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**ENHANCING THE PARTICIPATION OF SADC MEMBER COUNTRIES AND THE ROLE OF THE SADC SECRETARIAT IN REGIONAL AND**

**MULTILATERAL TRADE NEGOTIATIONS**

**REVISED FINAL REPORT**

**Prepared for:**

  

By

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**Contents**

[EXECUTIVE SUMMARY 5](#_Toc323413403)

[1.0 INTRODUCTION AND BACKGROUND TO THE ASSIGNMENT 9](#_Toc323413404)

[1.1 PROJECT’S OBJECTIVES AND GOALS 11](#_Toc323413405)

[1.2 RESULTS TO BE ACHIEVED 12](#_Toc323413406)

[1.3 SPECIFIC ACTIVITIES 13](#_Toc323413407)

[2.0 IMPLEMENTATION STRATEGY 14](#_Toc323413408)

[2.1 THE WORK PLAN AND TIMING OF KEY DELIVERABLES 17](#_Toc323413409)

[3.0 STATE OF COORDINATION BETWEEN SADC COUNTRIES AND SADC SECRETARIAT ON TRADE ISSUES 19](#_Toc323413410)

[3.1 UNDERSTANDING OF THE MULTILATERAL TRADING SYSTEM AND ITS IMPLICATIONS 19](#_Toc323413411)

[3.2 COORDINATION AT NATIONAL, REGIONAL AND MULTILATERAL LEVELS 20](#_Toc323413412)

[3.3 CAPACITY TO IDENTIFY PRO-DEVELOPMENT REFORMS AND APPROPRIATE POLICIES TO BENEFIT FROM THE MULTILATERAL TRADING SYSTEM 21](#_Toc323413413)

[3.4 INFORMATION EXCHANGE BETWEEN SADC MEMBER STATES, SADC GENEVA-BASED REPRESENTATIVES AND THE SADC SECRETARIAT 22](#_Toc323413414)

[4.0 SADC COUNTRIES AND THE DOHA ROUND 23](#_Toc323413415)

[4.1 SADC MEMBER STATES’ INTERESTS IN THE DOHA NEGOTIATIONS 25](#_Toc323413416)

[4.2 SADC MEMBER STATES’ REACTION TO THE STALEMATE IN THE DOHA NEGOTIATIONS 34](#_Toc323413417)

[5.0 WORKSHOP ON ENHANCING THE PARTICIPATION OF SADC MEMBER STATES IN REGIONAL AND MULTILATERAL TRADE NEGOTIATIONS 35](#_Toc323413418)

[5.1 PARTICIPANTS 36](#_Toc323413419)

[5.2 DELIBERATIONS 37](#_Toc323413420)

[5.3 PARTICIPANTS FEEDBACK 40](#_Toc323413421)

[6. CONCLUSIONS AND RECOMMENDATIONS 41](#_Toc323413422)

[ANNEXES 43](#_Toc323413423)

[ANNEX A - QUESTIONNAIRE GUIDELINES FOR THE SADC MTS PROJECT 43](#_Toc323413424)

[ANNEX B- LIST OF INTERVIEWEES 50](#_Toc323413425)

[ANNEX C - WORK PROGRAMME FOR WORKSHOP ON ENHANCING THE PARTICIPATION OF SADC MEMBER STATES IN REGIONAL AND MULTILATERAL TRADE NEGOTIATIONS 52](#_Toc323413426)

[ANNEX D- SUMMARY OUTCOMES OF WORKSHOP ON ENHANCING THE PARTICIPATION OF SADC MEMBER STATES IN REGIONAL AND MULTILATERAL TRADE NEGOTIATIONS 58](#_Toc323413427)

[ANNEX E - LIST OF PARTICIPANTS: WORKSHOP ON ENHANCING PARTICIPATION OF SADC MEMBER COUNTRIES AND THE ROLE OF SADC SECRETARIAT IN REGIONAL AND MULTILATERAL TRADE NEGOTIATIONS 69](#_Toc323413428)

**ABBREVIATIONS AND ACRONYMS**

ACP African, Caribbean and Pacific

AGOA Africa Growth and Opportunity Act

COMESA Common Market for Eastern and Southern Africa

DDA Doha Development Agenda

EAC East African Community

EDF European Development Fund

EPA Economic Partnership Agreement

ESA Eastern and Southern Africa

EU European Union

FANR Food Agriculture and Natural Resources

MTN Multilateral Trade Negotiations

MTPR Mid Term Progress Report

MTS Multilateral Trading System

PMU Project Management Unit

REC Regional Economic Community

SADC Southern Africa Development Community

SQUAM Standards Quality Assurance and Metrology

TFTA Tripartite Free Trade Area

TIFI Trade, Industry, Investment and Finance

TOR Terms of reference

TRADES Trade & Development Studies Centre

WIPO World Intellectual Property Organisation

WTO World Trade Organization

# EXECUTIVE SUMMARY

African countries are marginalised in the multilateral trading system. Their share in world trade has decreased from 5 per cent in the 1970s and 1980s to less than 3 per cent in 2011. The share of SADC member states is around 1 per cent. There is wide acceptance that if African countries have to attain sustainable growth and development, they will have to increase their participation in the multilateral trading system. Several studies have indicated that if African countries were to increase their share in world trade by only one per cent that would correspond to around US$200 billion in additional income, which is five times more than the total ODA the continent receives each year. There is broad agreement that if African countries were to reverse their marginalisation in the multilateral trading system, it would be necessary for them to increase intra-African trade which currently stands at around 10 per cent. An integrated Africa would enable the continent to receive more foreign direct investment as transaction costs for doing business would reduce and also promote competition among African firms and assist them in the medium to long term to compete effectively at the global level.

As drivers of regional integration and trade on the African continent, the role of regional economic communities such as SADC is recognised. Currently, SADC members are implementing the trade protocol which would create a fully-fledged free-trade area and later a customs union. At the same time, SADC member states are engaged in a number of trade negotiations, including the TRIPARTITE negotiations to harmonise the integration agenda of COMESA, EAC and SADC, the EPA negotiations with the European Union to create a free trade area and the DDA negotiations under the auspices of the World Trade Organization which would level the playing field and place the interests of developing countries at the heart of the WTO's work programme. Being involved in a multitude of negotiations presents challenges as well as opportunities. Most of the SADC member states have a limited number of trade officials and being involved in parallel complex trade negotiations can be burdensome and stretch their capacities to the limit. The chance to negotiate new trade agreements also present opportunities to address barriers to SADC member states’ exports and to create the conditions necessary to successfully attract foreign direct investment into critical sectors of the economy.

It is against this background that this project was commissioned to examine ways through which SADC member states could enhance their participation in regional and multilateral trade negotiations to secure outcomes which would lay the basis for their sustainable growth and development. The project had the following key objectives:

● Better understanding of the multilateral trading system and its implications by SADC member states;

● Improved coordination among SADC member states at national, regional and multilateral levels to manage trade negotiations;

● Improved capacity of SADC secretariat and its member states to identify and implement pro-development reforms and appropriate policies to derive significant benefits from the multilateral trading system; and

● Improved communication flows and exchange of information between SADC member states, SADC Geneva-based representatives and the SADC Secretariat.

To ensure that the recommendations emerging from this Report are relevant and useful for policymakers at the national and regional levels, exhaustive interviews were conducted with SADC Secretariat officials in Gaborone, SADC missions in Brussels and Geneva to determine the level of coordination and how the coordination mechanism could be improved to ensure efficiency and effectiveness in the negotiating processes in which SADC member states were engaged. The picture which emerged was that there was very little coordination among SADC member states in international fora such as the WTO and that the SADC Secretariat played only a marginal role given the absence of a clear mandate and limited resources. The recommendation is made that the SADC Secretariat’s role in coordinating member states’ positions in regional and multilateral trade negotiations should be strengthened through a re-orientation of its advisory and coordination functions. This had become imperative in view of the increasing complexity and fast evolving nature of the multilateral trade agenda under the auspices of the WTO and the impending tripartite merger of the COMESA, EAC and SADC regional economic configurations.

Interviews were also conducted with representatives of key institutions including the WTO, UNCTAD and the ACP Secretariat to find out the state of play of the Doha and the EPA negotiations and the assistance that they are providing to SADC member states to enable them to enhance their participation in the negotiations. It was established that whereas these institutions provide technical assistance to SADC member states, there was still a dearth of information on trade issues in SADC countries meaning that more had to be done to create institutional knowledge about trade issues in relevant Government Departments and also synthesise the general public about basic trade issues and how the SADC Region would benefit from increased intra-trade as well as trade with other African countries and third countries.

The final element of the project was the organisation of a 3-day seminar in Johannesburg. It afforded an opportunity for the trade officials to be briefed on the status of the Doha negotiations and deliberate on the positions adopted by SADC member states in the relevant negotiating areas and also how to react to the stalemate in the negotiations. Member states also exchanged views on how the coordination mechanism can be improved to ensure that SADC Secretariat play a key facilitative role in building common positions on negotiating issues so as to further the interests of the member states. The following key recommendations were made to strengthen the coordinating role of the SADC Secretariat:

● The need for the SADC Secretariat to undertake annual missions to Geneva/Brussels to brief the SADC Missions on the regional integration issues in the SADC region. The Geneva based mission should also cooperate with their counterparts in Washington;

● The need for the SADC Chair in Geneva to attend Council of Ministers of Trade meetings to brief Ministers on the developments in Geneva;

● The need for SADC to establish an office in Geneva as a goal of the organization; and

● The need for SADC to apply for permanent observer status to the WTO, namely, to the General Council and other relevant Committees and bodies.

# 1.0 INTRODUCTION AND BACKGROUND TO THE ASSIGNMENT

The role of regional economic communities in the development of trade in Africa is widely recognised. Currently, intra-African trade stands at 10 per cent. This is in sharp contrast to other developing regions of the world. In Asia and Latin America, the levels of intra-trade are 50 and 26 per cent, respectively. There are a number of reasons accounting for the low level of intra-African trade, including the weak mandate given to regional economic communities to monitor and enforce the commitments assumed by countries under regional trade agreements. The lack of integration has negatively impacted on African countries and affected their ability to attract foreign direct investment commensurate with their development needs. According to UNCTAD, Africa attracted only $52 billion in foreign direct investment last year, while China alone attracted $124 billion. It has also increased Africa's vulnerability to external shocks as demonstrated by the global financial crisis. The medium of transmission of the crisis to Africa was trade given the overwhelming dependence of African countries on a narrow range of exports and a few markets, notably the European Union and the United States. With the recession in these countries, there was decreased demand for Africa's exports and that invariably impacted negatively on their economic growth.

Had African countries been less exposed to external markets, they would have been minimally affected by the global financial crisis. The importance of boosting intra-African trade was highlighted by Africa's Heads of State and Government when they devoted this year's summit to this theme. In the run-up to the summit, the African Union Commission released a study which underscored the importance of regional economic communities in the process of economic integration in Africa. Currently, SADC member states are in the process of implementing the SADC Trade Protocol which would create a fully-fledged free trade area and later a customs union, and at the same time engaged in TRIPARTITE negotiations aimed at merging the three (SADC, COMESA and the EAC) regional configurations. They are also engaged in the EPA negotiations with the European Union which would create a free trade area and also the Doha negotiations under the auspices of the WTO.

