

BRIDGES NETWORK

BRIDGES AFRICA

Trade and Sustainable Development News and Analysis on Africa

VOLUME 2, ISSUE 5 – JULY 2013



Charting the course on WTO membership for LDCs

EXCLUSIVE INTERVIEWS: "LDCS ACCESSION TO THE WTO"
Perspectives from Ethiopia and Yemen

WTO ACCESSION PROCESS
What does Vanuatu's experience tell us?

ACCESSION GUIDELINES
How useful are they?



International Centre for Trade
and Sustainable Development

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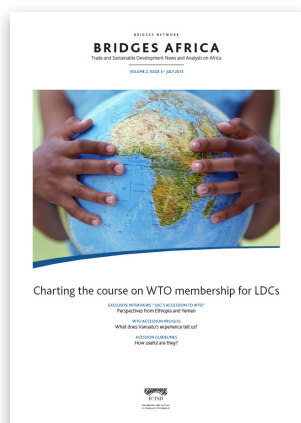
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The current state of affairs on LDCs accession to the WTO



Any country having full autonomy in the conduct of its trade policies may become a member of the World Trade Organization, but all WTO members must agree on the terms. This is done through the establishment of a working party of WTO members and through a process of negotiations.

Least developed countries often point to the frequent and unreasonable demands from their trading partners during their bidding process to join the WTO. Since 1995, six countries – Cambodia (2004), Nepal (2004), Cape Verde (2008), Samoa (2012), Vanuatu (2012), and Laos (2013) – have acceded to the WTO. Currently, nine LDCs – Afghanistan, Bhutan, Comoros, Equatorial Guinea, Ethiopia, Liberia, Sao Tome and Principe, Sudan, and Yemen – are negotiating their membership, whereas six have yet to start the process.

In July 2012, the General Council adopted new guidelines to further strengthen, streamline and operationalise the 2002 LDC accession guidelines. These recommendations include provisions under the following pillars: benchmarks on goods, benchmarks on services, transparency in accession negotiations, special and differential treatment (S&DT), transition periods, and technical assistance. The benchmarks on goods and services establish that market access negotiations for the WTO accession of LDCs will be guided by special principles and benchmarks more appropriate to the development level of LDC applicants. Under these guidelines, the accession process becomes a tool for economic development that includes the applicant's own development agenda.

The two interviews presented in this issue, conducted with officials active in negotiating the accession package of Yemen and Ethiopia, provide inputs to better understand some of the implications of the new accession guidelines and the many challenges that a country has to overcome in order to accede the WTO. In this issue, we learn more about the notion of "benchmarks", and how useful they proved to be for certain applicants such as Ethiopia and Yemen. Yemen is at an advanced level in its negotiations to join the WTO and Ethiopia has stepped up the pace of its membership bid over the past year and hopes to conclude its membership by 2015. Vanuatu ratified its accession package in the course of last year, joining five other Pacific island countries that are already WTO members.

The issue also meant to open the debate on questions such as: To what extent will Vanuatu's accession to the WTO facilitate its integration in the global economy? What impacts can we expect on acceding countries' economy once they acquire the membership? What can LDCs learn about the accession process from other countries' experience in the area? And finally why really do LDCs want to join the WTO?

*We invite readers to participate in future issues of Bridges Africa and its sister publication *Passerelles* by helping to identify emerging issues and relevant research. We welcome your participation and contributions; write to us at bridgesafrica@ictsd.ch.*

The Bridges Africa Team

WTO ACESSION

LDCs accession to the WTO

Paolo Ghisu

This article provides a short analysis of the accession benchmarks for least-developed countries adopted by the World Trade Organization (WTO) General Council at the end of July 2012.

Becoming a member of the WTO is an extremely difficult process, especially for the least developed countries (LDCs). The Vanuatu experience, analysed in the following article, reveals the complexity of this process. Indeed, acceding to the WTO can be long-drawn, complex and demanding on the limited resources and capacity of the LDCs. Usually, the full scale of the numerous politically challenging reforms that applicants are required to undertake become clear only after accession talks have started. In fact, the acceding country holds bilateral meetings with interested individual WTO members. These talks cover specific market access concessions and commitments (in terms of tariff rates, binding coverage, and specific services commitments), and other related rules and regulations in goods and services, to be applied on a most-favoured-nation basis. This process can take several years, and in practice every WTO member has to agree with the concessions and commitments made by the acceding country. At the end of the negotiating process, the working party finalises the terms of accession which define the rights and obligations agreed upon by the acceding country. The final accession package is presented to either the WTO General Council or the Ministerial Conference, which then approves the new membership, usually by consensus. The process is completed when the acceding country ratifies the accession protocol.

A complicated and long process

While thirty LDCs joined the WTO at the moment of its creation in 1995, only six LDCs have acceded to the organization in recent years. Currently, 34 out of 49 LDCs are member of the WTO, with nine more negotiating accession. Since 1995, Cambodia (2004), Nepal (2004), Cape Verde (2008), Samoa (2012), Vanuatu (2012), and Laos (2013) have acceded to the WTO. Recently acceded LDCs have long complained that WTO members routinely ask them to take on commitments beyond their capacity during the bidding process. These commitments also tend to exceed those required of LDCs and other developing countries that joined the organisation in its early years.

As part of the requirements to join the WTO, a country needs to establish the binding coverage of its tariff structure (e.g. the percentage of tariff lines that members agree to bind at a certain level), and define the level of its bound rates (i.e. the maximum tariff rate agreed to by each WTO member for each tariff line).

The WTO agreement on agriculture requires all members, including the LDCs, to bind all agricultural tariff lines. No such requirement exists for industrial goods, and so the level of binding coverage for industrial goods imports varies considerably among WTO members. Among the thirty LDCs that joined the WTO in 1995, only eight have bound all of their non-agriculture market access products (NAMA) tariffs, whereas the remainder left the vast majority of their NAMA lines unbound. However, the situation is very different for the recently acceded LDCs: these countries have had no choice but to go for a 100 percent binding coverage with the exception of Nepal, which has the flexibility to leave unbound a few sensitive tariff lines (Nepal bound 99.3 percent of its NAMA tariff lines).

In terms of tariff level, the average bound tariff in agriculture is about 47 percentage-points lower in the case of the six recently acceded countries, whereas for non-agriculture market access products (NAMA) they are about 21 percentage-points lower. Indeed the first LDC members that joined the WTO did so under less stringent conditions than the recently acceded LDCs. Acceding LDCs have struggled to maintain a certain level of

See related news article: [WTO Sub-Committee Clinches Preliminary Deal on Accession Guidelines for Poorest Countries](#), Bridges Weekly Trade News Digest, July 2012.

"policy space" as well as flexibility to leave unbound tariff lines considered as sensitive and to keep the bound tariff for certain lines higher.

