



## Daily Bulletin

### ABOUT THIS BULLETIN

From 15-18 December, the World Trade Organization (WTO) is holding its 10th Ministerial Conference in Nairobi, Kenya. This week, ministers should welcome Afghanistan and Liberia as new members, and adopt decisions on electronic commerce, vulnerable economies and intellectual property. Questions remain as to whether an outcome can be reached this week on any of the issues of the current negotiating round, while ministers will consider the way forward for post-Nairobi WTO negotiations. CUTS is there to update you on the proceedings.

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## Plenary Today

### HIGH-LEVEL SPEECHES SUPPORTIVE OF ADDRESSING DDA ISSUES

Today's plenary session witnessed high-level speeches from various Member States such as China, the European Union, India, Brazil, South Africa. Many of them lauded the WTO for its work as it is celebrating its 20th Anniversary this year, but lamented the lack of progress they had been able to attain under the Doha Development Agenda (DDA). Members pointed to the issues that they felt the WTO ought to continue to tackle such as export competition, public stockholding for food security purposes, Special Safeguard Mechanisms.

While today's interventions were supportive of the need to continue working on DDA issues, members still remain at odds regarding the framework under which these discussions should continue, and whether new issues should be included in discussions.

### WTO WELCOMES LIBERIA AS A NEW MEMBER

Today afternoon, the WTO welcomed Liberia as a new member. Following a speech by President Ellen Johnson Sirleaf, and brief remarks by President Uhuru Kenyatta of Kenya, the WTO Director General, Roberto Azevedo said "it is particularly appropriate that at this first ministerial conference in Africa, we are welcoming a new African Member".

Liberia joins WTO as 35th member of least developed countries. Liberia's President Ellen Sirleaf Johnson stated Liberia's accession to the WTO marks another turning point in Liberia's history as it continues towards economic transformation and growth.

Liberia's accession comes at a time when more than ever the country's economy needs to revitalise commercial trade, which was negatively impacted by the Ebola epidemic last year.

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## Negotiations Insights



### TODAY'S UPDATE

#### **53 Members strike a plurilateral deal on Information Technology**

Today marks the successful conclusion of one of the significant market access agreements in almost 20 years, as 53 members concluded the expansion of the 1996 Information Technology Agreement. The WTO Director-General announced the conclusion of the agreement today, noting that "all 162 WTO members will benefit from the agreement, as they will all enjoy duty-free market access to the markets of the members eliminating tariffs on these products."

The deal, which liberalises tariffs on 201 IT products, valued at over \$1.3 trillion per year, is expected to increase global GDP by \$190bn a year by cutting costs on a wide range of goods such as from GPS devices, semiconductors etc. The agreement will enter into force next year.

#### **DDA outcomes still Hanging in the Air**

While there seemed to be no major development today, negotiators' engagement was nevertheless quite high with some indications that the issue of simplified and preferential rules of origin for Least Developed Countries (LDCs) has been finalised. The Nairobi Ministerial is expected to take a formal decision on this matter.

Another major issue for developing countries is Special and Differential Treatment (S&DT), which by all indications doesn't seem to bear traction with developed countries here in Nairobi. A chair's text on this issue was circulated, which reduced developing countries' proposals from 25 to 9, most of which are supposedly directed to LDCs' interests. However, developing countries have insisted on pursuing their original proposal with a view to obtaining results under different formats that they are engaging at the MC10.

## **WHAT'S ON THE TABLE**

Fourteen years into the Doha Development Round of trade negotiations, the WTO membership's success in delivering multilateral trade deals has so far been limited, including on issues of priority to developing and least developing countries. This week's 10th WTO Ministerial Conference is expected to be crucial for the future of these negotiations, as some members call for reconsidering the relevance of the DDA as a negotiating framework.

Suggestions are also being put forward that trade ministers should consider the introduction of new negotiating issues, something which is opposed by many developing countries who are concerned about the eventual conclusion of the current issues which are of interest to them. Besides this, members have been trying to put together a package of current DDA issues to be concluded by their ministers in Nairobi, but were far from a consensus on its content.

Some of the issues initially proposed for inclusion in a Nairobi package included agricultural export competition, some development issues (e.g. simplified and preferential rules of origin for exports from LDCs), and improved transparency in areas such as fisheries subsidies. Some members have, however, conditioned their approval to the inclusion of more contentious issues such as Special Safeguard Mechanism, public stockholding for food security purposes, and special and differential treatment provisions.

