



AID FOR TRADE

Global Review

2019

Supporting Economic
Diversification and
Empowerment

3-5 JULY 2019

Summary Report

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ABOUT THE AID FOR TRADE GLOBAL REVIEW 2019

The [Aid for Trade Global Review 2019](#) examined the theme of "Supporting Economic Diversification and Empowerment".

Trade has been a catalyst for unparalleled progress in poverty reduction since the WTO came into being in 1995. The 2030 Agenda for Sustainable Development commits us to continue this essential work and to eliminate extreme poverty.

It is against this background, and that of a challenging context for the multilateral trading system, that the Global Review discussed how Aid for Trade supports economic diversification and empowerment. A particular focus was placed on eliminating extreme poverty, particularly through the effective participation of micro, small and medium enterprises, women and youth.

The Global Review was informed by the [Aid for Trade at a Glance report](#), published jointly by the World Trade Organization (WTO) and the Organisation for Economic Co-operation and Development (OECD), with contributions from United Nations Industrial Development Organization (UNIDO), United Nations Development Programme (UNDP), the Enhanced Integrated Framework (EIF), the International Trade Centre (ITC), the United Nations Conference on Trade and Development (UNCTAD) and the World Bank Group. Additional analysis and reports were contributed by regional development banks and other stakeholders.

The event was covered extensively on the WTO website <http://www.wto.org/gr2019> and on WTO's social media channels (@WTO @OMC_fr @OMC_es @WTODGAzevedo @WTOPublications) with the hashtag #aid4trade.

ABOUT THIS PUBLICATION

This publication brings together summary reports of the Plenary Sessions, Thematic and Regional Focus Sessions, Development Hubs and Side Events held during the Aid for Trade Global Review 2019. The summary reports of Plenary Sessions, Thematic and Regional Focus Sessions, Development Hubs were prepared by the WTO Secretariat. Summary reports of Side Events were prepared by the various organizations that organized Side Events.

FIND OUT MORE

<https://www.wto.org/gr2019>

Foreword by the Director-General

The 2019 Global Review of Aid for Trade, the seventh of its kind, took place at a challenging time for the multilateral trading system.

A critical part of the challenge is to ensure that developing countries reap the maximum benefit from their participation in the multilateral trading system. This objective lies at the very foundation of Aid for Trade.



Since the launch of the Initiative, at the Hong Kong Ministerial conference in December 2005, seven successive Global Reviews have now been held. Growing in attendance and importance, each edition of the high-level forum has shed new light on the challenges to trade faced by developing, and in particular least developed, countries and contributed to mobilising resources to address them.

Overall financing provided to date by bilateral and multilateral donors confirms their commitment. Between 2006 and 2017, a total US\$410 billion in Aid-for-Trade financing has been disbursed. While most of this amount was dedicated to building trade capacity and economic infrastructure, extensive technical assistance was also delivered as well as some trade-related adjustment. Aid-for-Trade disbursements, which stood at US\$43 billion in 2017, show an encouraging increase from their US\$23.2 billion baseline average of 2002-05. A growing number of South-South partners are also now actively engaged in the Initiative.

The 2019 Global Review, held on 3-5 July 2019, focused on “Supporting Economic Diversification and Empowerment”. A strong message emanating from the joint OECD-WTO flagship publication that underpins the conference is how economic diversification and economic empowerment are mutually supportive and are essential for the achievement of the 2030 Sustainable Development Goals.

When a country diversifies its economy, it increases the goods and services traded both in volumes and variety. It also increases the number of export markets reached. This creates incomes, jobs, growth and offers a pathway for development. In turn, inclusive development, ensures that no one is left behind and that women, youth and MSMEs also benefit from trade. As enshrined in Target 8a. of the Sustainable Development Agenda, Aid for Trade has a role to play in delivering on these objectives.

In a fast-changing world, Members must ensure that the Aid-for-Trade Initiative and other international multilateral mechanisms continue to adapt to new realities. This point emerged in a number of sessions held at the 2019 Global Review. One such session underscored the importance of successfully concluding the on-going WTO negotiations on Fisheries Subsidies to help safeguard marine ecosystems. Another one discussed realising the 2017 Buenos Aires Declaration on Trade and Women’s Economic Empowerment. Many other sessions evoked the multiple issues brought about by climate change. As the joint OECD-WTO publication makes clear, there is still a tremendous amount of work left to do on stimulating economic diversification – something that lies at the heart of the Aid-for-Trade Initiative.

Roberto Azevêdo
October 2019

Acknowledgements

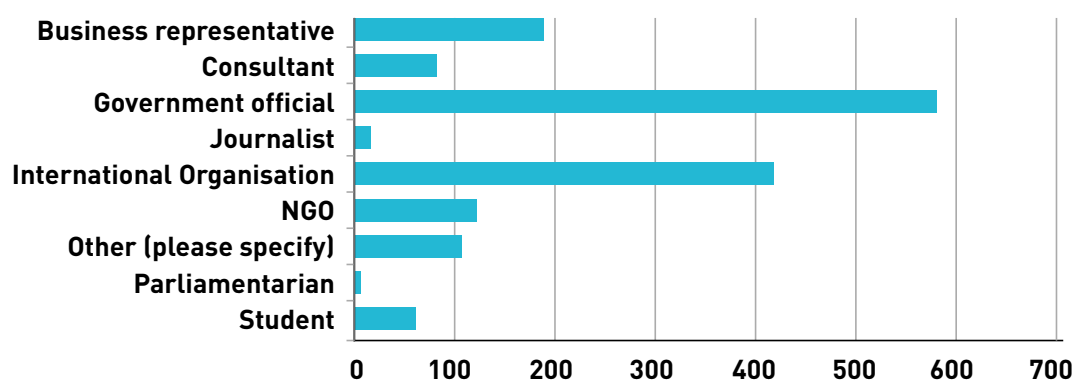
The Aid for Trade Global Review 2019 was organized by the Aid-for-Trade Unit in the WTO Development Division. We would like to thank all the speakers and all those who organized side events during the Review.

This summary report has been prepared by the Aid for Trade unit of the Development Division, on the basis of reports prepared by the organizers of the side events and by various staff members from the Accessions Division, Administration and General Services Division, Agriculture and Commodities Division, Council and TNC Division, Development Division, Economic Research and Statistics Division, the Enhanced Integrated Framework Executive Secretariat, the Intellectual Property Division, Institute for Training and Technical Cooperation, Language Documentation and Information Management Division, the Legal Affairs Division, Market Access Division, the Rules Division, Standards and Trade Development Facility, Trade and Environment Division, Trade Policies Review Division, and the Trade in Services Division.