The 2012 accession guidelines for LDCs

In July 2012, the WTO General Council formally approved new guidelines for LDC accession, which establish benchmarks on goods and services as well as elements on special and differential treatment, transition periods, transparency, and technical assistance. These new guidelines are intended to further strengthen, streamline, and operationalise the 2002 LDC accession guidelines and facilitate LDC accession to the WTO. In fact, with the establishment of qualitative and quantitative benchmarks in the areas of goods and services they provide a reference framework to the bidding process during the bilateral and multilateral talks with WTO members.

According to the new guidelines, acceding LDCs shall bind all agricultural tariff lines at an overall average rate of 50 percent. This level is about 28 percentage-points lower than the average of the 30 LDCs which joined the organisation in its early years, but 18 percentage-points higher than the recently acceded LDCs. With regard to NAMA, the guidelines provide two options: acceding LDCs can bind 95 percent of their NAMA lines at an overall average rate of 35 percent, or they can undertake more comprehensive binding coverage at higher overall average rates, to be agreed with WTO members. Acceding LDCs that choose to undertake this second option enjoys a transition period of 10 years for a maximum of 10 percent of their tariff lines before binding them.

In the area of services, the 2012 guidelines identify a series of principles, along with defining some limits that shall inform accession talks. The guidelines, however, fall short of establishing measurable and clearly enforceable benchmarks as in the case of goods. For instance, "there shall be flexibility for acceding LDCs for opening fewer sectors, liberalising fewer types of transactions, and progressively extending market access in line with their development situation." In addition acceding LDCs will not be expected to offer full national treatment, or undertake additional commitments under Article XVIII of the General Agreement on Trade in Services on regulatory issues "which may go beyond their institutional, regulatory and administrative capacity."

The lack of a clear benchmark on services, however, has been criticised by some trade observers and LDCs officials, who claimed that more might have been needed to ensure LDCs not face overly stringent requests in that area. A former Swiss diplomat also commented that "the proposed benchmarks on services are a missed opportunity, the text [...] clearly shows that no serious effort has been made to show either the importance of services for the development of the countries concerned or to find some common ground on what would be a reasonable approach to services negotiations."

The text also includes sections on transparency, special and differential treatment (S&D) treatment, and technical assistance.

Conclusion

It is probably too early to assess whether or not the adoption of the 2012 guidelines will succeed in their intent of facilitating the accession of the world's poorest nations into the WTO. This assessment will depend on how many LDCs will join the club and when, and under which conditions. Nevertheless, the adoption of the 2012 guidelines may be considered a positive outcome because in principle it allows LDCs greater flexibility in comparison with recently acceded LDCs. Moreover, they provide some benchmarks and other general principles that can guide accession talks in the coming years. Nevertheless, nothing in bilateral talks prevents WTO members from potentially making disproportionate demands from acceding LDCs, as was lamented by recently acceded LDCs.

This article is based on a longer study published by ICTSD, [An Analysis of the WTO Accession Guidelines for Least Developed Countries](#), ICTSD, November 2012.



Paolo Ghisu

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WTO ACCESSION

The trials and tribulations of acceding to the WTO: Vanuatu's experience

Yurendra Basnett

This article examines the LDC's accession guidelines and process drawing on Vanuatu's experience with WTO accession from 1995 to 2011.

As a WTO member, least developed countries (LDCs) gain a voice in the shaping of the global trading system. That voice may be too feeble and drowned in the cacophony to make any real impact; nevertheless, it counts. Moreover, as part of the most favoured nation group of trading countries, LDCs receive enforceable guarantees that they will not be disadvantaged from benefits accruing to the rest of the body. The membership also comes with costs, not the least of which is trying to become a member.

The 2012 LDC accession guidelines seek to streamline and improve on the earlier 2002 version. The proposal includes benchmarks for market access negotiations on goods and services, calls for increased transparency on accession negotiations, reaffirms the provision of special and differential treatment and transition periods, and the provision of technical assistance. It is a step in the right direction; nonetheless it could be too short as well as too late for many.

Vanuatu, an LDC in the South Pacific, started its WTO accession process in 1995 and finally became a member in 2011. It had suspended its accession negotiations in 2001 and re-engaged in 2007. The factors that led Vanuatu to suspend the accession process as well as restart it in 2007 provide important lessons for other LDCs that either are currently negotiating WTO accession or are likely to begin.

Walking into the darkness

Vanuatu had negotiated an accession package with its working party and was in line to become the first LDC to accede to WTO at the Doha ministerial conference in 2001. The stakes were high then. The Doha ministerial conference would give birth to the development round and welcoming an LDC to the organisation at the conference would have allowed for interesting presentations. Vanuatu pulled out at the eve, and the Doha Round has remained at an impasse.

Vanuatu suspended the process when it became clear that the accession package would not be accepted politically. At the time, no parliamentarian was willing to risk political capital to mobilise support for ratifying the package. A number of failures took place in Geneva and Vanuatu ended up to such a situation. First, the benefits as well as implications were not clearly discussed with and internalised by the wider stakeholders in Vanuatu. The constituency that supported the accession process was thin and limited to few officials who attended WTO meetings. Second, WTO members pursued a "one-size fits all" negotiating strategy, which failed to appreciate the difference of capacity of Vanuatu and that of any other developing country negotiating accession at the time. Because Vanuatu was first in line amongst acceding LDCs, it was subjected to aggressive demands that went beyond WTO rules, in the interest of setting precedence for other acceding countries. The LDC accession guidelines were established in 2002, but they arrived too late for Vanuatu. Third, the role of the WTO secretariat in its accession process was largely limited to that of a postman. In addition, the distance to Geneva meant that even on stretching its resources, Vanuatu could never control and influence the accession negotiations. Fourth, Vanuatu's accession strategy was excessively technical, and it did not sufficiently leverage political capital in the region and in Geneva to its advantage.



Light at the end of the tunnel

Vanuatu decided to restart its accession process in 2007. Important developments in Vanuatu built the momentum, which in turn received critical support by influential actors in the country and in Geneva.

The perceptions of the WTO held by the civil servants, politicians, private sector and civil society had changed by

then because of two reasons. First, there was an increasing awareness that Vanuatu was committing to many of the WTO rules through its involvement in bilateral and regional trade agreements, but unlike its main trading partners in the region it was not a member of the WTO. Furthermore, Vanuatu had been unilaterally reforming policies on tax, tariffs and foreign investment in the services sector, which meant that many of its commitments in the 2001 accession package had been implemented. Second, the department of trade actively shared opportunities to attend WTO meetings and training courses with line departments. This allowed senior civil servants to build competencies on WTO issues and increase their confidence in engaging with these. These developments had helped enlarge the constituency of influential actors in the government, civil society and private sector who encouraged Vanuatu to reengage in the accession process.