With very small trade negotiating teams, these parallel negotiations put a considerable strain on the officials and may compromise their ability to negotiate balanced and fair agreements. It is also important for there to be consistency in the negotiating positions adopted in these negotiations. As an example, whereas the least-developed SADC member states are exempted from undertaking reduction commitments in agriculture and non-agricultural market access at the WTO, they will have to undertake commitments under the EPA with the European Union. Should they assume extensive commitments under the EPA, it would be difficult for them to resist requests by other WTO Members to assume obligations in the context of the Doha Round.

There is evidence that there is little collaboration between Brussels-based SADC missions which are following the EPA negotiations and Geneva-based SADC missions which are following the Doha negotiations, hence the real likelihood of SADC member states assuming conflicting obligations which would have negative ramifications for the countries, including compromising their ability to use the relevant policy space to develop and implement supportive policies to enhance their participation in the multilateral trading system. Likewise, there is little collaboration between the SADC Secretariat and Brussels and Geneva-based missions. The trade team of the SADC Secretariat is also small preventing the staff to be more pro-active in guiding the member states in the parallel negotiations. With a reinforced team, the SADC Secretariat could coordinate the positions of the member states in all trade negotiations to ensure coherence and optimal results. It is against this background that the project was implemented so as to strengthen the coordination role of the SADC Secretariat by reorienting its technical and advisory services.

## 1.1 PROJECT’S OBJECTIVES AND GOALS

The project is expected to enhance the capacity of the SADC region’s trade officials and other key stakeholders to participate effectively in multilateral trade negotiations through fuller understanding of the multilateral trade agreements and the WTO’s negotiating processes. The project will also improve trade officials’ analytical skills to assess the impact and opportunities arising from implementation of the relevant trade agreements. This is to be achieved through a comprehensive examination of the key elements of existing multilateral trade agreements, particularly those of interest to African countries such as the Agreement on Agriculture and the General Agreement on Trade in Services.

Participants will also receive briefings on the Doha Work Programme and the contribution it could make in facilitating the fuller integration of SADC countries into the multilateral trading system. In that context, participants will consider the development dimension of the Round and assess whether the current draft texts circulated by the Chairpersons of the various negotiating groups will give SADC member states the necessary flexibility to pursue pro-development policies and ensure that they derive significant benefits from the multilateral trading system. The implications of the stalemate in the Doha Round for SADC member states will also considered, especially the proposal that the single undertaking approach should be abandoned in favour of sectoral agreements.

The project should promote consistency in the negotiating positions adopted by SADC member states in the EPA and the Doha negotiations. Whereas SADC member states are allowed a number of flexibilities in the Doha negotiations, they will not have the same flexibilities in the EPA negotiations. As an example, the least-developed SADC member states are exempted from undertaking reduction commitments in agriculture and non-agricultural market access. They are also not expected to table any offers in the services negotiations. Other SADC members are also given preferential treatment in the negotiations. Developing countries such as Zimbabwe and Mauritius which have bound less than 35 per cent of their tariff lines are exempted from applying the Swiss Formula to make tariff cuts in the NAMA negotiations. They are expected, however, to increase their level of bindings to between 75 to 80 per cent and binding their tariffs at an average of 30 per cent. In the EPA no such treatment is envisaged. The only concession for SADC member states is that whereas the European Union will be expected to liberalize all their trade, SADC members would be expected to liberalise not less than 80 per cent of their trade. LDC members have to assume the same obligations as developing countries.

The project should lead to an improvement in the communication channels between the SADC Secretariat and its member states and strengthen the coordination role of the Secretariat as far as regional and multilateral trade negotiations are concerned. Likewise, it should also lead to increased collaboration between Brussels and Geneva-based SADC missions.

## 1.2 RESULTS TO BE ACHIEVED

**Result 1:** Enhanced understanding of the multilateral trade agreements and the issues being negotiated under the Doha Development Agenda, particularly those of importance to SADC member states.

**Result 2:** Improved coordination at national, regional and multilateral levels to facilitate the effective participation of SADC member states in the negotiating processes.

**Result 3:** Improved communication flows and information exchange between SADC member states, SADC representatives based in Geneva and Brussels and the SADC Secretariat.

**Result 4:** Improve the analytical and technical capacity of SADC Secretariat and member states to identify and implement pro-development reforms and policies that would enable them to draw benefits from the MTS.

**Result 5:** Preparation of analytical workshop materials for presentation at a 3-Day Workshop covering, *inter alia*, an overview of the multilateral trading system, DDA state of play, contentious issues of interest to SADC and the implications of the TFTA for SADC member states.

## 1.3 SPECIFIC ACTIVITIES

The specific activities undertaken within the framework of this project include the following:

● Consultations and interviews with Brussels-based SADC Embassies accredited to the WTO

● Consultations and interviews with Geneva-based Permanent Missions to the WTO

● Consultations and interviews with SADC Secretariat officials

● Interviews with the WTO, UNCTAD, WIPO and the South Centre

● Joint Meeting of SADC Missions accredited to the WTO to discuss preliminary findings and preparations for the Regional Workshop

● Review the state of play in the TRIPARTITE, WTO and EPA negotiations and the context of SADC member states’ negotiating positions in these negotiations

● Preparation of workshop materials for the 3-day workshop taking into account the interests of SADC member states in the various negotiating processes

● Holding a 3-day workshop in Johannesburg using the materials developed and put together by Trades Centre and those from the WTO and UNCTAD

● Assisting the participants to come up with recommendations and way forward on all the issues covered during the workshop

● Preparing summary of proceedings of the workshop

# 2.0 IMPLEMENTATION STRATEGY

Based on the methodology agreed with the ACP MTS PMU and the SADC Secretariat, the project was implemented as outlined below.

**Phase 1:** After the signing of the contract, the initial briefing with the ACP MTS PMU took place on 18 January 2012. The terms of reference of the project were clarified and adjusted to take into account developments during the 8th WTO Ministerial Conference, after which the Consultants proceeded to meet with Senior Multilateral Trade Experts at the ACP Secretariat. The purpose of the meeting was to get an overview of the ACP Coordination Structures for multilateral trade negotiations as well as the experiences and practices of various ACP sub-regions. These two meetings set the tone for interviews with individual SADC Missions accredited to the WTO.

**Phase 2:** A series of meetings were held in Brussels and Geneva to establish how SADC member states were participating in the EPA and Doha negotiations and the support they were receiving from the SADC Secretariat. In Brussels, interviews were held with the Ambassador of Malawi and the Trade Counsellor of Seychelles. Consultations were also held with the Brussels-based Ambassadors of Botswana and Tanzania in their capacities as the Regional Coordinators for SADC EPA and EAC EPA negotiations, respectively. The purpose was to get an insight into their experiences regarding coordination mechanisms and strategies

In Geneva, interviews were held from 23 January to 1 February 2012 with all SADC Permanent Missions, except those of Democratic Republic of Congo and Madagascar. These interviews were conducted using the Interview Guidelines attached to this report as Annex A. A meeting involving all SADC Permanent Missions was held to discuss the preliminary findings and to solicit further information**.** In fact, this became the first meeting involving the SADC grouping in over a year**.**

Consultations were also held with Senior Officials from Geneva-based International Organisations dealing with multilateral trade issues, including the WTO, UNCTAD, South Centre and WIPO. The intention was to explore how these organisations could provide targeted technical and analytical support to SADC Member States, Geneva-based Trade Officials and the SADC Secretariat.

**Phase 3:** This phase concerned the preparations for the workshop in Johannesburg in March 2012. It commenced with a week-long meeting (6-10 February) with Senior Officials from the SADC Secretariat. The purpose was to understand better the support the SADC Secretariat was providing to countries in the context of the TRIPARTITE, EPA and the Doha negotiations, as well as to discuss the preliminary results of the fact-finding missions to Brussels and Geneva. The subjects to be covered and the general approach of the workshop were also discussed with the officials. It was agreed that the workshop should be very practical and focus essentially on enhancing the knowledge of the participants about existing WTO Agreements and the Doha negotiations. The participants should be able to articulate their offensive and defensive interests of SADC member states, and sharpen their analytical skills and assess the implications of negotiating proposals tabled by other members.

Attached as Annex B to this Report is the list of people who were interviewed in Brussels, Geneva and Gaborone.

**Phase 4**: This phase was devoted to analysing the state of play of the Doha negotiations and the implications of the stalemate in the negotiations for SADC countries. This exercise was undertaken by the Trade Centre Experts in order to design the programme for the workshop, compile the reference materials for the workshop and develop presentations on the various subjects covered at the workshop. The experts consulted a broad array of sources, including official WTO publications, World Bank and UNCTAD publications as well as scholarly articles by academics and research institutions. The experts also consulted and interviewed trade negotiators in capitals, Brussels and Geneva to get their perceptions and views about how the Doha negotiations were evolving and how SADC member states could ensure that their interests were taken into account in the negotiating processes. The discussions with the stakeholders also centred on how the SADC negotiating machinery could be strengthened, with the SADC Secretariat playing a pivotal role in the process.

**Phase 5:** This phase was devoted to the logistical and substantive preparations for the Workshop. Together with the SADC Secretariat, we identified a hotel in Johannesburg as the venue for the Workshop. The choice of location was influenced by cost and the fact that Johannesburg is the main transport hub in the SADC region. The programme was agreed after extensive consultations with the SADC Secretariat, ACP MTS PMU, the WTO and UNCTAD. To make the sessions more interactive and encourage the exchange of views among the participants, the programme was designed in such a way that each presentation was followed by a thorough discussion on the issues that emerged from the presentation, identification of SADC member states’ interests in the negotiations and an assessment of whether the special and differential treatment provisions foreseen were adequate. The programme is attached to this Report as Annex D.

**Phase 6:** This phase was about the delivery of the workshop, which took place in Johannesburg from 27-29 March 2012. It was attended by 49 participants from all 14 SADC member states. The participants were provided with hard and soft copies of the reading materials. As agreed, the resource persons tailored their presentations to make them relevant for SADC member states and they encouraged the participants to be more proactive throughout the sessions. The workshop was adjudged to be very successful by the participants who said that they found it professionally useful in that it had enhanced their knowledge about WTO Agreements and the Doha negotiations and underscored the need for closer collaboration between the SADC Secretariat, Brussels and Geneva-based SADC Missions and capital-based officials. They agreed to a set of recommendations aimed at furthering SADC member states’ interests in all the areas which were covered during the workshop. The results of the workshop as well as the recommendations are attached to this Report as “Annex E”.

