestic support were not included in any of the FTAs that have been signed by EU.

The presenter identified the challenges in the negotiations to include ensuring flexible rules of origin, the issues of EBA in EPA for West Africa LDCs and EPA versus GSP for West Africa non-LDCs. It also includes how to maintain coherence between EPA and DDA for West Africa non-LDCs, and how simultaneous negotiations will not overstretched technical and financial capabilities. He disclosed that issue relating to domestic support reduction is not on the EPA agenda. He stated that EU domestic support displaces domestic production in West Africa especially in the area of cereals, dairy and meat products and sugar. He talked about seeking for assistance under the financial cooperation components of the CPA and mentioned that the experience with Marakesh Decision should guide the demand for assistance.

## **FLOOR DISCUSSIONS**

The chairman talked about the issue of subsidies which he considers to be important and which the government has not be taken very seriously.

A participant asked the question that:

- (1) What should be our strategic interest on Market Access, Export Subsidies and Domestic Supports?
- (2) What impact will the recent EU extension of preferences to Africa has on EPA negotiation?
- (3) Is there not a need to create avenue to pass information to the stakeholders as it is the case in this workshop as it is important to keep abreast in the EPA Negotiations.
- (4) How is the government ensuring that Nigeria's interests in the WTO are consistent with those of the EPA?

Dr. Ogunkola stated that the products to be protected according to our study are identified in our report. Nigeria wants the developed countries to cut their tariffs substantially to provide market access. On question 2, the issue is related to the extent to which Nigeria can respond to reap benefits of new market access to be granted by the EU and how Nigeria can remove supply response constraints and promote rural development.

Ambassador Agah asked about the Nigerians interest.

The chairman stated that the experts and the civil servants are there to tell the government what Nigerian interests are. Ambassador Agah however stated that a country's interests are prohibiting inflow of unwanted imports, gaining improved market access and promote economic development. According to him the private sector operators should inform or present their interests because they are the concerned. Unlike in the developed countries where the private sector makes its interest known to government, in Nigeria this is not so. He mentioned that a country like Nigeria should prepare for industrialization so as to achieve it. We need to shoulder the issue of alternative to EPA. The challenge in Nigeria is to sit up and do what we are expected to do. The weak institutional arrangements for negotiations at the country level and ECOWAS will not enhance benefits from negotiations. There is need to gather experts and competent negotiators.

### **Technical Session Three**

This technical session was chaired by a Director at the Federal Ministry of Commerce and Industry on behalf of the Acting Permanent Secretary.

#### **Paper One: Special Products for Nigeria's Agriculture Negotiations presented by Dr. A.S. Bankole**

The presenter started by asking the question of how can we identify special products? This is the focus of the paper. He talked about the rationale for declaring Special products to include self-sufficiency and self-reliance in food, strategic political decision, food security, livelihood security, rural economic development, complex and binding supply response constraints and huge subsidies abroad. He reported that after applying the various formulae, the first cut-off, using the median of the averages yielded 38 special products and that these special products constitute agricultural import share of 59%. He also reported that the 38 special products resulted in 247 tariff lines, which constitutes about 35% of the agricultural tariff lines. He noted that this is a far cry from suggestions in the negotiations (between 5-8%) mentioned by the Chair of Agriculture negotiations and 20% being advocated by the G33 countries.

The presenter mentioned that after further analysis, the first nine special products based on their subsidisation in developed countries constitute 14.75% of agricultural tariff lines, which is close to the G33 recommendation but far from Chair of agriculture negotiations. The next set of broad products cumulate to 24.11% of agriculture tariff lines, while the last product cumulates to 25.82% of the tariff lines. All these results are substantially less than the 35% obtained from the first stage. He opined that if the special products list is implemented, it should protect the rural poor generally and particularly in the zones with high incidences of poverty which have agricultural output which falls under special products.