Vanuatu had been unilaterally reforming policies on tax, tariffs and foreign investment in services sectors, which meant that many of its commitment in the 2001 accession package had been implemented.

The Diagnostic Trade Integration Study (DTIS) of the Enhanced Integrated Framework (EIF) in 2007 was the watershed moment, as it presented the business case for concluding the WTO accession. The department of trade developed a strategy of concluding the accession process that involved mobilising support within the country and the region, and using it as a foundation to do the same in Geneva. It first sought a cabinet decision to start the accession process as well as a mandate to negotiate. The cabinet approval was communicated to the WTO secretariat, in particular the Director General's office, and requested the active support of the Secretariat in concluding the accession. The department then started discussions with embassies of Australia and New Zealand, members of its working party, in Vanuatu. The aim was to bridge the differences on the accession package and to seek support (logistical and network) from their embassies in Geneva in restarting bilateral negotiations with other working party members.

Vanuatu conducted a number of bilateral negotiations on its accession package, which were mostly centred on trade in services agreement between 2008 and 2010. Vanuatu wanted to revise the services schedule of the 2001 accession package, particularly with regards to national treatment in social and environmental sectors. The overall balance of commitments achieved in the 2001 package was maintained by reducing the level of commitments in some sectors while including the 'new' service sector. Vanuatu's accession package was adopted by the General Council in 2011.

Lessons for other LDCs

Vanuatu's second round of the accession process highlights two key lessons for others. First, the political process is as important as the technical one, and the two must act together from day one of the accession process. Vanuatu's minister of trade took to the driving seat, and was supported by the chief trade negotiator and the director of trade. In addition, the political adviser to the minister, an influential member of the ruling

party, accompanied the negotiating team to all meetings. This meant that the politics of accession existed in parallel to the progress in technical negotiations. Second, external actors can play a critical role in supporting the accession process. The Enhanced Integrated Framework (EIF) secretariat and UNDP's trade unit in Geneva sensitively facilitated the process through the planning of EIF resources as well as provision of technical advice. The Australian embassy in Vanuatu mobilised their mission in Geneva to help Vanuatu organise meetings with other working party members. The WTO Director General's office used its good office to seek an early resolution on outstanding issues. An ODI fellow, embedded within Vanuatu's civil service, provided vital technical support in preparation of the accession package and in the lead up to its ratification by Vanuatu's parliament.

In setting some benchmarks, the 2012 LDC accession guidelines are an improvement on the previous version. The benchmark provides some stable goal posts to negotiate the trade in goods agreement. It also includes many good practices from Vanuatu's second round of accessions negotiations experience such as in the area of technical assistance. However, it remains largely silent on the process, which place huge demands on scarce resources (human and financial) available to the LDC negotiating team. Reflecting on Vanuatu's experience, the guidelines could have been more helpful to LDCs if it had also included some of the following, under the broader principles of special and differential treatment:

- A more ex-ante, proactive role for the development division of the WTO secretariat that is reflected in their work programme. The role of the secretariat, apart from the Accession Division, is largely limited to ex-post supporting the implementation of the commitments.
- The demand for regulatory reform by members should be tied to and contingent on them providing financial and technical support. At the moment it is a best endeavour and often members point to the many buildings of specialised agencies in Geneva to find such support.
- All negotiations should be at the working party level and the proceedings made open to the public.
- An accession timeline with clear milestones to measure progress should be established. Each accession negotiation will be unique and cannot be prejudged. Also the speed of accession should be determined by the LDC. Nonetheless, setting a timeline with milestones will help LDCs have better control over the process by keeping the finish line in sight.

Conclusion

Notwithstanding the above, the process does allow flexibility and, at least in theory, LDCs can structure it to suit their needs and interest. So, the interesting question is when and how can LDCs influence the process to their advantage? It could do so by effectively mobilising politics at home, in the region and in Geneva. A clear articulation of why it wishes to be a member of WTO and what benefits it seeks to derive would help rationalise the costs associated with becoming a member. This would also help shift focus from the here and now of the accession process to the longer term interests of being a member of the global trading system.



Yurendra Basnett

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INTERVIEW

Bridges Africa talks to Nagib Hamim, the Economic Attaché of the Yemen mission in Geneva

“I have been hearing some WTO delegates saying that the pace of the accession process is in the hands of acceding countries, including LDCs.”



Nagib Hamim

Economic Attaché of the mission of Yemen to WTO Affairs. He is responsible for Yemen accession dossier at WTO and also acts as focal point on LDCs Accession to WTO within the LDC Consultative Group in WTO. In this interview, he responds to ICTSD questions in his personal capacity. Answers should not be interpreted as representing government positions on the issues discussed.

The WTO General Council established a working party to examine Yemen's request for accession in July 2000. Yemen's Memorandum of Foreign Trade Regime was circulated in November 2002, and the first meeting of the working party took place in November 2004. Multilateral work is proceeding on the basis of the latest revised working party draft report circulated on 18 December 2012. Bilateral market access negotiations are well underway on the basis of revised offers in goods and services.

LDCs, which acceded to the WTO in recent years lamented that WTO members asked them to take on commitments beyond their capacities during the bidding process (for instance in terms of binding levels and binding coverage of tariff lines). Do you think that the benchmarks adopted with the accession guidelines will limit this problem?

It is a matter of fact that the recently acceded LDCs under Article XII of WTO Agreement has made more concessions and commitments on both goods and services compared with earlier LDC WTO members. The General Council decision on LDCs accession Addendum 1 of July 2012 is surely considered more advanced compared to the original 2002 decision, in particular on goods benchmarks. The 2002 guidelines were very vague and hardly applied because they contained no figures at all on market access negotiations. Instead, they only advised WTO members to “restrain” their requests on market access for goods and services and acceding LDCs to make “reasonable” offers. Such language resulted in deep concessions and commitments by acceding LDCs because some members considered the guidelines as only of discretionary nature. Addendum 1, on the other hand, specifies clear benchmarks that even if some members continue to have the same old interpretation, acceding LDCs are now more equipped to fight for their entitlements as spelled out under Addendum 1 ... in particular in the goods part.

For many applicant countries, accession to the WTO has been and still is a frustratingly slow process: What are the main contentious issues that are slowing down the progress in accession negotiations?

I have been hearing some WTO delegates saying that the pace of the accession process is in the hands of acceding countries, including LDCs. It takes two to tango! In my view, both acceding and member countries have their own share of blame for such frustration. Concluding an accession process in a pragmatic time could not happen if either plays slow through requesting or offering certain concessions and commitments that are next to impossible to entertain or do not lead to sensible decisions within a good timeframe. This puts us back to the two magic words of 2002 Decision, i.e. “restraint” and “reasonable”; if they are applied in letter and spirit, one can see a truly facilitated and accelerated accession process. Controversial issues are many in each accession, and could be summarised under the headings of market access and non-restraint or unreasonable requests and offers as well as what is portrayed as WTO+ and WTO-, where acceding LDCs are requested to making additional commitments and/or foregoing certain rights clearly prescribed in WTO agreements.