The Development Division is indebted to the volunteers in the WTO Secretariat who worked tirelessly throughout the event. Special gratitude is also extended to the staff of the Graphic Design, Printing and Documents Distribution Section, Documents Management, Monitoring and Production Section, Language Services, and Interpretation Section, of the Languages, Documentation and Information Management Division; and to Conference Room Technical Group, Conference and Visitors Services Group, Facility Management Service, and the Security and Safety Service of the Administration and General Services Division.



Overview of registered participants



2019 Global Review: Statistics of registered participants by category

Category	Total
Business representative	197
Consultant	85
Government official	589
International organization	411
Journalist	8
NGO	123
Parliamentarian	2
Student	65
Other	107
Grand Total	1587

DAY 1. 3 JULY 2019



SESSION 1: Plenary "Supporting economic diversification and empowerment"

Organizer: World Trade Organization

KEYNOTE SPEAKER

› **Samdech Akka Moha Sena Padei Techo Hun Sen**, Prime Minister, Kingdom of Cambodia

PANELLISTS

- › **Sunanta Kangvulkulkij**, Chair, General Council, WTO and Ambassador, Permanent Representative of Thailand to the WTO
- › **Roberto Azevêdo**, Director-General, World Trade Organization
- › **Angel Gurría**, Secretary-General, Organisation for Economic Co-operation and Development
- › **Mukhisa Kituyi**, Secretary-General, United Nations Conference on Trade and Development
- › **Philippe Le Houérou**, Chief Executive Officer, International Finance Corporation, World Bank Group
- › **Hani Salem Sonbol**, Chief Executive Officer, Islamic Trade Finance Corporation
- › **Arancha González**, Executive Director, International Trade Centre

OVERVIEW

Economic and export diversification lies at the heart of trade and development policy strategies of developing countries, especially least developed countries (LDCs) and landlocked developing countries (LLDCs). It is a crucial element of economic development in which a country moves to a less concentrated, more varied production and trade structure.

The 2018-2019 work programme identified "Supporting economic diversification and empowerment for inclusive, sustainable development through Aid for Trade" as its central theme - one which encapsulated the two central concerns of growth and poverty reduction.

Economic diversification and economic empowerment embody the rationale behind the Aid-for-Trade Initiative. Economic empowerment served not only as an outcome of economic diversification but also a catalyst to this process. Empowerment through skills and training can support economic diversification particularly when it enables youth, women and Micro, Small and Medium Enterprises (MSMEs) to engage in international trade.

The opening session launched the joint OECD-WTO Report "Aid for Trade at a Glance 2019: Supporting Economic Diversification and Empowerment for Inclusive, Sustainable Development through Aid for Trade" and discussed the role Aid for Trade can play in making a contribution to the achievement of the 2030 Sustainable Development Agenda.



Welcome remarks: Roberto Azevêdo, Director-General, World Trade Organization

Good morning. Welcome to the WTO, and to this seventh edition of the Global Review of Aid for Trade. This event is a key moment for the trade and development community. It is great to have you all with us for the next few days.

We are joined by some very special guests today. It is an honour to have the Prime Minister of Cambodia Samdech Akka Moha Sena Padei Techo Hun Sen with us at the WTO. I am also pleased to be joined today by the Chair of the WTO General Council, Ambassador Kangalkulkij, OECD Secretary-General, Angel Gurría, UNCTAD Secretary-General, Mukhisa Kituyi, Philippe Le Houérou, Chief Executive Officer, International Finance Corporation, World Bank Group, Executive Director of the International Trade Centre, Arancha González, and the CEO of the Islamic Trade Finance Corporation, Hani Salem Sonbol.

In fact, more than 20 heads or deputies from other international organizations are participating, together with over 30 ministers and deputy ministers from all over the world. This is testament to the importance of the trade and development debate. I am sure there will be much to discuss over the next few days. To welcome the Prime Minister on behalf of WTO Members, I'd like to now give the floor to Ambassador Kangalkulkij.

Welcome remarks: Sunanta Kangvalkulkij, Chair, General Council, WTO and Ambassador, Permanent Representative of Thailand to the WTO

It is a privilege and an honour to have the Prime Minister of Cambodia Samdech Akka Moha Sena Padei Techo Hun Sen at the WTO for the Aid for Trade Global Review 2019. On behalf of the entire WTO Membership, I would like to extend a very warm welcome to everyone. As the Chair of the General Council, it gives me an even greater pleasure to greet a Head of State from a fellow ASEAN Member country. This is the seventh Global Review since the Aid-for-Trade Initiative was launched at the Hong Kong Ministerial Conference in 2005. Your presence today is an important signal about the relevance of both the Initiative and the theme of this year's Global Review: "Supporting Economic Diversification and Empowerment". These objectives cannot be advanced in isolation. They must be taken forward holistically in the global economy. The Aid-for-Trade Initiative seeks to expand the participation of

developing countries and in particular, least developed countries, in the trading system with the aims of economic growth, poverty reduction, and economic empowerment firmly in mind. Using the trading system which this institution, the WTO organization embodies to advance sustainable development by fostering credibility in economic relations. The multilateral trading system contributes to economic advancement.

Cambodia's experience since becoming the WTO's 148th Member on 13 October 2004 stands as evidence in support of this statement. I look forward to your keynote speech your Excellency and learn more about your plan to drive towards Cambodia's economic development for the benefits of Cambodians and the broader multilateral community. I would recall one of the core principles of the 2030 Agenda that we should leave no one behind. You are visiting the WTO at this challenging time for multilateralism. Your presence underlies how the multilateral trading system can act as a force for inclusion especially for the LDCs. On behalf of the WTO Members, I would like to once again extend a very warm welcome to your Excellency Samdech Akka Moha Sena Padei Techo Hun Sen and invite you to deliver your keynote address.

Keynote address: Samdech Akka Moha Sena Padei Techo Hun Sen, Prime Minister, Kingdom of Cambodia

Today, I am very delighted to participate at the Seventh Aid for Trade Global Review at the Headquarters of the WTO under the theme "Supporting Economic Diversification and Empowerment" to share Cambodia's experience in formulating trade policy/strategy and socio-economic achievements after Cambodia became a Member of the WTO in 2004, as well as Cambodia's current and future role in supporting multilateral trading system and maintaining global trade liberalization.

On behalf of the Royal Government and People of Cambodia, I would like to express my gratitude and appreciation to the WTO Secretariat for arranging and inviting me to join this important gathering. I would also like to take this opportunity to highly appreciate the active role played by the WTO in formulating comprehensive measures and rules which serve as the foundation for global liberalization and multilateral trade, ensuring the stability of free, seamless and predictable trade flows as well as in mobilizing various assistances for national, regional, and international economic development through the organizations of



Aid for Trade Global Review, which has already been successfully held for six times. The WTO has also supported programmes for economic diversification in developing countries and least developed countries as well as effectively promoted international trade, created jobs and alleviated poverty in member states.