He concluded by stating that attempts at interpreting and implementing the mandate on the treatment of special products have yielded at least three possible set of treatment, which are: that special products should not be subjected to a cap on bound duty and any new tariff quota commitment; special products should be classified into different rate of tariff reduction and that there is need to link the treatment of special products to tariff reduction negotiations on other agricultural products.

### **Paper Two: Nigeria and Special Safeguard Mechanism (SSM) In Doha Agric Negotiations presented by Dr. E.O. Ogunkola**

The first point made by the presenter is that if eventually the negotiations do not favour us then we can turn to the SSM to protect our farmers. The second point is the problem of paucity of data particularly for current period on monthly basis and the technicalities of operating the SSM. He mentioned that SSM is a simple version of SSG. There is need to constantly review the data upon which the averages are calculated. He pointed out that the main issues in the negotiations are selection criteria, trigger and remedy. According to the presenter the July Framework guarantees that a Special Safeguard Mechanism (SSM) will be established for use by developing country members, including LDCs. He declared that, the intention of the SSM is to provide developing countries with a remedy against the damaging effects of price fluctuations in the world market, which is simpler to implement than traditional safeguards (SSG), or any countervailing or anti-dumping duties.

**Paper Three:** Special products and Special safeguard Mechanism: International Experience presented by ICTSD Representative.

## **FLOOR DISCUSSIONS**

A participant worried about the concurrent negotiations of WTO DOHA and EPA. He declared that the rules that are supposed to guide Nigeria are yet to be made (only at the proposals stage), therefore, the recent ministerial meeting has concluded that the EPA agreement will not be signed by December.

Another participant said that the private sector alone should not be blamed on non-participation in policy making but government. For instance, the adoption of CET was agreed by the government without contacting the private sector. Yet another participant worried about the results of the special products discussed by Dr. Bankole. He wondered why do the analysis did not use the contribution of a product to GDP and to foreign exchange savings as criteria? He continued that Nigeria has a lot of products that have comparative advantages and until we inform the government about the international rules that have to be complied with we will not be able to tap opportunities and resources.

The fact that oil export dominates Nigeria's exports was raised by one discussant who asked the question of whether we are exporting non-oil exports increasingly that necessitates more commitment on negotiations or not. He also asked the question of what the Ministry of Commerce and Industry is doing to promote export of cassava because the farmers are facing problem of exporting them.

Dr. Bankole stated that the method for selecting the special products is iterative. He disclosed the idea that it is not that cocoa does not have comparative advantage but we need to remove products that need not be protected since export of cocoa does not compete with domestic consumption. Ambassador Agah commented that refusal to sign the EPA should be rational and not emotional. He opined that we need to understand geographical and regional politics in the negotiations and that trade policy has different elements in which trade negotiation is one of them, while trade promotion is another. There is need for coordination of the various elements so as to promote development.

A participant asked the question of why the need for surveillance and monitoring for SSM to which Dr Ogunkola responded that it is an attempt to enforce compliance by all parties.

The chairman agreed that Nigeria should go to the negotiations with a list of products with keen competition from abroad so as to protect them. He also stated that we need to add value to our products so as to make them competitive in the international market. A participant asked about which is superior, WTO or EPA and that while there is need for government to let the citizens understand the issues in WTO and EPA agreements, the private and public sectors are not cooperating on the issues. He posited that the sponsor of the workshop should not only go through the public sector but also the organised private sector.

Prof. Oyejide remarked that there is always demand for this kind of workshop to interact. He opined that some of the issues are supposed to have been debated in the Nigeria's Focal Point on Multilateral Trade and other Related Matters (NFP) which has not been active on its roles. The key issue is that the Nigerian government has refused to sponsor research and workshop on sensitive issues like this. He noted that Nigeria has not been active in the area of providing resources to support research and workshop on trade. He hammered that we should be ashamed of the fact that the donors are funding us?

## **Day 2: 10<sup>th</sup> October, 2007 TECHNICAL SESSIONS.**

### **Technical Session Four**

This technical session was chaired by the Assistant Comptroller-General of the Nigerian Customs Service.