With the lack of a consensus emerging ahead of Nairobi, ministers have been forwarded a draft declaration with a number of brackets to deal with, in all its three parts, i.e.: (i) Preamble on the achievements and challenges over the WTO's 20-year history; (ii) decisions by trade ministers, e.g. on a package of DDA issues; and (iii) the future work of the organisation, e.g. framework for post-Nairobi work programme. Nevertheless, the draft declaration anticipates the adoption of three decisions on: (i) TRIPs Non-violation and Situation Complaints; (ii) Work Programme on Electronic Commerce; (iii) Work Programme on Small Economies.

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## **CUTS @Nairobi**

### **SYNERGIZING TRADE AND CLIMATE CHANGE FOR FOOD SECURITY AND LIVELIHOODS IN THE EAC**

*By CUTS International, Geneva*

This session organised as part of the ICTSD Trade and Development Symposium on the side lines of the conference aimed to demonstrate how synergizing trade and

climate regimes at multilateral, regional and national level can enhance food security and improve livelihoods, in the context of the EAC region.

Panellists addressed questions such as what are the effects of incoherent trade and climate regimes on food security and livelihoods? How can synergized climate and trade regimes enhance food security and livelihoods? Are UNFCCC and WTO regimes acting in synergy to each other, taking into account food security and livelihood concerns? Do climate and trade policies at the regional level take into account their linkages and impacts on food security and livelihoods?

Discussions pointed out that food security is one of the main challenges in East Africa where food production is challenged by extreme weather conditions brought by climate change. While trade can be a tool to mitigate food crises, it is by no means an automatic process and appropriate synergies need to be built with climate change and food security policies. Such synergies are critical since, in their efforts to deal with climate change and food security, governments may for instance adopt trade-related regulatory measures such as taxes, tariffs and subsidies that may be subjected to trade rules and procedures.

The event chaired by the Ambassador of Uganda to the WTO, Chistopher Onyanga Aparr, heard interventions from East African experts and practitioners of these issues. These included Martha Getechew Bekele, Programme Officer at ARC Nairobi; John Mwesige, Economic Cluster Specialist, National Capacity Building Secretariat of Rwanda; Paul Murage, County Director of Meteorological Services in the Kenyan County of Murang'a; Jane Nalunga, Director of SEATINI Uganda; and Peter Kiuluku, Director, trapca, Tanzania.

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## **MEGA REGIONAL TRADE AGREEMENTS AND THEIR IMPACTS ON DEVELOPING COUNTRIES AND THE MULTILATERAL TRADING REGIME**

*By CUTS International, Geneva and FES Geneva Office*

This event deliberated the possible challenges developing countries may face from the emergence of Mega-regional agreements and the policy options available to them. These agreements, which intend to emphasize greater trade openness, high '21st century standards, and regulatory harmonization have not included many developing countries who might end up losing market share due to reduced tariff rates, trade diversion and the erosion of their own trade preferences.

Panelists explored avenues for possible responses, including domestic policy reforms, expanding bilateral and regional trade, and greater engagement at the multilateral level. Presenting a recent study on the matter, Bipul Chatterjee, Executive Director of CUTS International, noted. However, the challenges posed by such agreements could also provide opportunities for much needed domestic reforms on critical trade aspects such as standards. Eveline Herfkens, former Minister for Development Cooperation of the Netherlands shared concerns on the impacts of the Trans-Pacific Partnership (TPP) on Africa and the Multilateral Trading System more generally. She recalled that only in the WTO small countries have a chance to be heard and their interests reflected.

She was followed by Heribert Dieter, Senior Associate at the German Institute for International and Security Affairs, who provided a geopolitical perspective of the subject. According to him, the TTP is part of a geopolitical strategy to undermine

China's efforts for regional hegemony. He also pointed out that these mega-regionals indicate the US and EU's willingness to become the standard-setting countries in global trade relations.

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## **REGIONAL INTEGRATION IN AFRICA**

*By CUTS Nairobi, University of Sussex and ECDPM*

This event had two sessions: the first session was on Regional Integration and Public Participation in Africa with speakers from CUTS Nairobi, CUTS Lusaka, CUTS Accra, CUTS Jaipur and Centre for Development-Rwanda.

The session deliberated on the mega regional integration initiatives in Africa in reference with other mega trading blocs that have been emerging in recent years; if Africa would be better off within WTO given the rise of mega regionals; and factors needed for improved world trade share and influence on world trade governance. The event also had presentations and discussions on non-state actors' involvement in regional integration processes. Experiences in Eastern, southern and Western Africa indicate that non-state actors, particularly the civil society have little say in regional integration. However, the East African Community was found to have an institutionalised non-state actor engagement framework that can be improved on and adopted for the Tripartite Free Trade Area (TFTA) and the Continental Free Trade Area (CFTA).