What is the level of awareness of the accession guidelines among LDCs?

I believe that every acceding LDC has studied both the 2002 and 2012 guidelines very carefully. After all, guidelines were coined to attempt to facilitate and accelerate their respective accessions, as mandated by trade ministers. However, as always, the devil is in the details. Again, unless negotiating partners are willing to play the accession game by its rules, i.e. LDCs accession guidelines, no agreement could be reached in a justifiable manner within a sensible time-frame. Final agreements have to be done by parties across the table.

What is the level concerning awareness of the obligations arising from being a member in the WTO? In LDCs, I have the feeling that this level is quite low.

Obligations arising from being a member in the WTO are quite clear because they result from WTO agreements' provisions as well as concessions and commitments undertaken during the accession process to WTO. I believe that any responsible WTO member should not only be aware on such obligations (and rights also), but also implementing the same, including LDCs. Article XII of the WTO agreement represents a full educational course on what WTO membership stands for in terms of obligations. On the other hand, I tend to agree that some early members, including LDCs, may not be in full awareness on some obligations. This is mostly due to the route of accession that each member went through.

Did the guidelines change the way accession negotiations take place? Have they sped-up the process? Could you please provide specific examples?

With all the criticism one may think of the guidelines, both in its old and new forms, they are still much better than no guidelines at all. Without guidelines, recently acceded LDCs could have ended up worse off. For example, the level of market access concessions and commitments on goods and services, despite the fact that they are much deeper and liberal compared to earlier or existing LDC members, are still "better" than those for recently acceded other developing countries, even with almost similar levels of economic development. The same goes for other systematic commitments, including transitional arrangements accorded to LDCs. The sheer recognized status of LDCs, as such, gave rise to some flexibility that would not be there if Article XII is applied without any qualification for LDCs case in the form of the guidelines. However, the speed of accession has not really changed, though it was intended to be faster compared to other accessions.

Which elements of the guidelines have been the most helpful, so far, for LDC applicants?

From recently acceded LDCs experience, one could find it rather difficult to judge such matters. The first two acceded LDCs under Article XII (Cambodia and Nepal), concluded their accessions' negotiations by mid-2003, i.e., a few months after 2002 guidelines. Equally, the latest three acceded LDCs (Samoa, Vanuatu, and Lao P.D.R.) concluded their respective negotiations around the time of the passing of Addendum 1. Vanuatu initially completed its accession negotiations even before the 2002 guidelines. The point I am trying to make is that such a question would be best answered within new and future LDC accessions' context rather than recently acceded or about to accede, as the case of Yemen. One can generally say that different elements of the guidelines, both 2002 and 2013, were quite helpful in terms of providing acceding LDCs with some ammunition to explain and defend their special circumstances. Nevertheless, without the guidelines, the situation could be even worse and we may not have seen almost half of non-WTO LDC acceded or near accession today.

What are limitations and how could the guidelines be improved or put to better practice?

We live in an imperfect world, by extension this could apply to the guidelines both in their old and new forms. Addendum 1 was needed to clarify and improve on 2002 guidelines. In a way, it is considered as an interpretation and expansion on the vague language used in 2002. For example, the two key words used in 2002 on market access, "restraint" and "reasonable," had little meaning in practice. Negotiating parties can always claim, as they usually do, that they are applying the said two principles, while in practice one or both does not and no verification method was available to substantiate such a state

of affairs. The two words/principles are still useful and, more importantly, they are now aided, at least in the case of goods, with specific "numeral reference points." This is a good improvement. Services, on the other hand, may need further work, but it is now much advanced over 2002. However, it seems as if LDCs accession guidelines are going through a "trial and error" approach, which is quite understandable from members' points of view, who take the decision on guidelines including their timing. But, from acceding LDCs' perspective, the picture may still need further refinement. So, I would not rule out the possibility of an Addendum 2 to come out at some point in future. After all, there are still at least eight LDCs whose accessions are at early stage in the process plus 5 LDCs who have not even started the process yet.

How do you envisage the impact of WTO accession on Yemen trade?

WTO accession for Yemen, or any other country, for that matter, has become a must to enable them play by the rules of the global Multilateral Trading System. It is only a matter of time to see all United Nations' members as members of the WTO, as was the case with Bretton Woods institutions. On the other hand, different countries have diverse immediate or longer term reasons to become WTO members. Market access could be one pressing reason for some, but I believe that for many acceding LDCs, including Yemen, the prime reason is of longer term nature. Yemen exports are mostly limited to two commodities, oil and gas; these products do not face difficulties in terms of market access and that also the is case for many other traditional exports as an LDC. Therefore, Yemen is more keen in benefiting from the rules governing international trade, as well as attracting investment, as a good member of WTO. Therefore, I am hopeful that WTO membership shall bring positive impact on Yemen and other LDCs' trade and investment regimes.

The accession negotiations for Yemen are very advanced and there have been suggestions that accession guidelines came too late. Is there something Yemen would like to re-negotiate on the basis of the benchmarks?

Indeed the new 2012 guidelines came a bit late for Yemen's accession. Ironically, this was similar to some earlier recently acceded LDCs. Timing of guidelines, both 2002 and 2013, came around late stages of those accessions as if by design, time-wise, although I tend to believe that it was a mere coincidence. Hence, it was not viable for those countries, including Yemen now, to re-negotiate their respective terms of accessions that already were agreed upon before. The fact that the accession pace is also a function of reaching agreement with members, makes re-negotiations more undesirable, be it on bilateral market access or multilateral issues. Besides, acceded and acceding LDCs are committed to what has been reached during their respective long accessions. Hence, at the end of the day, final terms of accession were not nor shall be 100 percent in line with what the guidelines prescribe from an acceding LDC perspective, or hoped for, especially as WTO members continue to consider each accession as a case by case venture. Alternatively, I hope that acceding LDCs that would come during the next wave of accession – most are in Africa – shall benefit more from recently improved LDCs accession guidelines as well as other LDCs' experiences. But, that remains to be seen in the near future.

The benchmarks on services were extremely difficult to negotiate and were criticized by a few for the lack of details. Imboden, a former Swiss diplomat, said that "The proposed benchmarks on services are a missed opportunity." The proposed text clearly shows that no serious effort has been made to show either the importance of services (...)" Do you think this is the case?