Cambodia – as a small economy – believes in benefits of globalization and international cooperation based on multilateral rules. This philosophy has encouraged us to become a member of the WTO in 2004; among the first two LDCs to go through the accession process. During the accession, even though Cambodia had not developed a strong economic foundation, but building on an open economic policy, Cambodia has pledged to bind all tariff lines and offered to open its service sectors, around 94 sectors and subsectors, the largest number compared to that introduced by the advanced economies in becoming WTO Members ahead of Cambodia. Furthermore, as a least developed member of the WTO, Cambodia has responsibly fulfilled her duty by introducing and implementing reform programmes on the economy, laws, regulation and measures in full compliance and consistency with international rules, especially in line with what Cambodia has committed under the WTO's framework.

With efforts to fulfil her obligation under the WTO, the Royal Government of Cambodia has strictly adhered to the principle of liberal multi-party democracy; maintained peace, security, political stability, social order; and prudentially implemented macroeconomic and financial policy through promulgating and implementing comprehensive strategies such as Rectangular Strategy as an overarching policy agenda for socio-economic development, as well as National Strategic Development Plan, and strategies for other priority sectors. As for trade, Cambodia has prepared and implemented Cambodia Trade Integration Strategy since 2001 and updated it along with development stages of Cambodia. This year, Cambodia has completed the update for the third time, the 2019-2023 Cambodia Trade Integration Strategy in response to her needs for development, as well as to the current and future context of regional and global trade.

In resulting of the above efforts, Cambodia has achieved an annual economic growth, in an inclusive and equitable manner, of 7.7% on average over the last two decades. In addition, Cambodia has accomplished a historical milestone, by graduating from a low-income country to a lower middle-income country in 2015. Cambodia achieved its annual economic growth rate of 7.5% in 2018, and is expected to maintain an

annual growth rate of around 7% in the medium term. Accordingly, the poverty rate declined from 53.2% in 2004 to less than 10% in 2018. On the trade policy front, Cambodia has diversified not only its products for exports but also its export destinations. This drove a growth in exports from US\$5.7 billion (equivalent to 40.5% of GDP) in 2012 to US\$13 billion (equivalent to 53.2% of GDP) in 2018. Furthermore, Cambodia has gradually diversified its export products from garment to high-value added products. At the same time, export destinations have been diversified away from the US to other markets, such as Europe, Japan, China, ASEAN, and other countries.

As a gesture of gratitude to the WTO and in support for negotiations under the WTO framework and strengthening its role in the context where the global economy is under threat of trade protectionism and trade war, despite the lack of human and financial resources, on behalf of the Royal Government of Cambodia, I decided to open up the Permanent Mission to the WTO in 2017, and encouraged Minister of Commerce and the Ambassador to the WTO to fulfil successfully our duty as the coordinator of the LDC Group in WTO during 2017-2018, and to continue with active role as member of the TROIKA in assisting Central African Republic and Republic of Chad to coordinate with other 36 LDCs for negotiations under the WTO framework.

Another major achievement to mention here, Cambodia was elected in 2018 as a Board Member of the Enhanced Integrated Framework (EIF); Cambodia has also put effort and taken actions in implementing obligations under WTO, such as obligations of notifying and reviewing the trade policy in 2011 and 2017, respectively, as well as has fulfilled the obligation of ratifying the membership in Trade Facilitation Agreement, and implemented around 70% of the obligations required. The aforementioned success has reflected "Small bait for big fish", meaning that the establishment of Cambodia's Permanent Mission to the WTO was the right choice leading to great achievements.

Besides, within both ASEAN and regional framework, Cambodia has played an active role in implementing its commitments and ASEAN agreements to achieve the ASEAN Economic Community (AEC) 2015 as well as the AEC's vision to transform ASEAN into a single market and production base, a highly competitive region, with equitable development and fully integrated into the global economy. In the meantime, Cambodia has closely collaborated with other 15 Asian



countries to target the conclusion of negotiations of a significant Free Trade Agreement known as Regional Comprehensive Economic Partnership (RCEP) in 2019, which the combined GDP accounting for more than 30% of the World's GDP or is around US\$85 trillion in 2018.

On this auspicious occasion, I would like to highly appreciate the WTO, development partners and various international organizations for their strong cooperation and contribution in development of the LDCs, including Cambodia, since the WTO accession period till the present time.

As far as Cambodia is concerned, our vision is to transform the country into an upper middle-income country by 2030 and a high-income country by 2050. In order for Cambodia to achieve this goal, as well as to assist other LDCs out of poverty quickly in accordance with the 2030 Sustainable Development Agenda, I would like to appeal to all advanced member states and development partners to further consider and extend your support in the following priority sectors:

- Strengthen the competitiveness of the LDCs and support their programmes during the LDC graduation process.
- Continue to provide and increase generalized systems of preferences (GSP) for trade through a multilateral (duty free and quota free) or unilateral basis, and appeal to GSP giving countries to take into account thoroughly all factors before taking any action of suspending or withdrawing systems of preferences from LDCs. Such GSP withdrawing action will certainly deprive LDCs from achieving, together with other countries, the Sustainable Development Goals, and prevent them from graduating from the LDC status. This can be considered as a completely opposite movement to the principles of WTO and UN's goals.
- Build the capacity to reap benefits from new sources of growth, particularly the service sector, the Industrial Revolution 4.0 and digital economy.
- Develop strategies to diversify the economy and production base, aiming at boosting exports, which is a source of income for the promotion of welfare and jobs for women.

- Connect policy, strategies, and visions of LDCs to the regional and global economic development.
- Stimulate innovation and promote new practices through mobilizing more financing from development partners and private sectors through this Aide for Trade Global Review 2019 and other meetings.
- Continue to provide assistance for reforms and implementation of Trade Facilitation Agreement, particularly on regulatory reforms.

I have the honor to inform you that Cambodia will organize a Side Event to demonstrate the Cambodia Trade Integration Strategy 2019-2023 this evening to be presided over by His Excellency Pan Sorasak, Minister of Commerce of Cambodia. I would like to encourage Excellencies, Ladies, and Gentlemen, to participate in this event to learn about experiences and success story of Cambodia in the implementation of new strategies. With this announcement, I would like to solemnly launch the Cambodia Trade Integration Strategy-2019-2023.

To this end, I would like to officially announce the opening of the "7th Aid for Trade Global Review".

Opening Remarks by Roberto Azevêdo, Director-General, World Trade Organization

It was very encouraging to hear about the importance of the multilateral trading system, and of the Aid-for-Trade Initiative, for Cambodia's growth and development objectives. I fully support that vision.