## 2.1 THE WORK PLAN AND TIMING OF KEY DELIVERABLES

# 3.0 STATE OF COORDINATION BETWEEN SADC COUNTRIES AND SADC SECRETARIAT ON TRADE ISSUES

Considering the human capacity and financial constraints in most SADC countries and the need to ensure consistency of negotiating positions in the parallel negotiations being undertaken by SADC member states, it is important for the countries to have an effective coordination mechanism, otherwise most of the countries cannot cope and there is the risk of them not being able to articulate effectively their offensive and defensive interests in the negotiations resulting in imbalanced agreements. It became apparent from the consultations undertaken in Brussels, Geneva and Gaborone that knowledge of regional and multilateral trade issues was limited and that there was there was very little coordination among SADC member states in multilateral fora such as the WTO, where they were more likely to coordinate their positions on the negotiating issues with other African countries within the African Group than among themselves. The consultations also revealed that the SADC Secretariat only played a marginal role in the process. From its vantage point, the Secretariat could assume an enhanced role in the negotiating process if the member states gave it the necessary mandate and resources. Below are the main findings from the consultations undertaken in Brussels, Geneva and Gaborone:

## 3.1 UNDERSTANDING OF THE MULTILATERAL TRADING SYSTEM AND ITS IMPLICATIONS

Understanding the WTO Agreements and the way the WTO works as an institution are important if a country is to take advantage of the multilateral trading system to increase its trade opportunities and in the process alleviate poverty and attain higher living standards. There is a dearth of information on the WTO and the multilateral trading system in SADC countries. Very few government officials are knowledgeable about the rules and given the high turnover of staff, there is no institutional knowledge about WTO issues in most SADC countries. Whereas SADC exports face a number of barriers in key export markets, SADC member states have never resorted to the dispute settlement mechanism to enforce their rights and legitimate expectations. The results of the consultations on this issue are summarised below:

* Knowledge of the multilateral trading system varied from mission to mission depending on the level of engagement. Those countries that are chairing or have chaired WTO Committees or have been Group Coordinators of the African Group, the ACP Group or the LDC Group had a deeper understanding of WTO rules and procedures and could articulate their interests and concerns in the multilateral trade negotiations.
* Not all officers deployed to Geneva had prior training on WTO issues. To overcome this challenge, SADC missions are taking advantage of the capacity building programmes offered by the WTO and other cooperating partners. However, a common challenge is the high staff turnover at Geneva and in the capitals.

## 3.2 COORDINATION AT NATIONAL, REGIONAL AND MULTILATERAL LEVELS

Whereas all SADC member states have national multi-stakeholder consultative mechanisms that work satisfactorily in some member states, the structures for regional and multilateral trade negotiations are weak. Given that the SADC Secretariat is not a member of the WTO in its own right, the negotiations are conducted individually by member states. However, most Trade Ministries in SADC member states are inadequately staffed. The same is true for Brussels and Geneva-based missions who have to contend with multiple meetings at the WTO, UNCTAD and the ITC. The consultations revealed that the necessity of improving coordination at the national, regional and multilateral levels to promote consistency in the positions adopted by SADC member states in the negotiations and also ensure that they secure the best possible agreement. The main points which emerged from the consultations are as follows:

* All member states have national multi-stakeholder consultative mechanisms headed by Ministries of Trade that are responsible for trade policy formulation and implementation. Most member states conceded that the level of appreciation of WTO issues is generally weak as evidenced by the lack of responses to requests for guidance and /or national positions on topical negotiating issues.
* Priority is given mostly to bilateral and regional trade negotiations as well as the EPAs and AGOA. This is because of there is a perception that the MTS and MTNs do not have immediate and tangible commercial benefits.
* The SADC TIFI Directorate has only one resourced officer at its multilateral trade desk. While some units e.g. SQUAM have direct interface with the WTO SPS and TBT Committees, there is no internal coordination on WTO matters within TIFI and between TIFI and other Directorates e.g. FANR and I &S.
* SADC does not have a substantive agenda item on the MTNs in both Senior Officials and Ministers of Trade meetings.
* At the multilateral level, SADC Permanent Missions do not coordinate their positions on MTNs. This has been attributed to the perceived lack of a clear Ministerial mandate as well as divergent trade interests. However SADC Ambassadors have initiated work on a coordination mechanism to address MTNs under the WTO as well as other areas under their mandate.

## 3.3 CAPACITY TO IDENTIFY PRO-DEVELOPMENT REFORMS AND APPROPRIATE POLICIES TO BENEFIT FROM THE MULTILATERAL TRADING SYSTEM

While membership of the WTO can be beneficial for SADC member states, it is imperative that the countries adopt appropriate policies which would position the countries to benefit from the multilateral trading system. Mere membership of the WTO is not enough as can be seen from the recent trade statistics released by the WTO. Given the weak capacity of SADC member states, the SADC Secretariat can play a crucial role by providing cogent advice on the sort of policies which countries can adopt to benefit from the trading system. Unfortunately, the Secretariat has not been able to play this role because of inadequate resources. The main conclusion of the consultations was as follows:

* In the light of the weak institutional structure to service MTNs in the TIFI Directorate, the SADC Secretariat has not developed capacity to provide policy advice to benefit members in the MTS. The responsibility to identify pro-development reforms has therefore been left to individual member states.

## 3.4 INFORMATION EXCHANGE BETWEEN SADC MEMBER STATES, SADC GENEVA-BASED REPRESENTATIVES AND THE SADC SECRETARIAT

Given that the SADC Secretariat is not a WTO Member, it would have to rely on its member states for information to enable it to provide effective policy advice. Currently, there are no established mechanisms for sharing information. There is also very little contact between the SADC Secretariat and Geneva-based representatives of SADC member states. Likewise, there is also little contact between Brussels and Geneva-based representatives making it possible that they would negotiate agreements whose provisions may differ and not serve the overall interests of SADC member states. In some SADC member states, communication channels between Brussels and Geneva-based representatives and capital-based officials are less than ideal. The main observation to emerge from the consultations is as follows:

* The WTO Secretariat sends information and documentation to all member states through their missions in Geneva as well as ICT platforms in the capitals. Special access codes are required to access that information. However, since the SADC Secretariat has no Observer Status in the WTO, they cannot have direct online access to the WTO documentation.

# 4.0 SADC COUNTRIES AND THE DOHA ROUND

SADC countries are marginalised in the multilateral trading system. Their share in world trade is around 1 per cent. The figure is considerably lower when South Africa is excluded. With the exception of South Africa which has a more diversified economy, the majority of SADC member states are dependent on a few primary products for export. There is very little value addition which has impacted negatively on intra-trade flows within the region and productivity gains. The SADC region is rich in natural resources and has abundant land and water resources which could transform the region from being a net-food importer into a net-food exporter and underpin the transformation and diversification of their economy. SADC member states realise that if they are to reverse their marginalisation in world trade, they need to increase their participation in the multilateral trading system not only in terms of understanding WTO Agreements and participating actively in the negotiations, but also their share in world trade. Unlike previous Trade Rounds, SADC member states have participated relatively actively in the Doha Round. With the exception of Malawi and Seychelles, all the SADC member states have missions to the WTO in Geneva. This has enabled them to follow closely the negotiations and ensure that their interests are taken into account. A few Ambassadors from SADC member states have chaired some Negotiating Groups. The non-resident missions, Malawi and Seychelles, have followed the negotiations through other mediums, including attendance of the “Geneva Week”, which are organised twice a year by the WTO Secretariat during which the participants are briefed on the developments in the negotiations by the Chairpersons of the various Negotiating Bodies as well as senior WTO officials. They also have the opportunity to exchange views with other SADC member states, African countries as well as other WTO Members.

Given the skeletal missions of most SADC member states in Geneva and the advantage of numbers as well as the similarity in the challenges faced also by other African countries, SADC member states have tended to work through the African Group in Geneva to advocate their offensive and defensive interests in the negotiations. To ensure that their interests are fully taken into account in all the negotiating areas, the African Group assigns a country to follow the negotiations in a particular area and that country regularly briefs the Group’s members on developments in the negotiations and lead the discussions on how the African Group may react to the negotiating proposals of other WTO Members bearing in mind the mandate of African Trade Ministers. The African Group has been instrumental in advocating that there should be full participation, inclusiveness and transparency and this has resulted in the adoption of practical initiatives by the WTO, including inviting a fair number of African countries to participate in informal meetings (Green room meetings) and also avoiding holding meetings of two major negotiating bodies on the same day. This has enabled not only African countries but countries with small delegations to participate in the negotiations. The Africa Group has worked quite well to the extent that it has, through its members, tabled a number of proposals on issues of interest to African countries. It also provides a forum where African countries can take stock of developments in the negotiations and decide on their responses. In that context, the African Group was at the forefront advocating the adoption of an LDC package at the December 2011 Ministerial meeting. LDC SADC member states also work closely with other LDCs within the LDC Group to advance issues of importance to them such as duty-free, quota-free market access for products of export interest to them. SADC member states are also active in the ACP Group to advance common issues of interest to them such as preference erosion and flexibility in the application of the substantive rules of Article XXIV of the GATT 1994.

## 4.1 SADC MEMBER STATES’ INTERESTS IN THE DOHA NEGOTIATIONS

Like other African countries, SADC member states have offensive and defensive interests in the negotiations. Their overall objective is to have a level-playing field which would offer them the opportunity to derive significant benefits from the multilateral trading system just like other developing countries in Asia and Latin America through the removal of trade distorting subsidies and other non-tariff barriers and the preservation of policy space for them to pursue pro-development trade strategies. Currently, there are several abnormalies in the multilateral trading system, including the fact that tariffs on developing countries’ exports in developed countries are generally higher than tariffs on products exported between developed countries. Whereas several SADC member states, particularly the least-developed member states are beneficiaries of preferential schemes such as the “Everything But Arms “initiative and the Africa Growth and Opportunity Act, many of them have not been able to increase their market share in the key markets of the European Union and the United States. This is mainly due to stringent rules of origin, technical regulations, standards and sanitary and phytosanitary measures. Furthermore, SADC member states face a number of restrictions on the policy options that they can adopt to promote trade and the growth of their infant industries. There are, for example, stringent disciplines on subsidies and trade-related investment measures such as trade balancing requirements to local content rules, which assisted some emerging economies to transform their agro-based economies to industrial economies.

In **agriculture**, SADC member states would like to see an ambitious result which would offer their farmers the opportunity to compete in global markets. Accordingly, from an offensive perspective, they support the use of a tiered formula to reduce tariffs, as they would reduce higher tariffs by a greater margin than lower tariffs. They support the Chairman’s proposal that developed countries should reduce their tariffs on the average by 54 per cent, while developing countries should reduce theirs by 36 per cent. This is quite significant considering that during the Uruguay Round, developed countries reduced their tariffs by 36 per cent. SADC member states also support the proposal that tariffs of developed countries should be capped, so that no tariff of any developed country would exceed a certain level. The proposals range from 75 per cent to 100 per cent. They are also supportive of proposals which call for eliminating or tightening access to the Special Agricultural Safeguard under which most developed countries could impose temporary restrictions in the event of an increase in the volume of imports or price declines for certain products. Likewise, they support the Chairman’s proposal that developed countries should only be entitled to designate only 4 per cent of tariff lines as sensitive products. As regards domestic support, they support the proposal that developed countries should reduce their Overall Trade Distorting Support by between 70 to 80 per cent. They also support the proposal that the Aggregate Measurement of Support by developed countries should be reduced by between 60-70 per cent. They support deeper cuts on cotton subsidies as well as tighter disciplines on the Green and Blue boxes. As regards export competition, SADC member states support the proposal that all forms of export subsidies should be eliminated by developed countries by 2013.