The 2012 Addendum 1 was an attempt to translate the 17 December 2011 decision by the Eight WTO Ministerial Conference. The last sentence in the latter's first paragraph read as "Benchmarks in the area of services should also be explored"! The language used was quite "blurred" and led to believe that any result achieved on services would suffice. And, this was the case. So, yes, the benchmarks for services were not as clear and specific as the case in goods. Nevertheless, it represents a departure from 2002 guidelines' more vague language on market access for both goods and services. Consequently, an Addendum 2 in the future could try to rectify such matters and other areas, if proved problematic. The latter, if needed, should be called for by acceding LDCs.

INTERVIEW

Bridges Africa talks Azanaw Tadesse Abreha, the Minister Counsellor of the Ethiopian mission in Geneva

“I think the benchmarks on goods adopted with the accession guidelines would serve as a basis for improvement of the commitments to be made by acceding LDCs.”



Azanaw Tadesse Abreha
Minister Counsellor, Permanent
Mission of Ethiopia in Geneva,
Switzerland

The General Council established a working party to examine the application of Ethiopia in February 2003. Ethiopia's memorandum on its foreign trade regime was circulated in January 2007. The second and third working party on Ethiopia's accession to the WTO were held in 2011 and 2012, respectively. Preparations are underway to convene the fourth working party meeting.

Least Developed Countries (LDCs) which acceded to the WTO in recent years have lamented the fact that WTO members ask them to take on commitments which are beyond their capacities during the bidding process. For instance, this is the case when it comes to binding levels and binding coverage of tariff lines. Do you think that the benchmarks adopted with the accession guidelines will limit this problem?

I think the benchmarks on goods adopted with the accession guidelines would serve as a basis for improvement in terms of less commitments to be made by acceding LDCs.

For many applicant countries, accession to the WTO has been and still is a frustratingly slow process: What are the main contentious issues that are slowing down the progress in accession negotiations?

Yes, accession to the WTO is a protracted and long process. There are a number of reasons for this. Accession involves two levels of negotiations: bilateral and multilateral levels. Bilateral market access negotiations involve market access agreement with the acceding country on an offer and request basis. Multilateral negotiations are conducted with a view to verify whether the country presenting the accession bid is bringing its domestic trade laws to conform to the multilateral trade rules. Negotiations at both levels take time.

What is the level of awareness of the accession guidelines among LDCs?

I think LDCs level of awareness of the accession guidelines is low as a reflection of the overall low level of capacity of the LDCs.

What is the level of awareness of the obligations arising from being a member in the WTO?

I have the feeling that this level is quite low among LDCs. I think this is not a unique feature of an acceding LDC or LDCs as a group. In general, if a country is outside of any system the likelihood of that country's awareness of that system is bound to be low. What is perhaps challenging for the LDCs would be that once they decide to become members and embark on the accession process they are likely to have constraints in terms of capacity-building due to their overall level of development, which is why technical assistance is a key component of the accession guidelines. For example, once you applied for accession you can tap in the activities of the Institute for Training and Technical cooperation of the WTO.

Did the guidelines change the way accession negotiations take place? Have they sped-up the process?

I think it is too early to pass judgement on whether or not the guidelines have resulted in speeding up the accession process. The guidelines need to be given some time so that we draw lessons on whether or not they have facilitated and simplified the accession process.

Which elements of the guidelines have been the most helpful so far for LDC applicants?

I think the most helpful would be the benchmarks on goods. I should hasten to add that a high priority level given to the accession of LDCs by policy makers at the WTO, and at the Ministerial level, would create an atmosphere that would simplify the accession process for LDCs.

What are limitations and how could the Guidelines be improved or put to better practice?

More could have been done in terms of drawing benchmarks related to the commitments made by LDC members of the WTO.

How do you envisage the impact on WTO accession on Ethiopian trade?

Accession to the WTO would enhance the achievement of development objectives and integration into the global economy. Accession to the WTO would also improve the predictability and security for Ethiopia's foreign trade. It would help Ethiopia develop its productive capacity which is fundamental if Ethiopia is to benefit from trade.

What are the decisive factors for success in the negotiation for Ethiopia's WTO entry?

The key factor for Ethiopia's success in the negotiations would be ensuring a package of accession that is consistent with, and supportive of Ethiopia's development trajectory.

The benchmarks on services were extremely difficult to negotiate and criticised by a few for the lack of details. Imboden, a former Swiss diplomat, said that "The proposed benchmarks on services are a missed opportunity. The proposed text (...) clearly shows that no serious effort has been made to show either the importance of services for the development of the countries concerned, or to find some common ground on what would be a reasonable approach to services negotiations." Do you think this is the case? What, in your view, would be a reasonable approach?

Well, the reasonable approach would have been what the LDCs had proposed: a benchmark based on the average number of services sectors and sub-sectors committed by the LDC members of the WTO. This would have been a fair approximation of the commitments made by LDC members of the WTO.

WTO Accessions: Ethiopia to Submit Services Offer by September

Ethiopia will be submitting to current WTO members an offer on services- including key sectors, such as banking and telecommunications - by September, trade ministry officials have said this past week, in an effort to advance its accession efforts. After a decade of negotiations, Ethiopian officials say they are now confident of being able to join the 159-member body by 2015.

However, Chiedu Osakwe, director of the WTO's accessions division, told Bloomberg on Monday that much work remains before the accession process can be finalised, with the talks now needing to "change gears." Under WTO rules, all current members must sign off for a new member to join, a process involving both multilateral and bilateral negotiations.

ICTSD reporting; "Ethiopia Plans to Make WTO Offer on Services by September," BLOOMBERG, 15 July 2013; "Ethiopia expected to join WTO in 2015 - ministry," REUTERS, 10 July 2013.

AID FOR TRADE

WTO Aid for Trade Review focused on how LDCs can better integrate value chains

At the WTO Aid for Trade (AFT) review on 8-10 July, one side event looked at how Least Developed Countries (LDCs) can better integrate value chains and how they can overcome existing bottlenecks that currently impede this process.

The discussions recognised an increasing fragmentation of global production processes where intermediate goods and services are sourced in different parts of the world, i.e. Global Value Chains (GVCs). Panelists highlighted the risk for LDCs to be trapped in the lower end of the GVCs and discussed ways for countries to move up these chains.

Patrick Low from WTO insisted on the importance of finding a way past domestic and foreign constraints in accessing value chains. He defended that a method of battling domestic constraints is key in order to develop better infrastructure and improve governance. Among several, he suggested that central criteria to make progress in this area constituted having good social and foreign investment along with increased trade.

Samoa Minister of Trade, Laufofo, mentioned that AFT in Samoa should focus on geographical connectivity given the fact that the country is geographically isolated, making exports development difficult. As a consequence, he also echoed one of Low's points, saying: "the most important thing to undertake in order to push forward economic growth is to build up governance." He stressed that his country is now less dependent on tariff measures and that policies should focus on non-tariff barriers. "A special emphasis must be placed on services, which play a role in employing an increasingly educated population," he said.