In our lifetimes, trade has helped to lift a billion people out of poverty. It was vital in delivering the Millennium Development Goal to halve extreme poverty. Now it must play the same role in delivering the Sustainable Development Goals.

This is a defining test for the entire international community. It brings our responsibilities as leaders, as policymakers, and as citizens into sharp focus. We must rise to this challenge. This requires hard work and commitment, and it requires constant dialogue.

This is why we are all gathered here today. For trade to play its full role in promoting growth and development, it is not about simply throwing open the doors to markets around the world. We have to ensure that people have the tools that they need to trade and



compete. The Aid-for-Trade initiative plays a key role to this end.

Since it was launched just over a decade ago, over US\$409 billion dollars have been disbursed under the Aid-for-Trade Initiative, reaching 146 countries or territories. And that support has been targeted at helping those countries to build their trading infrastructure and capacity.

Building trading capacity means that people can develop the necessary skills they need to trade. It means that they can access vital information to tap into global markets. It means that they can build the necessary infrastructure to ship their goods and services. In turn, all this brings positive impact to many livelihoods and communities around the world. And this task is just as urgent as ever.

More than 780 million people still live below the poverty line globally. Many are still cut off from the potential benefits of trade. This Global Review is a platform to discuss ways in which we can deliver more – and deliver it more quickly. The theme of this year's event is "Supporting economic diversification and empowerment".

Diversification and empowerment matter because they help to build resilience in economies. They help countries increase their participation in global trade flows, as well as facilitate opportunities to move up the value chain. In turn, all this helps to build better prospects and opportunities for improved livelihoods.

This message emerges strongly from the latest edition of the Aid for Trade at a Glance publication, which Ángel and I are launching today. The publication shows that economic diversification remains a central policy objective of economic development strategies. This is especially the case for least developed and landlocked developing countries.

It also showcases some important progress, where Aid-for-Trade Initiatives have helped to make a difference. It is notable that Africa records the strongest growth rate in agricultural and industrial export diversification. Between 2000 and 2017 the number of industrial product categories exported increased by 70%. This is important progress.

At the same time, the publication shows that big imbalances remain. For example, it shows that, on average, the least diversified economies export only six groups of products to seven export markets.

Compare that to most diversified. Those economies export more than 4,500 product groups to over 200 markets.

Many factors can inhibit diversification. Lack of access to trade finance, for instance, has been cited as a major constraint. Lack of quality regulatory infrastructure is also a barrier to diversification. To compete in foreign markets, and diversify into new ones, countries need institutions to test, measure and demonstrate the safety and quality of products. The absence of this regulatory infrastructure can be a major trade constraint.

Gender imbalances can also prevent countries from fully tapping into their economic potential. Today 84% of donors' Aid-for-Trade strategies and 85% of partner countries' national or regional development strategies seek to promote women's economic empowerment. That is very encouraging.

Another constraint is the digital divide. At a time where digital technologies are evolving at an incredibly rapid pace, we have to ensure that everyone has access to proper connectivity and IT skills. Otherwise, the risk is that existing gaps will broaden.

Environmental degradation also poses a huge challenge. This includes the depletion of ocean life as a direct result of poor economic policies – including subsidies that encourage overfishing.

We have a chance now at the WTO to tackle this issue. Ministers from all members have set a target at the end of 2019 to deliver an agreement that limits harmful fisheries subsidies. Action on all these fronts would go a long way towards building a more inclusive trading system and achieving the Sustainable Development Goals.

I'm pleased therefore that each of these issues – and more – will be under discussion here over the next three days. However, I want to stress that achieving progress in every area that I've mentioned so far is dependent on one factor. And that is the continued foundation provided by the multilateral trading system.

The rules-based global system is vital for growth and development. Just think about a world without the WTO. A world without a rules-based system of global cooperation on trade would be highly chaotic. It would be the law of the jungle. It would be a world where "might makes right", and where the poorest economies are hit the hardest.



So it is essential that we tackle the tensions that are leading to higher trade barriers and lower trade growth. The G20 leaders sent a message out from the Osaka Summit this weekend, in support of trade as a driver of growth and in support of reform of the WTO. It was a very positive message. But now we need to see action. In the interests of all WTO Members, we need to see action to reduce tensions, to reduce uncertainty, and to strengthen and improve the trading system.

The WTO's track record shows that it is critical for development. But we also know that it can be better. So we must be ready to change. We must be ready to consider how we can contribute more – and more effectively. Events like this can only help in that effort. Working together – across our organizations and our communities – we can strengthen the global trading system and ensure that it keeps driving development now, and for generations to come. So let's get to it.

I would like to thank all those at the WTO who have made this week possible – particularly Shishir Priyadarshi's team in the Development Division. I'd like now to give the floor to our friend Secretary-General Angel Gurría. The OECD is a key partner in this work.

Remarks by Angel Gurría, Secretary-General, Organisation of Economic Co-operation and Development

It is my great pleasure to be back in Geneva for the launch of the seventh OECD-WTO Aid for Trade at a Glance report, prepared jointly by the OECD and the WTO, with insightful contributions from United Nations specialized agencies and the World Bank.

Since 2007, successive editions of this ever-expanding flagship publication have shed light on the steps that developing countries and their development partners are taking to make trade work for sustainable development. This 2019 edition focuses on the core issues of economic diversification and empowerment, demonstrating how they have rapidly become key objectives of countries' trade and development strategies. Before I go into some of the main insights of the report, let me provide some context on where we stand today.

Important progress has been made. The good news is that we are making progress. Since the start of the Aid-for-Trade Initiative in 2006, donors have disbursed US\$409 billion in official development assistance to help developing countries build trade capacities and

trade related infrastructure. In addition, US\$346 billion in low concessional loans was disbursed. Per capita, the poorest developing countries get more than double the support of the richer developing countries.

The report that we are launching today also shows that, on average, aid for trade has grown 12% annually. Its share in total sector aid increased from 30 to 40%; resulting in US\$75 billion additional aid for trade. In 2017, donors committed more than US\$110 billion in Official Development Finance. South-south providers contributed US\$9 billion, although most of their support is not reported comprehensively.

Last but not least, growth in manufacturing and related services has absorbed large numbers of workers and has contributed greatly to their prosperity. However, the very nature of manufacturing is changing rapidly due to automation and digitisation of production processes and additional persistent challenges threaten to derail the progress achieved thus far.

Yet challenges persist. Economic diversification holds great potential to increase resilience and contribute to achieving and sustaining long-term economic growth and development. Broad-based economies, active in a wide range of sectors, and firmly integrated into the global economy, are better able to generate robust and sustainable growth.