From a defensive perspective, SADC member states support the proposal that LDCs should be exempted from undertaking reduction commitments on their tariffs and subsidies. They also support that the proposal that developing countries should make lesser cuts than developed countries to their tariffs. As previously pointed out, developing countries would undertake two-third of the tariff cuts made by developed countries. Thus, instead of a 54 per cent cut, developing countries would make a cut of 36 per cent. They agree with the proposal that developing countries should be entitled to designate 5.3 per cent of their tariff lines as sensitive and 12 per cent as special products on the basis of the agreed criteria of food security, livelihood security and rural development. They support that the proposal that developing countries should have the right to a Special Safeguard Mechanism and that the conditions regarding their use should not be too stringent. As regards domestic support, they agree that developing countries should make lesser cuts to their OTDS and also their AMS. With respect to export competition, SADC member states agree that developing countries should continue to avail themselves of Article 9.4 of the Agreement on Agriculture which allow them to subsidise marketing and transportation costs. They want less stringent rules for State Trading Enterprises in developing countries and also little or no disciplines on emergency food aid.

In **non-agricultural market access (NAMA),** SADC member states have two broad objectives, namely flexibility for their infant industries and the protection of tariff revenue on the one hand and greater cuts to tariffs, elimination of tariff peaks and tariff escalation on products of export interest and the disciplining of non-tariff barriers. Guided by these objectives, SADC member states support the use of Swiss Formula to reduce tariffs in order to achieve a high level of ambition in the negotiations. They agree that developed countries should use a co-efficient of 8, while developing countries which would apply the formula should have the choice of using a co-efficient of 20, 22 and 25. It should be noted that with the exception of Botswana, Lesotho, Namibia, South Africa and Swaziland, none of the SADC member states would have to apply the formula either because of their LDC status or for having bound less than 35 per cent of their tariff lines. SADC member states support, in principle, the proposal that LDC exports should be given duty-free, quota-free treatment except where such treatment would adversely affect African LDCs. To enable LDCs to benefit from DFQF, SADC member states want developed countries to adopt flexible rules of origin which would, inter alia, allow full cumulation. They also support stronger disciplines on non-tariff barriers, as they have become the protectionist measures of choice now that tariffs are low in the major countries.

From a defensive point of view, SADC member states strongly support the exemption of LDCs, small and vulnerable countries, recently acceded members and countries which have bound less than 35 per cent of their tariff lines from the application of the formula. They also support the proposal by South Africa that SACU member states should be allowed to use a higher co-efficient to cushion the impact tariff cuts would have on South Africa’s partners who normally should not apply the formula but would only be doing so because they have a customs union with South Africa. They agree to the flexibilities granted to developing countries to exempt or make less than formula cuts on a certain proportion of their tariff lines. To prevent the erosion of their preferential margins on some key exports, SADC member states support the proposal that tariff cuts should be modest and spread out over a longer period to enable their firms to adjust to the new conditions of competition which would be brought about by the tariff cuts.

With respect to the negotiations on **trade in services**, SADC member states would like to see their share in world trade in services increase not only because it is a crucial source of foreign exchange, but also to underpin the transformation of their economies from agro-based to industrial and knowledge-based economies. Currently, Africa’s share in world trade in services is less than 3 per cent and they are active only in a few sectors, particularly tourism. SADC member states have called for the operationalisation of Article IV of the GATS which provides that increased participation of developing countries shall be facilitated through negotiated specific commitments relating to (i) the strengthening of their domestic services capacity and its efficiency and competitiveness through access to technology on commercial basis; (ii) improvement of their access to distribution channels and information networks, and (iii) the liberalisation of market access in sectors and modes of supply of export interest to them. SADC member states have urged developed countries to undertake extensive commitments in mode 4, particularly in semi and low-skilled categories. SADC member states have also welcomed the adoption of the LDC Services waiver in December 2011, but have expressed disappointment that the provisions are not mandatory and only extend to market access.

From a defensive point of view, a number of SADC member states have either not tabled offers because of their LDC status or the offers that have been tabled are not extensive and would not create any significant market access opportunities. SADC member states have also not been particularly active in the GATS rules negotiations. They are generally supportive of members being able to provide subsidies to their domestic service suppliers and also the possibility of members to impose safeguards whenever appropriate. They are supportive of the adoption of reasonable, objective and impartial domestic regulations to safeguard the integrity of market access commitments. They are, however, against the development of disciplines on government procurement and prefer that it should continue to be exempted from GATS disciplines.

Regarding the **rules** negotiations, SADC member states generally support a tightening of the disciplines on antidumping so as to prevent WTO members from using this measure to circumvent their market access commitments. Many SADC member states do not have antidumping legislation, but because of the trend towards lesser tariffs to boost competitiveness, a number of SADC member states are contemplating adopting trade remedies legislation. To date, apart from South Africa, no SADC member state has been the target of an anti-dumping measure. They are supportive of the lesser duty rule and the acceptance of price undertakings from developing country exporters instead of the imposition of antidumping duties. They are supportive of the prohibition of the zeroing methodology and favour a tightening of the rules to reduce the discretionary authority of investigating authorities. Defensively, SADC member states would like developed countries to sparingly impose antidumping duties on developing country exports and they want governments of developing countries to play a more active role in the process, including being able to file a complaint on behalf of the domestic industry. With respect to subsidies, SADC member states generally support a tightening of the disciplines to ensure that developed countries do not use subsidies to prop up their industries which otherwise may not be competitive in international markets. They support the proposal that developing countries should be able to make use of the subsidies listed under Article 8 of the Subsidies Agreement, including subsidies to support research, adaptation of existing facilities to meet environmental regulations and to disadvantaged areas. They also support the proposal to revisit the rules on export credits which give an advantage to OECD members. Defensively, SADC member states support the relaxation of the rules to permit them to use subsidies as a tool of development. With respect to fisheries subsidies, SADC member states support the prohibition of subsidies which are responsible for contributing to over-fishing and depletion of the world’s stocks. Defensively, they want weaker disciplines on developing countries to enable them to support small-scale and artisanal farming activities through the provision of a range of subsidies which do not distort trade. They support the exemption of LDCs from any eventual disciplines which may be agreed. As regards regional trade agreements, SADC member states support a clarification of the substantive rules on regional trade agreements, particularly the requirement that parties to a free-trade area or a customs union should eliminate duties and other restrictive regulations of commerce on “substantially all the trade” amongst them. They would like this requirement to be redrafted or re-interpreted to take account of agreements concluded between developed and developing countries.

As regards **trade facilitation**, SADC member states have been quite active in the negotiations. They support proposals for the clarification and improvement of Articles V, VIII and X of the GATT 1994. They realise that simplified trade rules would reduce red tape and remove duplication of functions. Whereas some SADC members rank favourably in the World Bank’s *Doing Business* publication, others are highlighted for their cumbersome procedures and non-tariff barriers which increase the cost of doing business resulting in investors shying away from investing in these countries. Defensively, SADC member states have insisted on linking implementation of any new disciplines to the capacity of countries. In regard, they support the classification of obligations into three categories. Category I obligations are those which can be implemented after the entry into force of the agreement. Category II obligations would enter into force after the lapse of a transitional period, while Category III obligations would enter into force only after a country has been provided with technical and financial assistance. SADC member states are also supportive of proposals which would prevent resort to WTO dispute settlement during the transitional period.

With respect to **development issues**, SADC member states and other African countries have been at the forefront in advocating for the full implementation of paragraph 44 of the Doha Ministerial Declaration, which mandates that all special and differential treatment provisions shall be reviewed with a view to making them effective and operational. SADC member states have also insisted that special and differential treatment should be an integral part of all negotiations taking place under the Doha Development Agenda. To enable them and other African countries to take advantage of market access opportunities under bilateral and multilateral trade agreements, SADC member states have been active in discussions on Aid for Trade and the Enhanced Integrated Framework. They have called on donor countries not to recycle funds and that there should be additional funds to address the supply-side constraints which have impeded their efforts to diversify their exports and markets. From a defensive point of view, SADC member states have signalled that without extensive and satisfactory commitments on development issues, they would not accept the Doha package. Some of the 88 Agreement-specific proposals are very broad and would upset the balance of obligations that have been struck in some of the Uruguay Round Agreements.

With respect to **trade and environment**, SADC member states have not been particularly active in the negotiations. Like other developing countries, SADC member states are seeking a win-win outcome in order to achieve sustainable growth and development. With respect to the interface between specific trade obligations in multilateral environmental agreements and multilateral trade rules, SADC member states are suspicious of environmental rules being used as a disguised restriction on trade by developed countries. They appear to support the view that primacy must be given to WTO rules, unless where the parties have evinced a different intention through, for example, the conclusion of an MEA by both of them. They would also like to greater collaboration between the WTO Secretariat and MEA Secretariats. On environmental goods and services, SADC member states and other African countries have stressed on the need for products of export interest to them to be included in any list that would emerge from the negotiations.

With regard to the **TRIPS issues**, SADC member states and other African countries have been fairly active in the discussions in the TRIPS Council on the relationship between the Convention on Biological Diversity and the TRIPS Agreement. They support disclosure requirements and penalties in the event of non-disclosure of the source of the invention by the patent holder. They support access and benefit sharing schemes. With respect to the extension of the additional protection offered to wines and spirits to other products, SADC member states and other African countries have not been particularly active. This is probably because of divergent interests. On the register, SADC member states and other African countries want participation not to be mandatory and that registration should not create any legal effects.

On **dispute settlement**, SADC member states and other African countries have been relatively active in the negotiations. This is because while developing countries as a group account for nearly 50 per cent of the cases initiated under the dispute settlement system, no African country has had recourse to the system. South Africa and Egypt have been respondents in a few cases and a number of SADC member states, including Zimbabwe, Mauritius and Swaziland, have participated as third parties in the dispute settlement process mainly to defend their preferences in respect of sugar and bananas in the European Union. SADC member states are supportive of proposals which would increase their access to the system. In that regard, they support the proposal that there should be a Legal Fund from which African countries can draw funds to pay their legal fees. Substantively, they support enhancement of third party rights, resolution of the sequencing issue to make it clear that recourse should first be had to Article 21.5 of the DSU before Article 22 of the DSU, remand authority for the Appellate Body and also post-retaliation procedures. They also support the proposal that the remedies provided under the dispute settlement mechanism should be strengthened to act as a deterrent to members. In that context, they support interim and retroactive remedies and also collective retaliation.

As previously noted, this is the first time that SADC member states have been proactive in multilateral trade negotiations. They have been able to do so working closely with other African countries, LDCs and other members of the ACP Group. Without these groups, it would have been probably difficult for SADC member states to articulate and fully defend their interests in the negotiations. In the medium to long term, it would be important for SADC member states, with the support of the SADC Secretariat, to have effective negotiators who could independently advance their interests.