Senegal Minister of Trade, Sarr, stated that relocating VCs in Africa raises two issues: the issue of competitiveness among LDCs themselves to attract foreign direct investment and the participation of LDCs in the low value-added segments of the value chains. He put forward three solutions to enhance LDCs' participation in the value chains: develop policies to attract FDI; design industrial policies toward agricultural transformation, and sign win-win agreements. He went on to urge more coordination between projects, focusing on promising opportunities that span across regions, such as the cashew nut trade.

According to Ambassador Getahun of Ethiopia, structural transformation, investment promotion, and human and agriculture development are key to connect to value chains. He also added "to connect to the global market, we need more streamlined and efficient terms to join WTO." He pursued by stating that regional integration of value chains and strong national ownership are also important for a real impact on the ground, as well as developing productive capacity. When asked by a participant from the audience about the impact of AFT on the ground in Ethiopia, he answered "AFT needs more ownership to be more effective ... it is not easy to pinpoint which exact part of AFT specifically goes to growth."

Speaking for Nepal, Ambassador Gyan Acharya highlighted the importance of tourism in the services sector as overall tourism is the predominant sector for many LDCs.

INTELLECTUAL PROPERTY

Poorest WTO countries granted new TRIPS extension

WTO members have agreed to extend the transition period for least developed countries (LDCs) to implement the organisation's rules on intellectual property rights until July 2021, which was previously due to end next month. The news, announced on 11 June, follows intensive discussions that kicked off earlier this year.

The decision comes as WTO members continue to work feverishly toward concluding a set of deliverables in time for their upcoming ministerial conference at year's end in Bali, Indonesia. While many have warned in recent months that preparations for Bali are not moving at the necessary pace, the success of this extension effort has been welcomed by some as a sign that members can still negotiate constructively.

"The agreement reached by members makes very clear that we can come together and get things done," said WTO Director-General Pascal Lamy in response to the news. "This is the spirit that we need to see in full display over the coming months in order to produce a meaningful outcome at the Bali Ministerial Conference in December."

Previous extensions

When the WTO was established in 1995, the organisation's poorest members were initially given until 1 January 2006 to implement the obligations contained in the WTO's Trade-Related Aspects of Intellectual Property (TRIPS) Agreement.

In 2002, the LDC transition period was extended until January 2016 for pharmaceutical patents, with a later 2005 decision extending the period for all intellectual property rights until July 2013.

In light of the impending July 2013 deadline, Haiti submitted a request last November on behalf of the LDC Group to extend the transition period further – specifically, until a given member graduates from being a least developed country.

"The situation of LDCs has not changed significantly since the last extension decision in 2005... [and they] have not been able to develop their productive capacities and have not beneficially integrated with the world economy," the proposal explained.

While members had generally agreed on the principle of granting LDCs additional time, they spent the last several months negotiating the actual terms of the extension. Developed countries had argued that the proposal submitted by Haiti amounted in reality to an indefinite extension, which could have implied that intellectual property is not a relevant issue for LDCs.

Sources familiar with the discussions say that members broadly welcomed the decision, though some – such as India – still said that the original request for extending the deadline until an LDC is no longer "least developed" should have been accepted. Others, meanwhile, urged that this spirit of compromise be carried over to other discussions at the global trade body.

Least developed countries, for their part, praised the overall result, noting that it would give them "greater incentives and capacity" for participating in TRIPS provisions as LDCs take on a larger role in global trade.

LDCs will be able to seek further extensions after the 2021 deadline. The decision does not affect the current terms for pharmaceuticals, with that deadline remaining at 2016.

"Non-rollback" clause excluded

One of the main issues that had divided members in their recent consultations was whether to include the current "non-rollback" clause under the terms of the new extension. During the latest transition period, this provision had required LDCs to ensure that changes they made in their laws or regulations do not lead to a lesser degree of consistency with the TRIPS Agreement. The controversial measure was ultimately omitted from the June 11 final text.

LDCs have argued that the "non-rollback" clause is an undue restriction of their policy space and contrary to the letter and spirit of the extension, as stipulated in the TRIPS Agreement. Under the new wording, LDC members have expressed "their determination to preserve and continue the progress towards implementation of the TRIPS Agreement." However, the decision notes that nothing in the new extension should prevent LDCs from using the flexibilities inherent in TRIPS to address their needs, such as developing a technological base and overcoming capacity constraints.

Reactions

The prospect of extending the LDC transition period has been backed in recent months by a range of stakeholders, among them: scholars, intergovernmental institutions, government representatives, and civil society organisations.

However, the terms of the actual decision – particularly the agreement to extend the period by only eight years, rather than indefinitely – were criticised by some, with Aziz ur Rehman, an intellectual property advisor for Médecins Sans Frontières' Access Campaign, calling it "a half-hearted compromise."

Developed countries should instead have permitted a "longer and more complete" extension, he explained, while urging LDCs to take advantage of the opportunity afforded by the exclusion of the "no rollback" clause.

Others warned that giving LDCs less than a decade of additional time would limit their opportunities to test out which domestic intellectual property laws might be in their best interests. "The opportunity to experiment will be burdened with uncertainty about the longer term future," Knowledge Ecology International, a Geneva-based NGO, said.

WORLD TRADE ORGANIZATION

Lamy: July the “Last Petrol Stop” on the Road to Bali

“Time is turning against us,” Director-General Pascal Lamy warned members on 3 June, referring to the pace of efforts to prepare a package of deliverables for the organisation’s ministerial conference this December in Bali, Indonesia.

Members have spent the first half of the year attempting to craft a deal from the overall Doha Round of trade talks, which were declared at an impasse at the WTO’s last ministerial in December 2011. The proposed deal, if completed, would include an agreement on trade facilitation, as well as components relating to agriculture and some developing and least developed country (LDC) issues.

However, at the meeting of the trade negotiations committee (TNC), on 3 June, which is tasked with the Doha negotiations, members grimly noted that much more progress is needed between now and the end of July if they still wish to see an ambitious outcome in Bali.

Trade facilitation: More than 500 brackets remain

An agreement on trade facilitation - which deals with topics such as easing customs procedures and cutting times at border crossings - is meant to serve as the centrepiece of any package for this December’s ministerial. However, despite the removal of some brackets from the hundreds scattered throughout the current draft text, well over 500 remain.

Since late March, four senior officials - Michael Stone of Hong Kong, Ambassador Mario Matus of Chile, Ambassador Remigi Winzap of Switzerland, and Ambassador Yonov Frederick Agah of Nigeria - collectively referred to as the “Friends of the Chair,” have been consulting with members on the remaining points of contention in the current draft text, under the guidance of Ambassador Eduardo Ernesto Sperisen-Yurt of Guatemala, who chairs the trade facilitation talks.