However, the path towards economic diversification is becoming increasingly complex due to subdued trade growth and foreign direct investment. In addition, trade tensions and renewed calls for protectionism hit the most vulnerable hardest. In particular, the least developed, the landlocked, the Small Island Developing States, and fragile states. These countries can ill afford the cost of global uncertainties. They urgently need to raise export competitiveness so that trade can benefit marginalised groups, in particular youth and women.

The report we are launching here today takes stock of these issues and puts forward a number of recommendations which focus on promoting empowerment and economic diversification. If we are to achieve any progress at all, we must focus on the economic empowerment of women and youth – an issue that remains high on the 2030 Agenda for Sustainable Development. Youth are a large and growing proportion of the population in many developing countries and they are three times more likely than adults to be unemployed. To promote empowerment effectively, aid programmes need to



focus more explicitly on helping developing countries create extra opportunities for women and youth, particularly in sectors such as manufacturing but also in banking, transport and energy.

In addition, women's empowerment can be advanced when we act decisively in tackling entrenched gender gaps, including by fighting discriminatory social norms and institutions. While youth employment and entrepreneurship can be harnessed by improving skills and the business ecosystem.

The economic empowerment of SMEs is also a crucial factor. As such, the entry into force of the WTO Trade Facilitation Agreement in 2017 has created a momentum that is helping to level the playing field between large and small firms. This is being achieved by improving the environment that SMEs face in the exporting markets and in the origin economies of their imported inputs. According to partner countries, aid for trade facilitation appears as one of the best ways to support the economic empowerment of SMEs and to promote economic diversification.

Looking forward, the report highlights actions in several areas. For example, we must pay greater attention to the social and environmental impact of economic diversification. For that to happen we need: better incentive frameworks to attract more and better private investments; targeted social policies to support the reallocation of resources; government interventions that address market, policy and institutional failures; and we need to continue with policy reforms that are targeted at reducing trade costs. And this needs to be coupled with better access to infrastructure and health.

Economic diversification and empowerment are crucial in our increasingly interconnected and interdependent world. They create opportunities for those left behind, they break down economic and social barriers and they promote sustainable and inclusive growth. Our joint work here today demonstrates that the only way forward is by ensuring all stakeholders are involved – not through protectionism and silo approaches.

So let's continue to work together and to design, develop and deliver better policies for better lives.

Remarks by Mukhisa Kituyi, Secretary-General, United Nations Conference on Trade and Development

I express my appreciation to DG Azevedo and his team for convening this timely discussion on Aid for Trade Global Review. Economic diversification as an important engine for creating wealth and for improving returns on trade.

While many developing countries have since the 1990s aligned their policies with diversification, majority of these countries are still dependent on commodities. This typically means they show robust economic growth during the period of high commodity prices and limited growth when the cycle is down. More often than not, the cycle is down.

Since the end of the Uruguay Round, while there has been a steady increase of trade, the results of diversification have been mixed.

First, the main focus of diversification has been in policies that create access to global value chains and the main driver of this has been the development of economic zones. This was logical in the 1990s and up to the crisis of 2008, because global value chains were proliferating all over the world, leading to an immediate expansion of trade and employment opportunities. Today, the circumstances have changed. They are characterized by contracting trade, slow foreign direct investment (FDI), and weaker quality of FDI, less greenfield investment, more mergers and acquisitions, hot money, and account shifting investment appearances.

More importantly, there is limited margin for price changes because of liberalization and a deceleration in the expansion of global value chains, occasioned by the rise of the cold technology war. The medium-term prospects of rapid recovery in export-led global value chain-driven diversification is very low.

Under these circumstances, developing countries must diversify their diversification strategies while still trying to find a role in value chains as network shifts because of political consideration. There has to be growing attention in diversifying towards services trade, south-south inter-regional trade, and the rising market of green products.

Services trade has not slowed down as much as goods trade. In the past decade, while goods trade has averaged 3% per annum growth, services trade



has averaged 8%. South-South trade has another premium. Not only has it been steadily growing, but it has more content of technology transfer and more value-added trade between South and South. Over the past 10 years, Africa's exports have improved in local value addition to 15% and the value-added content rose to 26%. This may be an important frontier of addressing new forms of diversification.

During the past decade, the global demand for green products as opposed to traditional brown goods has been steadily growing and we can only see this expanding in the coming period and therefore requiring greater concerted efforts. To support these new opportunities for export diversification, we need greater regional and global cooperation in a number of important areas, particularly regulatory cooperation to reduce the barriers that pose services restrictions to trade, technical non-tariff barriers, new voluntary sustainability standards which are major inhibitors for businesses crossing borders.

Aid-for-Trade funds have continued to support important areas of regional trade integration, but these areas require new impetus, particularly on the technical barriers to trade and SPS regulatory cooperation between the different partners.

Finally, I wish to return to what DG Azevedo mentioned on the growing importance of the digital economy. It is not good enough for us to paraphrase our statements about development where the digital economy matters, and yet limited commitment to resourcing digital inclusion. While some of us acknowledged the "moonshot" of US\$5 billion digital economy investment in developing countries, it is about time in Aid for Trade discussion we had concerted efforts focusing on digital infrastructure as aid for trade infrastructure.

It is not good enough that less than 4% of all Aid-for-Trade resources go into ICT-enabled services and less than 1% of this into policy support for developing countries.

It is not good enough the G20 Ministerial will say things about the need to leave no one behind and digital inclusion.

It is critical that those at the risk of being left behind are at the table when the discussion on inclusion is being made. While plurilateral negotiations on the potential of e-commerce as an enabler of growth are gaining momentum in a plurilateral way, the 87 developing countries that are not part of this process

should remain central to this agenda and avenues have to be found for getting them into the negotiation.

Remarks by Philippe Le Houérou, Chief Executive Officer, International Finance Corporation, World Bank Group

Good morning. On behalf of the World Bank Group, it is an honour to be part of what has become one of the biggest achievements in global development—unlocking the potential of trade for developing countries.

As you all know, trade has been at the centre of tremendous poverty reduction over the past few decades. Since 1990, more than one billion people have moved out of poverty due to economic growth, underpinned by better trade practices.

Spurred by our collective actions to promote trade as an engine of growth and development, applied tariffs globally have fallen by about 35% over the past 20 years. In parallel, behind-the-border reforms have helped attract investment and stimulate the development of global value chains. With every percentage point increase in a country's trade openness, we have seen productivity increase nearly 1.25 percentage points.

Trade also promotes inclusion. Preliminary research carried out jointly by the World Bank Group and the WTO suggests that trade is linked to higher female labour participation. Firms that are more integrated in the world economy have higher shares of female employment. Trade has also brought more women into the formal economy, with greater job opportunities and higher wages for low-skilled women.