## 4.2 SADC MEMBER STATES’ REACTION TO THE STALEMATE IN THE DOHA NEGOTIATIONS

SADC member states and other African countries have been at the forefront advocating for the speedy conclusion of the Doha Round. They have reminded the key players that they have invested so much in the Doha Round that it would be unacceptable to them if the Round was abandoned owing to differences between the key players on a limited number of issues. They have appealed to them to look beyond their narrow interests and exercise flexibility so as to pave the way for the conclusion of the Round which holds great promise for African countries.

Understandably, SADC member states have reacted coolly to proposals that the single undertaking approach should be abandoned and that the focus should be on sectoral negotiations. SADC member states are concerned that sectoral negotiations, under which no linkages would be made between subjects being negotiated, would shift the balance of power to developed countries and enable them to ignore the interests of developing countries, especially where the negotiations would be amongst countries accounting for the bulk of trade in that particular sector. It is to be noted that the United States is, for example, leading the effort to have an agreement on trade in services among interested countries. They believe that such a system would create a two-tier system and potentially unravel the multilateral trading system, which has contributed immensely to global prosperity in the last six decades.

Whereas SADC member states are fervent supporters of the multilateral trading system, they are also conscious of the fact that it may be difficult to revive the Doha Round owing to the political complexities and a hardening of the negotiating positions of the key players. It is in that context that they are seeking to boost trade with other African countries within the framework of the TRIPARTITE negotiations among SADC, EAC and COMESA countries and also the Continental Free Trade Area initiative among African countries. SADC member states are also committed to working towards the conclusion of the EPA negotiations on favourable terms with the European Union. They are also open to trade and investment agreements with other countries and regional groupings in order to diversify their exports and markets.

# 5.0 WORKSHOP ON ENHANCING THE PARTICIPATION OF SADC MEMBER STATES IN REGIONAL AND MULTILATERAL TRADE NEGOTIATIONS

Following the fact finding missions to Brussels, Geneva and Gaborone to ascertain the knowledge of SADC trade officials about the multilateral trade agreements and the Doha negotiations as well as the state of coordination between the SADC Secretariat and the member states and between Brussels and Geneva-based missions as well as the between the missions and the SADC Secretariat and research into the negotiating positions of SADC member states in the Doha negotiations, the programme for the workshop was drawn in consultation with the SADC Secretariat and the ACP MTS Programme. The workshop took place in Johannesburg from 27-29 March 2012. It had the following key objectives:

● to enhance the effective participation of SADC Member States in regional and multilateral trade negotiations, identify issues of common interest for SADC member states and explore better coordination at national and regional level through enhancing, inter alia, effective communications between SADC Secretariat, Geneva, Brussels and capital-based officials on WTO issues;

● better understanding of the multilateral trading system and its implications for SADC Member States;

● improved capacity of SADC member states to derive benefits from the market opening opportunities at the multilateral level;

● Strengthened national institutional framework for managing regional and multilateral trade negotiations;

● coherent implementation of multilateral trading commitments to support SADC regional integration agenda;

● Improved capacity of SADC Member States to identify pro-development reforms and appropriate policies in line with WTO rules; and

● recommend an agenda and strategy for SADC Member States’ participation and engagement in the multilateral trade negotiations and on effective mechanisms for coordination.

## 5.1 PARTICIPANTS

The workshop was attended by senior trade officials, including Brussels and Geneva-based trade officials and other senior government officials underscoring the importance the member states attached to the workshop. Whereas funding was provided to two participants per country, some member states were represented by five officials. In total, there were 51 participants from all SADC member states with the exception of Madagascar. The SADC Secretariat was adequately represented by the relevant technical people dealing with trade issues demonstrating the value the Secretariat also attached to the workshop. The resource persons from UNCTAD and the WTO were experienced in trade negotiations contributing to a vibrant exchange of views on the subjects which were covered at the workshop.

The list of participants is attached as Annex E to this Report.

## 5.2 DELIBERATIONS

The three-day workshop was designed to encourage free-ranging discussions on all the issues included in the programme. Ample time was left at the end of each session for the participants to either pose questions or provide comments on the issues arising from the presentations or on systemic issues as viewed from the SADC perspective. The presence of Brussels and Geneva-based officials enriched the discussions and contributed greatly to the success of the workshop as they shared their experiences about the negotiating processes and how SADC member states, with the support of the SADC Secretariat, could closely collaborate in order to articulate better their interests in the EPA and the Doha negotiations. The importance of having robust coordination mechanisms at the national and regional level was discussed at length by the participants, who saw such mechanisms as a way to overcome the challenges that many SADC members faced, including inadequate human resources and experience in trade policy matters and enhancing the influence of the grouping in multilateral fora such as the WTO and UNCTAD. A number of recommendations emerged from the discussions on how the coordination mechanism can be strengthened at both the national and regional level to serve effectively SADC member states as they embark on multiple trade negotiations.

The participants enhanced their knowledge about the WTO Agreements and the Doha negotiations. They became conversant with the interests of SADC member states in all areas of the negotiations and honed their analytical skills in terms of assessing the implications for their market access in key markets of compromise texts put forward by Chairpersons of negotiating bodies and proposals tabled by other WTO members. There was the view that a successful conclusion of the Doha Round would level the playing field and afford SADC member states the opportunity to increase and diversify their exports, if developed and advanced developing countries eliminated or reduced significantly their tariffs and subsidies, and if disciplines on non-tariff measures were strengthened. The participants discussed the impact that multilateral tariff liberalisation could have on their preferences in key markets. In that context, support was expressed for the provisions in the draft NAMA and agriculture modalities texts which would grant a longer transitional period for the tariffs to be reduced. The important role played by trade in services in SADC economies was recognised. There was broad agreement that SADC member states should continue to urge developed countries to assume extensive commitments in sectors and modes of interest to developing countries, particularly mode 4. The contribution that could be made by strengthened rules in various areas, including trade remedies, dispute settlement and trade facilitation was acknowledged.

There was a lengthy debate on the future of the Doha Round. Most participants underlined the need for SADC and other African countries to continue requesting the key players to exercise flexibility and make the necessary compromises, which would pave the way for the conclusion of the Round. There was broad agreement that the single undertaking approach protected better the interests of small and economically-weak countries, and that the sectoral approach would further marginalise them in the multilateral trading system. With the deadlock in the Doha negotiations, there were calls for SADC member states to expedite the integration process in the region and also the TRIPARTITE negotiations. Participants debated how these negotiations would change the trade landscape in the region. It was pointed out that for the participating countries to derive maximum benefits, they would have to significantly eliminate tariffs and other restrictive regulations on their internal trade and harmonise their rules of origin, TBT and SPS measures and commit to improving the trade-related infrastructure in the region. The challenges of merging the three regional configurations were alluded to, including the differing levels of development of the participating countries, which would impact on decisions on tariff liberalisation and investment in trade-related infrastructure to expedite the movement of goods, services and persons across borders. It was noted that the two approaches to trade liberalisation were not mutually exclusive and that SADC member states should pursue both options to facilitate their full integration into the multilateral trading system and the global economy.

The summary of the workshop proceedings is attached as Annex D to this Report.

## 5.3 PARTICIPANTS FEEDBACK

To determine whether the workshop had met its set objectives, evaluation forms were distributed to the participants to express themselves on the substantive and logistical aspects of the workshop. The completed forms were then analysed to determine the success or otherwise of the workshop. From the responses of the participants, the workshop was a resounding success in all respects. Below are sample comments of the participants on the outcome of the workshop:

1. The workshop helped me understand the issues and challenges facing the SADC member states
2. The major strength of the workshop was its revision and updates on WTO
3. There was enough discussion time
4. There was regional exchange, the presence of Geneva experts was a big strength
5. This kind of a workshop should be organised on a regular basis
6. Experts knew their subject matter and presented well
7. The discussions were a major strength at the workshop
8. The level of interaction was excellent
9. When discussions did take place, they were very helpful
10. Background on WTO multilateral and issues on mechanisms for coordination were a major strength to the workshop
11. The discussions were the strength of the workshop
12. The presentations were good coupled with competent presenters
13. Presence of Geneva officers was a strength as it filled the gaps of what has been transpiring in Geneva
14. The speakers and the venue were very good
15. The multilateral trade negotiations is a new broad area to my organisation which does not have sufficient information
16. The presenters were knowledgeable on the issues
17. The workshop was useful
18. Good message on what is happening now at WTO
19. The topics presented were relevant to the theme of the workshop
20. The presenters were the strength of the workshop
21. TRADES Centre did a good job and could do further work for SADC

# 6. CONCLUSIONS AND RECOMMENDATIONS

The three-day workshop came up with a number of recommendations aimed at the strengthening the coordination role of the SADC Secretariat in trade negotiations and ensuring that SADC member states derive the maximum benefits from these negotiations. Among the recommendations are the following:

(i) The need for the SADC Secretariat to undertake annual missions to Geneva/Brussels to brief the SADC Missions on the regional integration issues in the SADC region. The Geneva based mission should also cooperate with their counterparts in Washington;

(ii) The need for the SADC Chair in Geneva to attend CMT meetings to brief Ministers on the developments in Geneva;

(iiI) The need for SADC to establish an office in Geneva as a goal of the organization; and

(iv) The need for SADC to apply for permanent observer status to the WTO, namely, to the General Council and other relevant Committees and bodies.

It was agreed that the outcomes of the workshop will be presented to meetings of the SADC Trade Negotiating Forum (TNF) in May 2012 and meetings of the Committee of Senior Officials (Trade) and the Committee of Ministers of Trade (CMT) scheduled for June 2012 for their consideration and follow up.

# ANNEXES

## ANNEX A - QUESTIONNAIRE GUIDELINES FOR THE SADC MTS PROJECT

**Section One**

**The importance and knowledge on the MTS and its implications of SADC Member States**

* To which Countries, International Organisations and UN Agencies are you accredited?
* What is your staff complement?
* In terms of priority, how do you rank the WTO vis-à-vis other International Organisations and UN Agencies?
* How many officers are working on the WTO?
* Are they all from the Ministry responsible for International trade?
* Do these officers also cover other IOs or UN Agencies? If so indicate which ones?
* In your view does your country given sufficient focus on economic diplomacy in its foreign policy? If so, what significance is placed on the WTO and multilateral trade negotiations?
* In the deployment of officers to Geneva, particularly those that come to work on WTO issues, is there any prior training or recognition of particular qualifications, skills or expertise.
* To what extent have you taken advantage of the various capacity-building project/initiatives offered by the WTO e.g. The Trade Policy Course:
* Which Ministries/Sectors have benefitted from this training? Has the private sector benefitted?
* To what extent have you involved academia, particularly the universities in undertaking research on specific subjects?
* Is your national university(ies) networked to the WTO Technical Cooperation Institute and what programmes/projects are being implemented jointly?
* To what extent have you taken advantage of the WTO Awareness programs to familiarize key stakeholders e.g. Business Sector, Parliamentarians, Civil Society etc. on the MTS and the WTO?