**Paper one:** Doha Mandate and non-Agricultural Markets Access (NAMA) presented by Dr. Abiodun S. Bankole, TPRTP Ibadan

The presenter started by saying that since 1947 there have been 8 Rounds beginning with GATT and the first 5 were bilateral. He stated that the Uruguay Round which was completed in 1994 led to formation of the World Trade Organization (WTO)

which replaced the GATT in 1995. He mentioned some achievements made at the Round to include coverage of agriculture and clothing (which falls under NAMA), Phase out of the Multi-Fiber Arrangement (MFA), Phase-in of Agreement on Textile and Clothing over ten years, the General Agreement on trade in services-GATS, Trade related intellectual property rights (TRIPS) and trade related investment measures (TRIMS).

He stated that Paragraph 16 of the Doha Ministerial Declaration contains the Doha mandate on NAMA. He also mentioned the main consensus of tariff proposals which include the adoption of the Swiss Formula with different coefficients for developing and developed countries and that the draft text of July 2007 proposes 8-9 coefficient for developed countries, while 19-23 is for developing countries.

On tariff reduction modalities the presenter mentioned the sequence to entail tariff reductions from the bound rates after the full implementation of Uruguay Round concessions and for the countries with unbound tariffs in the UR, bound rates have to be established. He stated that the Draft Text contains a mark-up of 20 percentage points.

### **The State of Play in NAMA Negotiations by David Primack – ILEAP Representative**

According to David Primack, reducing tariffs and non-tariff barriers on industrial goods was the main focus of foreign trade negotiations for the first 50 years. He submitted that current NAMA negotiations are highly contentious as country interests have changed since the previous Rounds. He disclosed that there exist different interests both between and within developed and developing country groupings. He noted that there have been several ministerial meetings in this negotiation i.e. Doha Ministerial of 2001, July Framework of 2004, and the Hong Kong Ministerial of 2005. He stated that the Hong Kong Ministerial of 2005 formalised the link between ambition in Agriculture and NAMA and that all these together provided only partial modalities. He stressed that reactions from most countries were poor, while some developed countries went as far as saying that the 17 July 2007 draft modalities could not serve as the basis for further negotiations.

Discussing the current process in Geneva, the presenter noted that intensive discussions on core issues bear little fruit. He stated that many developing countries are

still deeply unsatisfied with current draft modalities, while the developed nations are largely pushing for final negotiations to be based on current draft. He concluded by mentioning that revised draft NAMA modalities text is expected soon.

### **Comments by Ambassador Agah**

He realized that there is need to expatiate on the concepts and issues raised in the paper and comments by David Primack. He mentioned that by virtue of Article 20 of the WTO, negotiation on Agriculture is an unfinished business. He disclosed that Paragraph 24 is a deliberate effort by the developing countries to ensure that they can not give out something without gaining something from the Negotiations. He also noted that Paragraph 6 countries in which Nigeria belong are expected to increase binding coverage between 70 and 90%. He pointed out that the Negotiations cannot move on in NAMA without progress in Agriculture and that there is the problem of divide and rule and diverse interests within and among developing African countries. He concluded by stating that each country then focuses more on flexibilities that concerns them.

### **Paper Two: Simulated Impact on Emerging Negotiation Modalities In NAMA on Nigeria By Dr. A.S. Bankole, TPRTP Ibadan.**

The presenter discussed the four possible scenarios that can be explored in the simulation exercise and mentioned that the first scenario is the best which is that “Nigeria binds 2001 applied MFN rates at their existing levels at binding coverage of either 81%, 93%, or 95% or 100%”. He also stated that the fourth scenario is the worst, which is that “Nigeria binds its tariffs at the Common External Tariff (CET) rates it has assumed in the ECOWAS”. The result shows that at the 2001 applied MFN .rate and bound coverage of 48.9%, the new tariff reduction will begin from 46.0% and that reduction has to be in 9 equal installments.