The ready-made garment sector in Bangladesh showcases how trade is transforming lives. Ninety per cent of the sector's 4 million workers are women—a 100-fold increase in labour force participation by Bangladeshi women in just three decades. In addition, the sector's rapid growth and job prospects have had a sizeable effect on parents' decision to keep girls in school longer and have delayed marriage and childbirth.

The benefits of trade extend even to conflict reduction. We have evidence that fostering cooperation through trade and business is an absolute game-changer in helping countries escape war and poverty. It is not by chance that the most dramatic expansion of global trade in history—7-fold growth between 1970 and



2010—was also accompanied by a 94% drop in global conflict-related fatalities.

This also applies at the regional level. World Bank Group research in the Great Lakes area in Africa shows that border areas that trade more have significantly fewer conflict events. This has led political leaders, like President Paul Kagame of Rwanda, to become champions of the potentially transformational African Continental Free Trade Area.

Ladies and gentlemen: The benefits of global trade are measurable and meaningful. However, we must not ignore several longstanding and emerging challenges that pose a risk to the global trading system, especially for developing countries.

To begin with, we must not relent in our efforts to reduce tariffs, which remain stubbornly high in some regions. But, that will only take us so far. Behind-the-border reforms, such as removing trade-distorting subsidies and inefficient non-tariff measures, must also be advanced.

Improved trade facilitation and logistics is another challenge to the global trading system. To avoid bottlenecks, which are especially damaging for developing countries, we must ensure efficient and sustainable supply chains.

And, it goes without saying, that a stable and predictable trading system is essential for global trade to grow. To this end, we must act collectively to preserve and strengthen the rules-based trading system.

I would now like to touch on two newer challenges to global trade and steps we should take in response.

First, anti-money laundering and combatting the financing of terrorism regulations have increased the risks and costs for banks. This has reduced correspondent banking and trade finance, especially for developing countries. Since 2011, the number of correspondent banks has fallen by more than 19% and letters of credit have dropped by 13%.

Trade finance shortfalls are particularly acute for the poorest countries. As one importer in Tanzania said recently, "When you are in Africa, no one wants to work with you without a confirmed letter of credit."

Banks, regulators, and international financial institutions must take coordinated and comprehensive actions to stem the decline in trade finance. Legal

identifiers, when backed by block chain, are potentially revolutionary for trade finance. A single global standard for legal identifiers could really level the playing field for SME importers in developing countries.

The second new challenge is the growing pushback against trade in some developed countries. The speed of globalization has outpaced the ability of many communities to adapt. Some regions and communities are being shut out from the benefits of trade. And adjustment to trade openness can take much longer than expected.

While the pains of adjustment are often blamed on trade, recently, rapid technological advances have also played a larger role. Technology has brought economic concentration and exacerbated the gap between unskilled workers and those with human and financial capital. In several advanced countries as well as fast-growing developing economies, inequality is increasing, not decreasing.

The standard prescription to cope with the cost of adjustment is to support worker mobility for new and better jobs. We do this by teaching people, especially youth, the relevant skills for a world of changing technology and open markets. But this should be coupled with social protection systems and labour policies that protect people, not jobs.

Obviously, the policies have to be adapted to domestic economic and social conditions. We must make this our priority.

To sum up: Trade has and can continue to be a driver of tremendous economic growth, peace, and prosperity. But we must not take the gains of trade for granted. We must confront head on the challenges associated with global trade. Greater inclusion is the key for making trade work for all, and helping us achieve our goal of ending extreme poverty and promoting shared prosperity.

Remarks by Arancha González, Executive Director, International Trade Centre

There is a strange contradiction about the world we live in. By many objective measures – extreme poverty, hunger, child mortality, literacy levels – we're doing better than ever before. And yet, the world sees itself mired in geo-politics, with the value of multilateralism questioned and with the working poor increasing, especially in middle income countries.



My intention is not to argue either case. But the fact is that three major revolutions are giving people everywhere reason to feel uneasy about their lives and future prospects:

First, a digital revolution that is fundamentally changing the way we produce, we trade, but more importantly we work. New business models, and a fourth industrial revolution that combines digital and physical technology, come with risks for job creation, as well as opportunities.

Second, an ecological revolution: climate change and other kinds of environmental degradation are exacerbating existing inequalities. We cannot let this happen.

Third, a social revolt. Economic insecurity drives angry politics. Sluggish growth, or growth that has been unequally shared, has fuelled voter dissatisfaction across the world, in developing and developed countries alike.

Our response to each of these revolutions has the potential to lead us towards a more equitable, sustainable, and prosperous future. The question facing us this week is "How can trade contribute to getting us there?"

We should be very clear. When it comes to the challenges we face today - on economic and social exclusion, on environmental protection, and on governing the digital economy - trade and the trading system can be part of the solution. We must ensure it is part of the solution.

Trade has played a key role in the "structural transformation" process that is at the heart of economic development. This transformation is about shifting people and resources out of subsistence activities and into work that is more productive. Over the past 40 years, many countries were able to grow much faster than they otherwise might have by being open to using trade as a route to growth. Millions exited poverty.

Trade-led development was enabled by the predictably open global markets. The rules-based multilateral trading system allowed countries to diversify their economies and export baskets. Businesses could invest in moving up the value chain, or in new sectors, and be relatively confident that unexpected trade barriers were not among the risks they faced.

But not every country was able to seize the opportunities presented by trade. Many developing countries remain reliant on a single export product, making their economies deeply vulnerable to price volatility, climate change and even political violence. Dependence on a single service like tourism is risky for small island and coastal countries cruelly exposed to extreme weather events and a changing climate.

Particularly among least developed countries, landlocked developing countries, and fragile states, too many have remained on the margins of the global economy, exporting raw commodities if anything at all. This is why the Aid-for-Trade Initiative was set up in the first place in 2005.

Even in countries that were more successful at tapping into global markets, the gains were not always widely shared. That is why it matters so much to connect micro, small, and medium-sized enterprises to international value chains. When they thrive, the benefits of trade and growth are spread across society. This is why MSME competitiveness is at the heart of ITC's work.

Trade-led development today faces two serious challenges.

The first one is in the news every day. The open global economy is under threat. Trade restrictions are growing. The very notion of rules-based cooperation on trade has come under sustained political pressure. We risk the fragmentation of markets.

An unsupportive global economic environment would make it much harder, if not impossible, for marginalized countries to generate jobs, and end extreme poverty by 2030. We would miss the Sustainable Development Goals.

The second challenge gets less attention, but could be even more profound. Technology is changing the face of structural transformation.

Once it was about workers moving from farms and into factories, starting from textiles and clothing. Then it was about the fragmentation of factories into multi-country value chains, with component production, processing and assembly located wherever it could be done most competitively. Now sophisticated machines mean that factories don't need as many workers as they once did. Industry is less labour-intensive. The market case for locating production in developing countries is also shifting.