**Section Two**

**Coordination at the National, Regional and Multilateral Levels**

* Which institutions are involved in Trade Policy Formulation and Implementation in your country?
* Do you have a national coordination framework to prepare positions on bilateral, regional and multilateral trade agreements? Who are the stakeholders?
* What is the role of the various stakeholders?
* Are you satisfied with the level of technical capacity to deal with multilateral trade issues in your national machinery?
* Does your country convene regular meetings or workshops on multilateral trade issues?
* Do you refer issues for guidance on MTN’s to your national coordination machinery and are you satisfied with the speed and quality of the responses?
* In your view is the level of engagement of the national coordination machinery the same on dealing with bilateral, regional + multilateral trade issues?
* If not, which negotiations are given the highest priority and which ones are lowly ranked?
* How are multilateral trade negotiations ranked *vis-à-vis* EPA negotiations and AGOA?
* Is the national coordination machinery networked with Policy Research Institutes and Academia?
* Before the launch of the DDA, SADC Ambassadors accredited to the WTO held regular meetings and caused the convening of regional workshops/seminars, senior officials and Ministerial meetings in the region. Is this still happening?
* If not, where and how has SADC lost the steam to engage as a group in MTNs?
* What is your view on the level of engagement of the SADC Secretariat? Is it visible and active at the multilateral level?
* What is your expectation on the level of engagement of the SADC Secretariat and what opportunities do you think they should exploit?
* Do you think that the current structure in the SADC Secretariat is adequate to cover WTO issues and analyse the implications and give technical advice on the link between the SADC regional trade negotiations and framework and the MTNs?
* What measures are SADC Ambassadors accredited to the WTO adopting to create vibrant coordination machinery in Geneva?
* Do the Ambassadors have or seek to have an express mandate from SADC Trade Ministers on this Coordination Machinery?
* Should SADC Ambassadors to the WTO be invited to the SADC Trade Ministers’ meetings? If yes, explain their role at these meetings.

**Section Three**

**SADC Secretariat and Member States capacity to identify and implement pro-development reforms and appropriate policies to benefit from the MTS.**

* What are your country’s priorities in the WTO Doha Development Round of MTNs i.e. what are the critical issues?
* What in your view should constitute the Development Agenda?
* Are SADC member states agreed on their development priorities given their different levels of economic development and classification-ref emerging, developing, LDCs and SVEs?
* Should SADC develop a common position on Aid for Trade and what should be the areas of focus?
* Are SADC LDC members agreed on the MC8 LDC package?
* Given the impasse in the Doha Round what opportunities exist for SADC to accelerate its market integration initiatives as well as negotiations for the TFTA?
* EPA negotiations are expected to lead to a WTO-compatible trading framework between SADC member states and the EU. How can SADC member states ensure that the sequencing of negotiations as originally planned is maintained?
* Do SADC member states want the MTNs to look in their position as mere exporters for raw materials or do they want to negotiate for policy space to move up the value chain?
* How can SADC address the supply side constraints that have hindered most member states from taking full advantage of the flexibilities offered by the MTs?
* SADC member states, through their Treaty, are committed to the principle of “Equity, Balance and MUTUAL Benefit. How can this principle be operationalised in the regional industrialisation programme? What role should South Africa as the leading economy in the region and a member of BRICS play in creating development/industrialisation opportunities in the SADC and Africa region?
* What role should the rest of SADC member states play in ensuring that the unity of developing and least developed countries is maintained, as well as the solidarity with the BRICS enhanced in the MTNs?

Section Four

**Improved Communication and flows of information exchange between SADC Member States, SADC Geneva Based representatives and the SADC Secretariat**

* Do you think that the setting up of a SADC Geneva-based coordination machinery that meets on a regular basis can improve information and communication flows?
* Given the small size of SADC Missions vis-à-vis the many meetings of both the regular Committees and negotiating bodies, do you think the system of designating focal points on agreed areas is useful?
* Have you chaired any WTO Committee or negotiating body?
* Do you believe that being designated a focal point or chairing a Negotiating Body will improve your capacity to be fully engaged with WTO processes and procedures?
* Do you think that such level of engagement will enhance SADC’s opportunity to influence rather than merely follow WTO processes and procedures?
* To what extent would such a responsibility compel you to harness and share the analytical capacity of development friendly Agencies and Institutions such as UNCTAD, South Centre, ICTSD, etc., in developing SADC positions?
* Do you think that such as a responsibility will enhance the quality of briefs going to SADC Member States, Trade Ministers and the Secretariat and leading to an appropriate SADC response?
* Given that SADC is notified under Article XXIV, what would SADC Ambassador/Member States do to ensure that SADC is accorded Observer Status in WTO bodies?
* Would such a status improve SADC’s access to WTO documentation?
* How best would SADC process their information for the benefit of members both at the regional and multilateral levels?
* Should SADC open a Mission in Geneva or should it explore other ways of deploying staff e.g. requesting a Member State to host/accommodate a SADC representative along the lines of CARIFORUM?

If not, do you see any value for the SADC Executive Secretary to undertake an annual Briefing Mission to Geneva and Brussels on developments in the SADC integration programme and priority areas?

## ANNEX B- LIST OF INTERVIEWEES

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| No. | COUNTRY | | INTERVIEWEE /NAME | Designation |
|  | **BELGIUM Brussels** | | | |
| 1 | Botswana | | * H.E. Samuel Outlule * Tebogo Lily Motshome | Ambassador  D/Ambassador |
| 2 | Malawi | | * H.E. Brave R. Ndisale, Ph.D | Ambassador Ex. Ord. P. |
| 3 | Seychelles | | * Beryl Samson | M. Counsellor |
| 4 | Tanzania | | * H.E. Simon Uforosia Mlay | Ambassador |
| 5 | ACP – PMU | | * Nelson Ndirangu OGW * Robert Bach Casanovas | Prog. Director  Junior Expert |
| 6 | ACP Secretariat | | * Morgan Githinji * Viwanou GNASSOUNOU | Snr Trade Advisor  Expert, Protocols & Commodities |
|  | **SWITZERLAND Geneva** | | | |
| 7 | Angola | | * H.E. Apolenareo Gorge Correie * Mr Makeus Agusto | Perm. Representative  Counsellor |
| 8 | Botswana | | * Michael Manowe | Agri. Attache |
| 9 | Lesotho | | * H.E. Dr Mothae A. MURUPING | Ambassador& Perm R |
| 10 | Mauritius | | * H.E. Shree B.C. Servansing * Mr Subhas GUJADHUR | Ambassador & Perm R.  First Secretary |
| 11 | Mozambique | | * H.E. Frances Rodrigues * Mr Miguel Tungadza | Ambassador & Perm R.  2nd Secretary |
| 12 | Namibia | | * Mr Madjumo S. MARUTA | Charged’Affaires |
| 12 | South Africa | | * Ephraim Mogashoa * Wamkele Keabetswe Mene | Counsellor  Counsellor |
| 13 | Swaziland | | * H.E. Thembayena A. DLAMINI | Ambassador & Perm Rep |
| 14 | Tanzania | | * H.E. Dr. Matern Y.C. Lumbanga * Lucas N. Saronga * Ms Pilli Prisca Y. MUTANI | Ambassador  M. Plenipotentiary  M. Plenipotentiary |
| 15 | Zambia | | * Ms C. Lishomwa * Ms Lilian Bwalya | D. Perm Rep  1st Sec for Trade |
| 16 | Zimbabwe | | * H.E. Mr J. Manzou * H.E. Mr Sengwe * Mrs R. Faranisi | Ambassador  M. Plenipotentiary  Snr Trade Officer |
|  | * INTERNATIONAL ORGANISATIONS (Geneva Based) | | | |
| 17 | South Centre | | * Peter Lunenborg * Offah Obale | Researcher  Prog officer |
| 18 | WTO | | * Faustin Mukela Luanga * Willie Chatsika | Counsellor  Counsellor |
| 19 | WIPO | | * Herman NTCHATCHO | Senior Director |
| 20 | UNCTAD | | * Bonapas ONGUGLO Martine JULSAINT KIDANE * Edward Chisanga | Snr Eco. Aff. Officer  Eco. Affairs. Officer |
| 21 | SADC Secretariat | * Mr A. Ndabeni * Mr J. Mtetwa * Dr Elsie Meintijies * O Chinyamakobvo | | Snr. Prog. Officer |

## ANNEX C - WORK PROGRAMME FOR WORKSHOP ON ENHANCING THE PARTICIPATION OF SADC MEMBER STATES IN REGIONAL AND MULTILATERAL TRADE NEGOTIATIONS

**27-29 March 2012**

**BIRCHWOOD HOTEL & OR TAMBO CONFERENCE CENTRE**

**JOHANNESBURG, SOUTH AFRICA**

**EXECUTIVE SUMMARY**

The workshop on “***Enhancing the Participation of SADC Member States in Regional and Multilateral Trade Negotiations***” is being organized by the SADC Secretariat in cooperation with Trades Centre in Harare with financial support from the ACP MTS (Multilateral Trading System) Programme under *Project 9 ACP RPR 140 – 043/11* and the Commonwealth Hub and Spokes Project, who are funding the participation of Geneva-based delegates. Senior policy makers, both capital and Geneva-based, from fifteen SADC member States, are attending the workshop. Representatives from the SADC, ACP, SACU, UNCTAD and the WTO Secretariats will also attend.

The main objectives of the workshop are:

1. to enhance the effective participation of SADC Member States in Regional and Multilateral Trade Negotiations
2. Identify issues of common interest for SADC Member States and explore better coordination at national and regional level
3. Enhance effective communications between SADC Secretariat, Geneva, Brussels and capital-based officials on WTO issues
4. Better understanding of the multilateral trading system and its implications to the SADC members States
5. Improved capacity of the SADC Member States to derive benefits from the market opening opportunities at multilateral level
6. Strengthened national institutional framework for managing regional and multilateral trade negotiations
7. Coherent implementation of multilateral trading commitments to support SADC regional integration agenda
8. Improved capacity of SADC Member States to identify pro-development reforms and appropriate policies in line with WTO rules,
9. Finally recommend an agenda and strategy for SADC Member States’ participation and engagement in the Multilateral Trade negotiations and on effective mechanisms for coordination.

The Workshop will also consider the main elements of the Doha Work programme and the contribution it could make in facilitating the full integration of SADC Member States into the Multilateral Trading System. It will cover, *inter alia*, issues related to Agriculture, Non Agricultural Market Access (NAMA), Services, and Trade Facilitation. It will also serve as a platform for exchanging views on the mechanisms for coordination and consultations on WTO issues on national, regional and multilateral level.