### **FLOOR DISCUSSIONS**

Ambassador Agah pointed out that in trade policy making there are many options and consultants, therefore, need to advice on which one is best for Nigeria. He posited that the import policy should be designed to cover the shortage in domestic production.

He argued that the customs should be able to convince the government on what import policy is best for the country. In the case of cars, there are inspection facilities that can be used to determine the health of the car. With respect to the simulation results, he stated that the mean tariff rate for Paragraph 6 countries is put at 28.5% and that since the present mean bound rate is 46%, we should be able to work out the tariffs such that the binding coverage is in the range 70 – 100%. He recommended that if we are to bind at 70, 75, 80, 85, 90, 100%, what will be our distribution and that we need to work out the tariff implication. He wants the TPRTP to work on this alternative schedules. Also, the work should be able to specify the reduction modalities and start from the insensitive ones.

A participant noted that it is important to carry along the Tariff Technical Review Board which does not know anything about WTO tariff negotiations but the EPA tariff (CET). Another participant from MAN noted that the private sector should be carried along by the Tariff Review Board in tariff decision making. The ICTSD Representative discussed the length of previous World Trade Rounds in response to the Chairman's comments that the negotiations are taken too long. He noted that the first five rounds which were completed in 1947, 1949, 1951, 1956 and 1962 took an average of 20 months, while subsequent rounds took much more ranging from 80 to 160 months, while the current one though appears long has not reached anywhere near the latter range.

### **Technical Session Five**

This technical session was chaired by the Representative of the Manufacturers' Association of Nigeria (MAN)/ NACCIMA.

**Paper One:** Implications of Doha NAMA Negotiations for EU-WA EPA presented by Dr Adeolu Adewuyi, TPRTP Ibadan.

The presenter noted that the overall priority of regional integration in the first phase is on creation of ECOWAS customs union, adoption of common tariffs and quotas, and trade facilitation. He stated that insignificant progress has been made on the discussions related to the productive sector and that the West Africa sectoral status reports have been submitted to the EC on the areas of fisheries and manufacture (industrial and craftwork). He noted that the reports also highlight the strengths and weaknesses of productive sectors and offer recommendations for improving

competitiveness. He noted also that the sectoral discussions by West African countries have been shifted to the next phase of negotiations due to the enormous task and the aspiration to achieve a common understanding with the EC.

He discussed the tariff reduction modality in the EPA to involve each country accepting and making necessary arrangement to implement the CET; adoption of CET; ECOWAS and other ACP regions/groups and opening up of Africa and other ACP countries' markets to EU imports on asymmetric reciprocity basis. He opined that an option to minimize the adjustment cost for the ACP countries is to delay significant tariff reduction, but significant reduction has to be achieved before 2020 (back loading).

Summarizing the results, the presenter stated that the adoption of CET will drastically reduce the mean and maximum applied tariffs and raise the level of binding coverage. He concluded by mentioning that the simulation results reveal the degree of substantial liberalization of trade regime expected from Nigeria and other ACP countries as the basis for negotiating a reciprocal agreement with the EU via the EPA.

## **TECHNICAL SESSION VI**

### **Discussions on fashioning out Nigeria's Negotiation positions in Agriculture and NAMA**

This was chaired by Ambassador Agah.

The Chairman said the focus of the discussion in is to agree on parameters for the scenarios that could lead us to possible Agriculture and NAMA schedule in the Round? He is of the view that the position of Nigeria should be discussed at the level of the Nigeria Focal Point.

### **MAN**

Export is a new subject to the Nigerian manufacturers. The issue of negotiation still rests on government. The facilities needed by manufacturers to promote competitiveness are not there.