The Friends of the Chair presented the latest results of their consultations at a formal meeting of the trade facilitation negotiating group, held during the week of 24 May. While they are now aiming to turn the convergence that has emerged in some parts of the text toward consensus, the Friends have said that they expect ambassadors to join the technical experts currently involved in the negotiations, in the hope that this can lead to additional progress on the more political subjects.

Members also noted that some new brackets have been added to areas of the draft agreement that had previously been deemed closed, sources said. Brazil reportedly suggested on 3 June the objective of removing 50 percent of the brackets in the trade facilitation draft text by the end of July, an idea that was supported by the EU.

G-20, G-33 agriculture proposals

Members have also spent the past several months discussing proposals regarding agriculture. Two of these are from the developing country G-20, a coalition that seeks farm policy reform in the developed world. The third has been tabled by the G-33, another developing country group that has large populations of smallholder farmers.

The G-20 proposal on the administration of tariff rate quotas (TRQs) is in "pretty good shape," Lamy said. Members have generally said that the TRQ proposal is one of the most technically-advanced ones on the table, and is well-calibrated to the overall package.

The more recent G-20 proposal on export competition, however - which was circulated on 21 May - has sparked a range of reactions among members, with the US and EU being among those that have reportedly opposed it. Speaking for the EU on 3 June, Pangratis noted that the G-20 proposal "comes at a very bad time and it is extraordinarily unbalanced in a way that is difficult to comprehend," while adding that the EU is ready to explore ways to look at the export competition subject within the broader agriculture talks.

Others, such as Brazil, said that the 2013 deadline for developed countries to phase out their export subsidies should not pass in silence, and that negotiations should at least yield a "step forward in this area."

The G-33 proposal on food stockholding and domestic food aid, meanwhile, continues to generate controversy among members, with consultations on the subject still ongoing. While some elements of possible convergence have emerged, members now need to explore "a possible landing strip" to sort out the specifics, the Director-General reported. Some, such as the US, have accused other WTO members of holding up progress on trade facilitation in order to get what they want in the agriculture negotiations, particularly with regards to the G-33 proposal. "The only chance for success at Bali is for this hostage-taking to stop," US Ambassador to the WTO Michael Punke said ahead of the Paris OECD meeting, in what many assumed was an implicit criticism of India, who has been one of the main advocates for increased flexibility for developing countries to purchase food at administered prices when building food stocks or providing domestic food aid.

LDC proposal circulated

Meanwhile, discussions regarding the development-focused component of the Bali package are also ongoing, in both informal ambassadorial consultations as well as under the Committee on Trade and Development's (CTD) Special Session.

The work in this area has been focused around three clusters. The first involves the 28 Cancún proposals, which are part of a group of 88 proposals aimed at strengthening the special and differential treatment (S&DT) provisions in the various WTO agreements that were agreed, but not harvested, ten years ago. The second involves the so-called Monitoring Mechanism, which would review the functioning of provisions in WTO rules for S&DT treatment in favour of developing countries and potentially suggest improvements.

There have been positive advances in both of these areas, Lamy said on 3 June, which could "potentially translate into concrete progress" in the weeks ahead. However, in the third cluster - proposals involving the Sanitary and Phytosanitary Measures and the Import Licensing Procedures Agreements - similar progress is needed.

The LDC Group also submitted earlier in May its proposal for LDC-specific issues to be considered for the ministerial. It includes the implementation of the duty-free quota-free (DFQF) market access decision taken at the 2005 Hong Kong Ministerial Conference; preferential rules-of-origin; the operationalisation of the services waiver agreed at the 2011 ministerial; and trade and development assistance with regards to cotton.

While many members welcomed the submission of the LDC proposal and pledged to review it promptly, trade sources note that not all LDCs are in agreement on the DFQF issue, due to concerns that some countries' preferential treatment under existing schemes could be eroded as a result.

"We have about 40 working days left before the end of July, which I see as the last petrol station before the Bali highway," Lamy told members. A formal meeting of the Trade Negotiations Committee is scheduled for 22 July, with a meeting of the General Council currently slated for 24-25 July.

The newsroom

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Obama Unveils Trade, Energy Initiatives on Africa Trip

Trade and energy topped the agenda during US President Barack Obama's visit to Africa from 28 June to 1 July, with the announcement of various initiatives aimed at doubling electricity access in the sub-Saharan region, facilitating intra- and inter-regional trade.

The trip, which featured stops in Senegal, South Africa, and Tanzania, aimed to highlight Washington's growing interest at developing deeper economic ties with the fast-growing region.

AGOA renewal, East Africa trade

In Tanzania, Obama declared his support for the renewal of the African Growth and Opportunity Act (AGOA), a preferential scheme launched in 2000 that is set to expire in 2015. It allows most goods from eligible African countries to enter the US duty-free. AGOA's non-petroleum exports more than tripled from about US\$1.2 billion to US\$4.5 billion from 2001-2011.

The US President also announced the Trade Africa initiative, which among other goals aims to facilitate and deepen trade within the East African Community (EAC), as well as increase EAC exports to the US.

Doubling electricity access

Obama also announced the Power Africa scheme, a US\$7 billion initiative aimed at doubling access to electricity in sub-Saharan Africa (SSA). Currently over two-thirds of the population of SSA lack electricity, with that number reaching 85 percent in rural areas. The initiative will focus on developing geothermal, hydro, wind, and solar energy, along with using the region's oil and gas reserves.

China presence in the background

Analysts have been quick to question whether the Obama trip was a sign of Washington trying to counter Beijing's own influence in the fast-growing region. Xi Jinping already visited the continent in March during his first overseas trip as China's new Premier, and the Asian economy recently surpassed the United States as sub-Saharan Africa's largest trading partner. Washington aims to help the continent "build Africa for Africans," the US President said.

UN panel outlines recommendations for post-2015 development agenda

The world should aim to end extreme poverty by 2030, according to a report released at the beginning of June by a UN panel tasked with advising on a post-2015 development framework. The report aims to advise on the direction of a global development agenda when the Millennium Development Goals (MDGs) expire in two years' time.

The report issued on 6 June outlines five "transformative shifts" that are needed for driving a post-2015 agenda, with one of the most ambitious being a goal to end extreme poverty by 2030.

To achieve the goals highlighted within the report, the panel also noted trade's potential to affect efforts at pursuing sustainable development. Inclusive growth, they said, must be supported by a global economy that encourages "development-friendly trade."