**TUESDAY 27 MARCH 2012**

8:30 – 9:00 **Registration**

9:00 – 9:15 **Opening**

* Representative of the Chair of SADC - Angola
* SADC Secretariat
* Host, South Africa

**SESSION 1**

9:15 - 9:30 **Workshop Objectives and Expectations**

**Presenter: Trades Centre**

9:30 – 10:00 **Overview of WTO Principles and Institutional Framework**

**Objective:** Provide a detailed presentation on WTO fundamental principles, institutional framework, the decision-making process, and the role of the rules-based multilateral trading system, functions and objectives, and benefits of SADC Member States membership

**Presenter: WTO Secretariat**

**Review Session and Discussions**

10:00 – 10:15 **COFFEE BREAK**

**SESSION 2**

10:15 – 13:00 ***Overview of WTO Principles and Institutional Framework (continued)***

**Review Session and Discussions**

13:00 – 14:30 **LUNCH BREAK**

**SESSION 3**

14:30 – 15:30 **The Doha Development Agenda Negotiations**

State of Play, Key Challenges and salient issues for the SADC Member States

**Objective:** Overview of developments in the Doha Development Agenda negotiation, the outcome of the recently concluded 8th WTO Ministerial Conference*.*

**Presenter: WTO Secretariat, Trades Centre Experts**

**Review Session and Discussions**

15:30 – 15:45 **COFFEE BREAK**

**SESSION 4**

15:45 – 17:30 **Agriculture**:Overview of the negotiations on Agriculture and the salient issues for the SADC Member States

**Objective:** Deepen the understanding of participants’ current state of play of the negotiations in Agriculture and salient issuesfor the SADC member States (export subsidy, market access and domestic support, cotton etc.)

**PRESENTER: WTO SECRETARIAT**

**Review Session and Discussions**

**WEDNESDAY 28 MARCH 2012**

**SESSION 5**

09.00 – 11.00 **NAMA**: Overview of the negotiations of Non-Agricultural Market Access issues (NAMA) and salient issues for the SADC Member States in NAMA(Tariff Reductions Formula and Formula-Related issues, Obligations of SADC Countries under the draft modalities, Flexibilities in applying the formula, Sect oral Tariff Approach, Non-Tariff Barriers)

**Presenter: WTO Secretariat, Trades Centre Experts**

**Review Session and Discussions**

11:00 – 11:15 **COFFEE BREAK**

**SESSION 6**

11:15 – 13:00 **General Agreement on Trade in Services (GATS)**

The state of play of GATS Negotiations, the basic principles and salient issues under negotiations for the SADC Member States, rules negotiations, LDC services Waiver, special and differential treatment for developing and Less developing countries

**Presenter: UNCTAD Secretariat, Trades Centre Experts**

**Review Session and Discussions**

13:00 – 14:30 **LUNCH BREAK**

**SESSION 7**

14:30 – 15:30 **Trade Facilitation**

State of play of the on-going work on Trade Facilitation in the context of the Multilateral Trading System, the importance of the on-going work on Trade Facilitation negotiations to SADC Member States, Proposals aimed at clarifying and strengthening certain provisions in the context of the Doha negotiations, the Chairman’s consolidated text and the way forward

**Presenter: Trades Centre Experts**

**Review Session and Discussions**

15:30 – 15:45 **COFFEE BREAK**

**SESSION 8**

15:45 – 17:30 **WTO Rules on Regional Trade Agreements**

WTO Rules on Regional Trade Agreements and the state of play of the negotiations on rules, silent issues for the SADC Member States, proposals under considerations

**Presenter: Trade Centre Experts**

**Review Session and Discussions**

**THURSDAY 29 MARCH 2012**

**SESSION 9**

**Development Issues**

09:00 – 10:00Development issues in the DDA, in particular the work programme on special &differential treatment in favour of developing and least-developed countries

**Presenter: Trades Centre Experts**

**Review Session and Discussions**

10:00 – 11:00Broad development objectives, common (divergent) negotiating and development interests of SADC Member States in the Multilateral Trade negotiations

**Presenter: UNCTAD Secretariat**

**Review Session and Discussions**

11:00 – 11:15 **COFFEE BREAK**

**SESSION 10**

**Mechanisms for Coordination**

11:15 – 13.00 Presentation on the mechanisms for Coordination at national and regional level to enhance effective participation in the work of the WTO, including the DDA negotiations process among SADC countries; challenges of the SADC countries (including the coordination of positions by SADC countries in the African and ACP Groups), best practices for SADC countries, and the role of the SADC Secretariat

**Objective:** The importance of effective coordination among SADC countries as a way to deepening integration process and influence among African countries and also in multilateral fora, including the WTO and UNCTAD. The challenges impeding effective collaboration among SADC countries will be discussed. Proposals will be made as to how coordination could be enhanced taking into account the current level of coordination among SADC countries and good practices followed by other regional groupings and countries.

**Presenter: Trades Centre Experts**

**Review Session and Discussions**

13:00 – 14:30 **LUNCH BREAK**

**SESSION 11**

14:30 – 16:30 Summary of common issues of interest to the SADC Member States in the DDA and the way forward

**Presenter: Trades Centre Experts, UNCTAD and WTO Secretariats**

**Review Session and Discussions**

**Evaluation and Closing**

## ANNEX D- SUMMARY OUTCOMES OF WORKSHOP ON ENHANCING THE PARTICIPATION OF SADC MEMBER STATES IN REGIONAL AND MULTILATERAL TRADE NEGOTIATIONS

**27 – 29 March 2012**

**JOHANNESBURG, SOUTH AFRICA**

**­­­\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_­­­­­­­­­­­­\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**A. INTRODUCTION.**

1. The workshop on “***Enhancing the Participation of SADC Member States in Regional and Multilateral Trade Negotiations***” was organized by the SADC Secretariat in cooperation with TRADES Centre with financial support from the ACP MTS (Multilateral Trading System) Programme as well as the Commonwealth Hub and Spokes Project from 26-29 March 2012 in Johannesburg, South Africa. Fifty one (51) senior policy makers, both capital and Geneva-based, from fourteen SADC Member States attended the workshop together with representatives from the SADC, SACU and SADC Geneva Liaison office Secretariats. Three experts from TRADES Centre contracted by ACP MTS together with two experts from UNCTAD and WTO Secretariats were the resource persons. A list of participants is attached as Annex 1.

**2. The main objectives of the workshop were:**

(i) To enhance the effective participation of SADC Member States in Regional and Multilateral Trade Negotiations, identify issues of common interest for SADC Member States and explore better coordination at national and regional level Enhance effective communications between SADC Secretariat, Geneva, Brussels and capital-based officials on WTO issues;

(ii) Better understanding of the multilateral trading system and its implications to the SADC Member States;

(iii) Improved capacity of the SADC Member States to derive benefits from the market opening opportunities at multilateral level;

(iv) Strengthened national institutional framework for managing regional and multilateral trade negotiations;

(v) Coherent implementation of multilateral trading commitments to support SADC regional integration agenda;

(vi) Improved capacity of SADC Member States to identify pro-development reforms and appropriate policies in line with WTO rules; and

(vii) Finally recommend an agenda and strategy for SADC Member States’ participation and engagement in the Multilateral Trade negotiations and on effective mechanisms for coordination.

3. The Workshop considered the main elements of the Doha Work programme and the contribution it could make in facilitating the full integration of SADC Member States into the Multilateral Trading System. It covered the following specific subjects;

1. The WTO Doha Development Agenda (DDA) State of Play and Outcome of the 8th WTO Ministerial Conference (MC8)
2. Negotiations in Agriculture, NAMA, Services, Trade Facilitation and key interests and concerns of SADC countries
3. Regional Trade Agreements
4. Development Issues focusing on Special and Differential Treatment issues for SADC region
5. Mechanisms for coordination and consultations on WTO issues at the national, regional and multilateral levels.

4. To ensure sustainability the outcome of the workshop will be presented to meetings of the SADC Trade Negotiating Forum (TNF) in May 2012 and meetings of the Committee of Senior Officials (Trade) and the Committee of Ministers of Trade (CMT) scheduled for June 2012.

**B. SUMMARY OF PROCEEDINGS AND WAY FORWARD**

**1. The WTO Doha Development Agenda (DDA) State of Play and Outcome of the 8th WTO Ministerial Conference (MC8)**

**Presentation and Discussions**.

5. The WTO representative made presentations on the state of play of the DDA negotiations, the outcome of the MC8 and how SADC Members can prepare themselves in view of the impasse in the negotiations, the new negotiation approaches such as the sectoral and early harvest approaches being proposed by the WTO membership. Additionally, the presenter informed the workshop of new trade related areas such as climate change ,energy, investment, competition, global value chains and exchange rates which some developed countries want included on the multilateral trade agenda because of their relevance to the MTS in the 21st Century. Pursuant to each presentation some comments were made by Trades centre experts to give the SADC perspective and to stimulate floor discussions around the issues covered.

6 The presentations by the WTO Secretariat and the commentaries by Trades Centre experts were well received and appreciated by the participants. A number of participants underscored the need to be cautious about the attempts by some developed countries to jettison the single undertaking approach in favour of sectoral agreements. It was noted that the sectoral agreements could fragment the multilateral trading system, with SADC and other African countries being marginalised in the MTS.

7 Participants argued that the single undertaking approach protects the interests of developing countries and ensures a balanced outcome in multilateral trade negotiations. Participants also cautioned against overloading the already difficult multilateral agenda with new issues being pushed by the developed countries and argued for a conclusion of the current DDA before new issues can be considered.

**Recommendations**

8. Regarding **State of Play and Outcome of the 8th WTO Ministerial Conference (MC8),** the workshop made the following observations and/or recommendations on the way forward:

* SADC Member States take note that the current impasse provides room for reflection on their priorities and interests, and for further engagement in the DDA. SADC Member States and their Geneva based negotiators should respond to the any proposals on the way forward;
* SADC Member States need to reaffirm their commitment to the Single Undertaking approach while undertaking further technical work on the implication of other approaches;
* There should be consideration of issues to be prioritised for early harvest for SADC countries in line with the instructions from Ministers at MC8.Taking note that developing countries in Geneva, have underscored the need to solve the 19th century issues of importance to them first before engaging in 21st century issues, SADC Member States should analyse the implication of the so-called current global challenges including 21st Century issues (climate change, energy, currency exchange rates, investment, competition, global value chains[[1]](#footnote-1) etc.) in the WTO on their economies.

***2. Agriculture Negotiations***

**Presentation and Discussions.**

9 The WTO Secretariat gave an overview of the AoA and the agriculture negotiations with a focus on how the SADC countries could benefit from its provisions to increase food production and exports. The presentation alluded to the three pillars which constitute the structure of the AoA namely market access, domestic support and export competition and detailed the key negotiating issues under each pillar. The flexibilities in the Chair’s Draft Text of 2008 for developing countries, SVEs and LDCs were also highlighted to the participants.

10 A representative from the SADC Secretariat informed the meeting that the Secretariat through its FANR Directorate had finalised the SADC Regional Agricultural Policy document which will provide a framework for agricultural trade and development within the region in the medium to long term. A copy of the document was availed to the participants.

11 In the ensuing discussions, participants emphasised the need to continue supporting the tiered formula which would result in a reduction of developed countries’ tariffs by 54% and developing countries by 36%. Several interventions were supportive of the Chair’s proposals on domestic support and export subsidies which seek to discipline the use of subsidies by developed countries and advanced developing countries. They emphasised the need to preserve the flexibilities in the draft modalities text for developing, SVEs and LDCs. Many speakers reiterated the need to continue pushing for proposals which will ensure both improved market access for SADC exports and increased local production, value addition and enhanced food security of the region.