## **Government**

Mr. Lawal Bawa, an assistant director, Federal Ministry of Commerce and Industry, stated that the present minister believed that we have to produce before talking about trade. When a participant asked the question about the implication of not signing the EPA, Mr Bawa said that in the ministerial meeting, 4 proposals were advanced. According to him these are; to request the EU to apply for a waiver to be submitted in December; to do nothing by the time when the waiver expires in December; to go for GSP +; and to go for the minimum EPA, which is to be signed before 31<sup>st</sup> October, 2007. This will give market access on goods, services and rule of origin. He stated that we need to harmonise the views of the ECOWAS and UEMOA before taking a position. David Primack pointed out that EU is not likely to apply for waiver. He disclosed that Nigeria has nothing to lose since its products enter the EU duty free. He advised that the minimum EPA can centre on goods alone.

A participant asked Ambassador Agah about who guides the government on decision making as regard negotiations. The Ambassador responded by stating that mandate on the guidance rests on the Federal Ministries of Cooperation and Integration; and Commerce and Industry as well as the National Planning Commission (NPC). He noted that there is no coordination on the part of the various ministries and stakeholders on the issue of trade negotiations. The Chairman also asked about ways by which government interest can be stimulated and Ambassador Agah reacted that NANTS has been very active in this regard but with its own biases.

A participant reacted to a point raised by David Primack that EPA has no significant impact on Nigeria by arguing that on the import side, it will have negative impact on the producers. However, Ambassador Agah reminded us of the fact that most of the imports from EU have been on the import ban list for a long time. He also noted that each ministry is expected to have WTO desk and provide fund in the budget to finance negotiation activities.

## **National Association of Cassava Growers**

The Chairman of this association submitted that manufacturers cannot do without having information in place. It is the promise of the minister that information will be

provided to promote production. He stated that Government has a role to play, while the private sector provides the signal.

Ambassador Agah said that prior to UR, Nigeria had only stockfish on its WTO tariff schedule. He submitted that let the country work on the basis of 28.5% mean and 70% binding and if this does not work, then let various scenarios be conducted as in the case of Agriculture for NAMA too. He stated that a request be made to MAN to organize a meeting to discuss on what went wrong with the WTO Negotiation so that Nigeria and the sector's participants can look inward.

### **The Way Forward**

Finally, the meeting agreed that:

1. WTO issues should be treated as important in the course of our development
2. The focus on agriculture should be to fully develop the tariff schedules from the different scenarios shown by the researcher.
3. There needs to be a focus on how to increase the level of the tariff bindings in NAMA negotiations.
4. That a target of 28.5% average tariff be worked out using 70% binding coverage as a start-off scenario in NAMA.
5. A target of 28.5% average tariff after reductions of 9 equal installments using higher binding coverage as other scenarios.
6. The effect of the result of these scenarios be presented at zonal stakeholders' forums in order to bring in the views of the grass roots so that position of Nigeria can be articulated from them.
7. The National Focal Point on Multilateral Trade and other related Matters should be revived to discuss on the WTO Negotiation and making recommendations to government.
8. The National Focal Point on Multilateral Trade and other related Matters should be brought to the notice of the President of the Federal Republic of Nigeria. Mr. President is a listening one.
9. there is need to create and make functional the WTO desk in all the ministries since WTO issues are cross-cutting issues.

10. There is a need for high level policy briefing and the linkage between relevant ministries on the issue of WTO.
11. experts should revise the papers along the suggested comments and they should disseminate the reports very widely.
12. There is need to work with the CSO and not only the government or the Private Sector to enhance the quality of discussion and widespread dissemination and communication.

### **Vote of Thanks**

The vote of thanks was given by the chairman of the Apex Farmers' Association of Nigeria (on behalf of the participants) and Dr. Olawale Ogunkola (on behalf of the TPRTP) as well as the Ambassador Y.F. Agah (on behalf of the Federal Ministry of Commerce and Industry). Then the participants were given their entitlements in cash and kind and everybody departed by around 5 pm on Wednesday. Dr Bartel on behalf of the ICTSD thanked the participants as well as Ambassador Agah in particular and his team in Geneva. He promised to take the follow-up action seriously as ICTSD is very passionate about sustainable development. He acknowledged that ICTSD objectives for the workshop have been generally achieved.