The second session on Regional Integration and Poverty: What we know so far? had presentations from the University of Sussex and discussed by IEA-Kenya, KIPPRA, ODI and ECDPM. Key event deliberations include the challenges of defining regional integration and measurements of poverty, availability of quality quantitative data, and limited application of qualitative assessment. The main conclusion of the research paper presented was that the effect of regional integration on poverty is inconclusive, in other words, some countries potential lose while others may find themselves winning from regional integration. The issue of isolating the effect of regional integration on poverty, infrastructure and other enabling factors that contribute to poverty reduction, consideration of informal sectors and so on were key points raised for the consideration of the main presenter.

A public meeting on a similar theme will be held on December 17, 2015 at the NGO2 from 0800 to 0930. Speakers will be Michael Gasiorek, Sussex University, Prudence Sebahizi, CTD-Rwanda; Martha Getachew Bekele, CUTS Nairobi; and Chenai Mukumba, CUTS Jaipur.

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## **WTO RULES ON FARM GOODS AND FISH: TOWARDS MORE EQUITABLE, SUSTAINABLE AND EFFICIENT GLOBAL MARKETS?**

*By E15 Initiative*

Bipul Chatterjee, Executive Director of CUTS International spoke on agricultural subsidies and their implications on food security at this event organised under the ICTSD Trade and Development Symposium.

He argued that there are strong linkages between Sustainable Development Goals and food security, and it should be considered as a sovereign right and a global public good. He called for stronger disciplines on agriculture export restrictions as they have negative implications on the food security, particularly in net food importing countries. “If disciplines on fisheries subsidies can be there at the Trans-Pacific Partnership agreement, why can’t there be multilaterally agreed rules on agricultural subsidies?” he said.

Other speakers were Eugenio Diaz-Bonilla of the International Food Policy Research Institute; Rashid Sumaila of the University of British Columbia; Abiodun Cheke of the Federal Department of Fisheries, Nigeria; and Nicolas Imboden of the Ideas Centre, Geneva.

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## **CONTINENTAL FREE TRADE AGREEMENT: MAKING IT WORK FOR AFRICA**

*By UNCTAD and Commonwealth Secretariat*

At a high level panel on the Continental Free Trade Agreement of Africa organised by UNCTAD, Pradeep S Mehta, Secretary General of CUTS International highlighted the issues of multi-stakeholder participation and South South Cooperation to enable the success of CFTA. He argued that it is important to engage with CSOs and think tanks to generate sound evidence and wider buy in of the new deal. Furthermore the CFTA should engage with other Southern regional economic bodies can help create more trade to mutual benefit.

Mehta was reacting to an excellent presentation by the Ghanaian Trade Minister, Dr Ekwow Spiro-Gabrah who spoke about engaging the private sector to push the CFTA agenda. Dr Spiro-Gabrah highlighted the need to boost the ICT infrastructure to create better connectivity in the continent, so that trade is smoother.

Trudi Hartzenburg of TRALAC, Capetown spoke at length on the need for the CFTA to create a definitive space for African countries to expand their trade relations. She also highlighted various issues which require closer attention, including regulatory reforms.

Erastus Mwencha, Deputy Chairman and Fatima Haram Acyl, Trade Commissioner of AU Commission spoke at length and the willingness of countries to sign and seal the CFTA deal. Fatima also spoke about the huge agenda of poverty reduction in the continent and to take the civil society on board to push the reforms.

Trade Ministers from Senegal and Egypt also spoke on the occasion and highlighted the problems of logistics in the continent. Dr Mukhisa Kityui, Secretary General of UNCTAD opened the event and Guillermo Valles, Director, UNCTAD moderated the session.

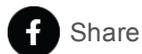
## **Other Events**

### **PROMOTING PRO-DEVELOPMENT INVESTMENT AGREEMENTS AND POLICIES**

*By SEATINI, Uganda*

Presentations and discussions centred on the danger of offering concessions on the part of Africa and in general Least developed countries leading to a race to the bottom and losing the overall meaning of effort to attract foreign direct investment (FDI). On the global dynamics and impact of investment agreement, speakers prompted for an appropriate investment policy framework and advised developing countries to be cautious on clauses in investment treaties- such as the definition of investment, which usually is broad; and fair and equitable treatment-for investment frameworks to contribute to development aspirations.

Notwithstanding obvious positive impacts of foreign direct investmetns, many investors end up transferring revenue back to origin and some even borrow money from local banks, instead of brining money to the economy where their development impacts remain minimal.



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