In response to the first challenge, we must make the case for open markets within a framework of rules. They- you- should invest in creating the rules, also in the WTO, whether on fisheries subsidies, on e-commerce or on investment facilitation.

To the second challenge, we must respond by promoting greater value addition across the board, in agriculture, industry, and services.

On both, we must ensure the gains from trade and value addition are socially inclusive. MSMEs are an important part of this, as is smarter social safety nets. But it is also supporting women in trade by correcting the policy and market failures that keep them out of our mainstream economies.

It is not about "talking to feel good". It is about "acting smart". Governments, the private sector, and civil society all need to act to empower women as economic equals – as it delivers results in terms of growth and equity. When you do, you get amazing results like this first ever chocolate bar made by women small farmers in Liberia.

The trade community can help.

It can create a better domestic enabling environment for women to trade. This is why we have created the "She Trades Outlook", a dashboard with over 90 indicators helping countries understand where to focus a priority in support of women's economic empowerment. But also by ensuring women are not discriminated in trade policies.

This is where we must build on the concrete steps we took at MC11 on women and trade. The Buenos Aires Declaration was a beginning, not an end. We can also invest more Aid for Trade resources to support women in trade.

We can also help change stereotypes. Many people still ask: are there women experts in trade and economic governance matters? We are determined to ensure this question is not asked again. Therefore, we invite you to join us at the launch of "Women Shaping Economic Governance"- a book with contributions from 28 women from all around the world with suggestions to shape our economies.

It has never been better to be a young entrepreneur than today. And yet skills mismatch and lack of access to affordable finance prevents many youth from thriving in trade. This is what ITC's contribution to "At

A Glance" shows. Here is another clear role here for aid for trade.

Nobel Prize winner Amartya Sen famously argued that development is really about giving people opportunities to use their capabilities. When you empower a young women entrepreneur to connect to overseas buyers, when you help make it possible for a youth-run firm to expand into neighbouring countries it does more than create jobs. It enables people to pursue their aspirations and capitalize on their abilities. And that is why we are here this week. This is why it matters that we keep investing in Aid for Trade.

Thank you to the WTO Secretariat for bringing all of us here. I wish you a successful Aid-for-Trade Global Review.

Remarks by Hani Sonbol, Chief Executive Officer, Islamic Trade Finance Corporation

It is my pleasure to be among such a distinguished gathering this morning. Today, we are congregated to share and learn from our experience and achievements on how to support international trade to achieve sustainable development. As the sole trade specialized Multilateral Development Bank, the Islamic Trade Finance Corporation – ITFC – take pride in "advancing trade" and "improving lives".

I would like to commend the tenacity of Excellencies Roberto Azevêdo and Ángel Gurría in serving the international trade system and the sustainable development agenda. The depth of their vision and the persistence of their leadership are the only reasons; allowing us to meet every two years to reflect together on our Aid for Trade engagement. Moreover, their efforts and guidance ensure the consistence and the high quality of the Aid for Trade Global Reviews.

I'm confident that this Seventh edition will be a great success too and ITFC is contributing in many ways to ensure that. We will be meeting, later this morning, along with other Heads of institutions to discuss the situation and future of Trade Finance operations, policy and technical assistance. In an effort, to participate collectively in resorbing the estimates US\$1.5 trillion Trade Finance Gap.

ITFC is also structuring and managing Trade Finance Funds to attract non-traditional Trade Finance investors, in an effort to reduce the gap, diversify the source of funding and financing of international



trade. For instance, we are closing as we speak the investment in ITFC Sovereign Energy Fund (ISEF) and we will start deploying its capital very soon.

In the area of technical assistance, since 2014, ITFC has offered its full support to implement the Aid-for-Trade Initiative for the Arab States (AfTIAS) Programme for the benefit of the Arab Region, where the level of trade remains the lowest in the world.

The First Phase of the AfTIAS programme (2014 – 2018), which contributed to implement 28 projects in 19 countries has successfully. We have now started the formulation and the design of the Second Phase of AfTIAS Programme, that will help to enhance the trading capacity of our member countries. We would like to avail this opportunity to call our International partners and donors to join us to support the Second Phase of AfTIAS Programme.

Capacity building remains also a critical element in ensuring financial inclusion. For instance, ITFC supports women entrepreneurs in developing their capacities through the She Trade Programme, in partnership with the International Trade Centre. We have a successful She Trade Programme in Egypt, under the AfTIAS and we look forward to expanding similar programmes in the Arab World.

Furthermore, we will be presenting this afternoon, in another dedicated session, examples of the Islamic Development Bank – IsDB – Group contribution during the last two years to the Aid for Trade efforts. All of this is formalized, in an ITFC led, IsDB Group document available online.

The main theme of the Group's contribution is GVCs – Global Value Chains. This is a relatively new strategic direction for the Islamic Development Bank Group as decided by the Bank's Board of Executive Directors in July 2018. The Bank even created a dedicated GVC Unit.

This is indeed crucial, as international trade itself is revolving today around GVCs. And the only chance for developing countries to survive is to integrate GVCs and capture value-added activities in manufacturing and services. Moreover, the IsDB contribution touches upon other major topics, it gives samples of Trade Finance, Trade Development, Private Sector and Insurance interventions. Furthermore, the contribution gives concrete cases of our work in Agriculture Global Value Chain, including the Cotton Global Value Chain, from plantation in Africa to the rest of the World.

Let me remind you that our entire work at ITFC, and at IsDB Group, is oriented to ensure significant contribution to the achievements of the Sustainable Development Goals (SDGs). Everything we do is in a three-dimensional paradigm to materialize sustainable development through (1) resilient economic growth; (2) equitable social prosperity; and (3) comprehensive environment protection. This is what the ITFC finances through its US\$50 billion funded facilities.

The development community can work hand-in-hand to overcome the challenges imposed by the turbulent world we live in today. For this reason, partnerships are at the heart of ITFC, and IsDB Group, strategy. We look forward to keeping working with you all and to maintaining together this momentum to contribute actively to the development of international trade and global value chains.