AGOA meeting to revamp US-Africa trade

Ethiopia is busy preparing to host the 21st African Growth and Opportunities Act (AGOA) forum, which will be held in Addis Ababa on August 12-13. The act itself expands on the Generalised System of Preferences, a set of formal exceptions from the WTO's Most Favoured Nation principle, which allows developed countries to offer developing countries in sub-Saharan Africa (SSA) lower tariff rates on specific goods.

This year's forum will face the challenge of addressing a much-needed renewal of this agreement past 2015, when the act is due to expire, as well as ensuring it provides benefits for both trading partners.

Attention will be focused on a central element to the success of AGOA - the Third-Country Fabric (TCF) provision, which eases tariff burdens on the textile industries of developing countries.

Cameroon EPA ratification meets opposition

Concerned over regional integration, the Confederal Group of the European United Left/Nordic Green Left (GUE/NGL) – a small group in the European Parliament voted against the ratification of an interim Economic Partnership Agreement (EPA) with Cameroon scheduled in June.

Cameroon is the only country from the Central African region that signed such an agreement, which, if it came into effect, would gradually remove duties and quotas on up to 80 percent of EU exports between years 2010-2025.

"If only one of the 7 countries of the Central African region, Cameroon, is signing with the EU, this is not an EPA with Central Africa as presented by the Commission, and shows that there is a problem with EU requests for access to the markets of these countries," MEPs Helmut Scholz (GUE/NGL) said.

The EU is negotiating EPAs with six other Central African countries. Those that fail to sign an EPA before the October 2014 deadline will lose the preferential rules for trading.

Kenya drifting from EAC members as it inches towards EPA deal

Experts in Uganda have expressed concerns that Kenya's signing of the EPA with Europe will jeopardize the East African regional integration efforts. Kenya would be acting in its individual capacity, bypassing input of the East African Community (EAC).

Kenya's deputy President, William Ruto, promised to strike a deal within two months to ensure a multi-billion shilling's worth of exports to Europe. The stakes are high for Kenya: The country stands to lose \$1.2 billion from its most lucrative markets if punitive taxes are introduced.

Under the East African Customs Management Act, trade negotiations usually require coordinated action of five member states.

Jane Nalunga, Southern and Eastern African Trade Information and Negotiation Institute (SEATINI) Uganda Country director said EPAs can only be signed as a block. "Kenya can't sign alone," adding that Ugandan authorities are not prepared to be rushed into signing an agreement.

Brazil cancels almost 900m dollars-worth of African debt

At the end of May, Brazil announced its intention to write off or restructure \$900 worth of debt owed by African nations. For some of the countries, more favourable interest rates and longer repayment terms will be provided.

Countries that will benefit from this debt restructuring decision include resource-rich nations, and those who were most heavily indebted: Congo (\$352m), Tanzania (\$234m) and Zambia (\$113.4m), among other countries.

Africa has a large natural-resource base, and Brazil is already directing large infrastructure projects along with heavy investments in the oil and mining sectors. Such investments would bolster the growth prospects in Africa with much needed employment and infrastructure development.

Japan pledges \$32 billion aid to Africa

Japan offered a \$32 billion (3.2 trillion yen) package to African countries at the opening of the Tokyo International Conference on African Development (TICAD) on 1 June in order to stimulate Japanese investment, help growth and counter Chinese influence on the continent.

As part of the \$32 billion pledge Japan will confer some \$14 billion in official development aid and \$6.5 billion to support infrastructure. Following the Fukushima backlash, resource-poor Japan has been even keener on trying to diversify its energy resources and be less reliant on oil and gas import.

According to the Japan External Trade Organization and China's government data, Japan invested nearly \$460 million in Africa in 2011 compared to china's 3.17 billion. The conference ended with the adoption of the Yokohoma Declaration designed to promote private sector-led growth and sustainable development.

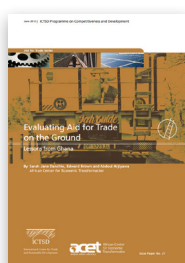
The conference brought together leaders of 50 African countries as well as representatives of international organisations from 1 to 3 June.

Publications and resources



Assessing the Effectiveness of Aid for Trade: Lessons from the Ground – ICTSD – July 2013

This paper, as well as the eight country-analyses, offers fresh insights into the dynamics of aid for trade on the ground, the institutional set-up underlying the initiative and its weaknesses. Overall, the findings are not radically different from what has emerged from the more general aid effectiveness debate. In short, aid for trade is likely to be effective when the host country has the appropriate institutions and human resources to utilise aid; when the aid program enjoys broad local ownership, including political ownership; and when donor objectives are aligned with local priorities. <http://bit.ly/12KUGT2>



Evaluating Aid for Trade on the Ground: Lessons from Ghana – ICTSD – July 2013

This study assesses the effectiveness of aid for trade in Ghana. The findings presented show a mixed impact on the ground. On the one hand, aid for trade programmes have contributed to mainstreaming trade and tackling some of the existing constraints that hinder Ghanaian exports. On the other, aid for trade has not succeeded in strengthening the absorptive capacity of the local institutions involved in the initiative, which has limited the overall impact of aid for trade. Despite the recent increase in trade, Ghana's exports are still highly concentrated and low in value-added. <http://bit.ly/1b3bLwE>



Addressing Local Content Requirements in a Sustainable Energy Trade Agreement – ICTSD – June 2013

Building upon a previous ICTSD-paper on LCRs as well as on recent research by the Peterson Institute, this research paper puts forward a series of innovative recommendations on how to phase out local content requirements so as to comply with current trade-rules. The article, authored by ICTSD Senior Fellow Sherry Stephenson, acknowledges the need for a smooth transition in stimulating the supply of renewable energy and highlights other policy measures which may be preferred, both from a legal and economic perspective. <http://bit.ly/11RZ5Ag>



Cotton: Trends in Global Production, Trade and Policy – ICSTD – June 2013

After years of negotiations and even a framework resolution to a pivotal trade dispute, cotton still remains a critical concern for countries at the World Trade Organization. However, historically high prices, and evolving trade patterns may change the role of price depressing subsidies provided by developed countries in discussions on the fibre. New legislation in the United States is anticipated to address the WTO dispute with Brazil and is likely to be the single most important policy change to affect the commodity in the near term. This note aims to summarize recent ICTSD research on proposed changes in US policy while offering recommendations based on changes in global production and trade. <http://bit.ly/13WdVZs>



IP Trends in African LDCs and the LDC TRIPS Transition Extension – ICTSD – June 2013

This Policy Brief by Fikremarkos Merse (Addis Ababa University School of Law) provides an overview of the intellectual property landscape in African LDCs, in the context of the current LDC TRIPS extension debate. The brief shows that African LDCs are at different stages with regard to TRIPS implementation and they continue to face immense challenges towards building their technological base, thus their need for continuous flexibility and policy space. <http://bit.ly/1bvvsq>

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