**Recommendations**

12 On WTO agricultural negotiations the workshop made the following recommendations:

* Regional positions arising out of the development of the SADC Regional Agricultural Policy should be shared with SADC Missions in Geneva.
* There is need for SADC Member States to reflect and carry out simulations on the flexibilities currently on the negotiations table in the three pillars of agriculture to assess their implications. Specifically SADC countries should develop strategies both individually and collectively to take advantage of the flexibilities in the following areas.
* SVEs tariff reduction options (moderated cuts/meeting target cut)
* Sensitive products
* Special products
* Special Safeguard Measures
* Blue box flexibilities
* SADC countries should assess the implications of the **2009 Geneva Agreement on Tropical Products/Preference Erosion**, with a view to recommending its multilateralisation through incorporation into the agriculture draft modalities text. It was noted that this incorporation into the agriculture draft modalities should only ensue if the status quo in the negotiations changes.

***3. NAMA Negotiations***

**Presentation and Discussions.**

13 The WTO representative’s presentation on NAMA negotiations focused on the formula adopted for tariff reductions in this sector; the flexibilities in the Chair’s Draft text of 2008 for paragraph 6 countries, SVEs, developing and least developed countries; the sectoral tariff approach as well as the proposals for the elimination of NTMs. The presenter alluded to the inevitable preference erosion arising out of multilateral trade liberalisation and the pressures being exerted on advanced developing countries like South Africa to participate in some sectoral negotiations.

14 Pursuant to the WTO presentation on NAMA negotiations, the discussions focused on the sectoral tariff approach and its possible implications for SADC exports of manufactures particularly in the areas under sectoral negotiations; issues of preference erosion; flexibilities for SVEs and paragraph 6 countries as well as proposals on non-tariff barriers.

15. Many speakers were of the view that participation in sectorals should remain voluntary as already mandated. The final NAMA modalities should also deal effectively with issues of tariff peaks and tariff escalation so as to facilitate the export by SADC countries of value added manufactures to key markets. The need to safeguard revenue earning capacity of SADC countries; policy space to protect infant industries and phased reduction of tariffs on products currently benefiting from preferences were also cited as central to the economic development of most SADC countries.

**Recommendations**

16 The following recommendations were made on NAMA:

* SADC Member States should develop a strategy to assist **SACU Members secure additional flexibilities** in the NAMA negotiations.
* Additionally, SADC Member States should prepare to **respond to the loss of preferences** which will occur as a result of implementation of the formula currently on the table as well as developing a strategy to deal with **potential effects on** the SADC configuration.
* Although participation is voluntary, SADC Member States may assess potential impact of participating in **Sectorals in** areas of their commercial interest.

***4. Services Negotiations***

**Presentation and Discussions.**

17 A representative from UNCTAD made a presentation featuring the structure and key concepts of the GATS and DDA services negotiations. The presentation emphasised the growing importance of the services sector globally, contributing an increased share in GDP and employment. It was also pointed out that for the SADC region infrastructure services in particular can significantly contribute to improved efficiency and competitiveness in all sectors of the economy given that most SADC countries are landlocked. Additionally, services trade and liberalisation in the SADC region can create opportunities for greater income, productivity, employment and investment and can also contribute to the attainment of the MDGs. The specific provisions of GATS Articles IV; V and XIX were also highlighted given their specific relevance to SADC countries. The presenter noted that progress in services negotiations, in terms of tabling of substantive offers which can provide meaningful market access conditions to service providers from the SADC region depended on the level of ambition secured in the agriculture and NAMA final modalities.

18 A representative from the SADC Secretariat also gave an update on the progress towards the adoption and implementation of the SADC Protocol on Trade in Services noting in particular the centrality of establishing effective regulatory and institutional frameworks as an important primer for beneficial SADC participation in regional and international trade in services.

19. Many speakers especially from Botswana, Mauritius, Lesotho and Tanzania **emphasised the importance of services to their economic development**. Discussions focused on the LDCs’ waiver, GATS Article IV as well as the need for developed countries to improve their offers under mode IV.

**Recommendations**

20 The workshop made the following specific recommendations with regards to services negotiations under the MTS :

* SADC Member States should take advantage of the flexibilities provided under the GATS and the agreed negotiating guidelines.
* SADC Member States should complete their national regulatory reforms and liberalisation process under the SADC Protocol before opening up their services industries to foreign competition.
* They should seek greater commitments on mode 4 from developed countries.
* They should consider undertaking commitments only when developed countries assume meaningful obligations in agriculture and NAMA.
* Geneva based negotiators with the assistance of SADC Secretariat should be actively engaged in the regional trade in services liberalisation programme.

***5. Trade Facilitation Negotiations***

**Presentation and Discussions.**

21. Consultants made a presentation on the mandate, scope and status of trade facilitation (TF) negotiations in the DDA. The presenter made specific reference to the negotiating mandate under Annex D of the General Council Decision of 1 August 2004 which focuses on the clarification and improvement of the relevant aspects of GATT Articles V (freedom of transit); VIII (fees and formalities) and X (transparency). Issues of special and differential treatment were alluded to as were the non-mandatory pronouncements on technical assistance and capacity building to precede implementation of specific commitments. The difficulties facing developing countries in securing binding financial commitments from the developed partners were also highlighted.

22 During the discussions the participants noted the importance of TF in both regional and multilateral trade expansion and emphasised the need to maintain a clear linkage between implementation of obligations and development of capacity to comply. In this regard participants underscored the need for specific financial commitments by developed countries in the area of TF. Where negotiations on TF are concluded ahead of other negotiating tracks, the participants were of the view that the provisions of para 47 of the DDA should apply.

**Recommendations**

23. On TF, the following recommendations were made:

* SADC Member States should continue being active in trade facilitation negotiations and support the classification of obligations into three categories depending on ease on implementation.
* SADC Member States should ensure that Category “C” obligations are implemented only when the developing countries concerned have provided with and acquire the technical assistance and capacity to implement.
* SADC Member States should continue to mobilise resources under the WTO Aid for Trade initiative and EIF to build infrastructure and other trade facilitation projects, e.g. the North South Corridor.

***6. Regional Trade Agreements***

**Presentation and Discussions.**

24 The presentation on RTAs was made by a Trades Centre expert with particular emphasis on the WTO rules relating to RTAs. This covered multilateral provisions under Article XXIV of GATT 1994, the improvements arising out of the Uruguay Round Understanding on the Interpretation of Article XXIV; the Enabling Clause; provisions under GATS Article V pertaining to economic integration agreements as well as proposals submitted by the WTO membership in the context of DDA negotiations. Some time was dedicated to highlighting some provisions in the current rules which are subject to different interpretations hence the need for legal clarity to ensure that RTAs are indeed complementing the multilateral effort towards the attainment of a liberalised non-discriminatory MTS.

25 Discussions focused on the proposals submitted by WTO members including the ACP and Africa Groups in the context of the Rules negotiations.

**Recommendations**

26. The following emerged as the key issues for the SADC region:

* SADC Member States support the review or flexible interpretation of Article XXIV of GATT 1994 so as to enable developing and least developed countries entering into Free Trade Areas with developed countries to be allowed to assume lesser obligations and implement them over a longer timeframe.
* SADC Members should support the provision of legal clarity to the following systemic issues in line with the ACP proposals.
* Substantially all trade (SAT);
* Other regulations of commerce (ORC);
* Transition periods;
* Other restrictive regulations of commerce (ORRC).
* Any reforms to existing provisions on RTAs should take into account their developmental aspects.

***7. Development Issues- Focus on Special and Differential Treatment***

**Presentation and Discussions.**

27 A presentation on development issues focused on the WTO special and differential treatment work programme. The five categories of SDT were alluded to and some time was spent discussing how SADC countries can optimise on the SDT provisions to expand and diversify their trade within the MTS.

28 Participants offered some reflections on how SADC countries can make use of the WTO and partner institutions can come up with practical initiatives to address the trade related constraints which negatively affect the capacity of SADC countries to take advantage of the rules-based MTS to expand and diversify exports.

**Recommendations**

1. After extensive discussions the following observations were made:

* SADC Member States attach significant importance to special and differential treatment. They would like to see progress on the agreement-specific proposals tabled by the African Group namely.
* They would like SDT and financial assistance to be made an integral part of all agreements being negotiated under the DDA. They are opposed to non-binding language as it serves no useful purpose.
* SADC Member States should assess the impact of DFQF for LDCs to the region in view of their integration into the MTS.

**8. Mechanism for Coordination**

**Presentation and Discussions.**

30 The consultants made a presentation on the need for a coordination mechanism among SADC at the national and regional levels. The presentation which was a summary of findings by the consultants on interviews carried out with SADC Ambassadors in Geneva, Brussels and the SADC Secretariat in Botswana generated a lot of discussions among participants. It was noted that SADC should develop a coordination mechanism that would bring into sharp focus developments at the regional and multilateral trade negotiations in order to ensure coherence in these negotiations.

**Recommendations**

1. In conclusion, the workshop highlighted the need for better coordination both on national and regional level on issues related to WTO and agreed as follows:

* The need for the SADC Secretariat to undertake annual missions to Geneva/Brussels to brief the SADC Missions on the regional integration issues in the SADC region. The Geneva based mission should also cooperate with their counterparts in Washington;
* The need for the SADC Chair in Geneva to attend CMT meetings to brief Ministers on the developments in Geneva;
* (iiI) The need for SADC to establish an office in Geneva as a goal of the organization; and
* The need for SADC to apply for permanent observer status to the WTO, namely, to the General Council and other relevant Committees and bodies.





## ANNEX E - LIST OF PARTICIPANTS: WORKSHOP ON ENHANCING PARTICIPATION OF SADC MEMBER COUNTRIES AND THE ROLE OF SADC SECRETARIAT IN REGIONAL AND MULTILATERAL TRADE NEGOTIATIONS

**Project Ref: 9 ACP RPR 140 – 043/11**

**Venue: Birchwood Hotel, Johannesburg, South Africa**

**Date: 27-29 March 2012**

**PARTICIPANTS FROM MEMBER STATES, WTO, SACU & UNCTAD**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **COUNTRY** | **PARTICIPANT/DELEGATE** | **MINISTRY / ORGANISATION & DESIGNATION** | **SPONSOR** | **TELEPHONE AND** |
|  |  | **E MAIL ADDRESSES** |
| **1.** | **ANGOLA** | Dr. Mbumba Tshico | Director- Trade | ACP MTS | mbumbatshico@yahoo.com.br |
| **2.** | Mr. Garcia Isaac Saldanha | Adviser- Ministry of Geology, Mines and Industry | ACP MTS | [garciaisaacsaldanha@yahoo.com.br](mailto:garciaisaacsaldanha@yahoo.com.br) |
| **3.** | Mr. Makiese Kinkela Augusto | Angola Mission-Geneva | Other | MAKIESE120@gmail.com |
| **4.** |  | Mr. Luagi Lukonde | Angola Mission Geneva | Other | llukonde@bluewin.ch |
| **5.** |  | Mr Francisco Jose Lourenco Frnades | Trade Representative- Angola , Brussels Mission | Other | Angolatrade.benelux@skynet.be |
| **6.** |  | Ms Paula Gomos | Ministry of Industry | Other | Paulagomos77@yahoo.gs |
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1. The focus of the next Aid for Trade Global Review will be Global Value Chains. [↑](#footnote-ref-1)