Reporter: WTO



SESSION 2: Thematic Focus Session: "Seizing opportunities for economic diversification"

Organizer: World Trade Organization

KEYNOTE SPEAKERS

› **Ville Skinnari**, Minister for Development Cooperation and Foreign Trade, Finland

MODERATOR

› **Gabrielle Marceau**, Senior Counsellor, World Trade Organization

PANELLISTS

- › **Norbert Barthle**, Parliamentary State Secretary, Federal Ministry for Economic Cooperation and Development, Germany
- › **Hiroshi Kuniyoshi**, Managing Director for External Relations and Field Representation and Deputy to the Director General, United Nations Industrial Development Organization
- › **Pedro Mancuello**, Vice-Minister, Ministry of Industry and Commerce, Paraguay
- › **Lautafi Fio Selafi Purcell**, Minister, Ministry of Commerce, Industry and Labour, Samoa
- › **Sérgio Mendes dos Santos**, Secretary of State, Ministry of Economy, Angola

OVERVIEW

Progress in economic and export diversification emerges from the 2019 joint OECD-WTO monitoring and evaluation (M&E) exercise. Forty-seven respondents reported improvements in economic diversification since the launch of the Aid-for-Trade Initiative in 2006. The share of LDCs reporting progress was 1.5 times higher than other respondents. Agriculture is the sector in which most progress in economic diversification has been reported, followed by services and industry. But progress is far from uniform or universal. Five M&E respondents replied that no diversification had occurred since Aid-for-Trade Initiative was launched.

Among the factors identified by the M&E exercise which are holding back economic and export diversification are limited industrial or manufacturing capacity, particularly among LDCs. Access to trade finance also came out strongly as a limiting factor. Among donor respondents, low levels of training and skills was the constraint most frequently cited. Other challenges cited reflect inherent challenges. High trade costs were cited by landlocked countries and small domestic markets were the main constraint reference among small economy respondents.

Against this background, this thematic focus session will explore the continuing preeminence of economic and export diversification as a development policy objective against the backdrop of fast-changing dynamics in the global economy and the context of the 2030 Sustainable Development Agenda.



Short summary

This session discussed how developing countries can seize opportunities for economic diversification – and how aid for trade could support this process. The speaker and panellists highlighted the importance of attracting investment and facilitating the activities of the private sector to achieve economic diversification. Key factors identified in this respect were regional economic integration, implementation of the WTO Trade Facilitation Agreement, digitalization and a transparent regulatory framework. The discussion highlighted that the empowerment of women and youth was an essential factor in achieving economic growth and diversification. Environmental and social issues were also being given increased attention in trade and aid for trade agendas. Manufacturing remained a key sector to achieve economic diversification as it was at the heart of technological development and displayed strong linkages with other sectors. Particular focus in the discussion was given to the role of digitalisation and e-commerce. Speakers highlighted that digital transformation provided opportunities for developing countries to further diversify their economies by increasing connectivity and creating new business opportunities. At the same time, developing countries still faced several challenges such as the need to improve regulatory frameworks, ICT infrastructure and physical connectivity.

This thematic focus session explored the continuing preminance of economic and export diversification as a development policy objective against the backdrop of fast-changing dynamics in the global economy and the context of the 2030 Sustainable Development Agenda. The Session was moderated by Ms. Gabrielle Marceau, Senior Counsellor, WTO.

Long summary

Keynote Speaker: Ville Skinnari, Minister for Development Cooperation and Foreign Trade, Finland.

Minister Skinnari highlighted the importance of trade openness and the need to defend the multilateral trading system, as small and poor countries would suffer the most from protectionist tendencies. He noted that the EU and its Member States were the leading providers of Aid for Trade, accounting for nearly one third of overall Aid-for-Trade (AfT) flows. He underscored the importance of attracting investment and facilitating the activities of the private sector

to achieve economic diversification. He highlighted four issues, all of which were part of the AfT agenda, in this respect: (i) regional economic integration provided opportunities for diversification and expansion of exports. Finland would provide support to Africa countries towards the implementation of the African Continental Free Trade Area (AfCFTA); (ii) the implementation of the WTO Trade Facilitation Agreement was important in a world of global value chains where smart borders were needed; (iii) the digitalization of the economy and e-commerce made physical distance less important and would bring both new challenges and opportunities; and (iv) transparent and business friendly regulation was key to attract investment. He furthermore highlighted that Finland increasingly prioritized environmental issues, labour rights and gender issues in its trade policy. His Government was committed to increase climate financing in line with the Paris Agreement. He highlighted gender equality as a deep-rooted value for Finland's society. Educated, working women were a key element of Finland's transformation to a modern economy. Women's empowerment and gender equality were central tenets of Finland's trade agenda.

Panel discussion

Lautafi Fio Selafi Purcell, Minister, Ministry of Commerce, Industry and Labour, Samoa: The Minister highlighted the importance of the fisheries sector as well as of tourism for Samoa's economy. Fisheries represented 3% of Samoa's GDP and almost half of its exports. Important issues that were related to fisheries included food security, climate resilience, sustainable fishing practices, fishing licences and investment in fish processing. He noted that services accounted for 68% of Samoa's GDP, while manufacturing and the primary sector totalled for 22% and 8%, respectively. He highlighted that tourism was a key driver of Samoa's economic growth, with 172,000 tourist arrivals per year. He explained that in order to enhance the benefits from tourism, Samoa had invested in upgrading its airport infrastructure. Regarding the role of digitalization and e-commerce for diversification, the Minister noted Samoa's improved internet access thanks to undersea cables. UNCTAD's e-trade readiness assessment in 2017 had pointed to gaps: in legislation on e-commerce, the lack of an e-commerce strategy, a large unbanked population and the lack of physical addresses to facilitate delivery. Digital development would provide a boost for the tourism industry. He also pointed to the benefits of a programme for



temporary labour mobility with Australia and New Zealand in terms of skills training and certification. The Minister concluded by highlighting the importance of digital technologies to reduce the remoteness and enhance the competitiveness of the Pacific islands, and transform them into modern economies.

Pedro Mancuello, Vice-Minister, Ministry of Industry and Commerce, Paraguay: The Vice-Minister said that Paraguay, a landlocked country with an important agriculture sector, was in the process of industrialization. The contribution of manufacturing to GDP had doubled to 20% in past years. He highlighted the importance of further integration into the global economy for diversification and growth. Three factors were key in this respect: (i) youth – 70% of Paraguay's population was below 35 years of age; (ii) women, who traditionally had been very active; and (iii) MSMEs – which represented 97% of the companies in Paraguay. Regarding the role of digitalization and e-commerce for diversification, he said that Paraguay had a good legal framework in place but faced high connectivity costs. He highlighted three initiatives to improve connectivity: (i) connectivity agreement with Bolivia to share undersea cable as well as satellite access; (ii) agreements with Brazil on flight connections; and (iii) an agreement with Argentina to improve river connectivity. Improving connectivity was crucial to provide opportunities for its young population. The recently concluded agreement between Mercosur and the EU would further enhance opportunities. He concluded by highlighting that e-commerce and digital connectivity were key to link Paraguay's young population to the rest of the world.

Hiroshi Kuniyoshi, Managing Director for External Relations and Field Representation and Deputy to the Director General, United Nations Industrial Development Organization: Mr Kuniyoshi highlighted the importance of manufacturing for economic diversification as it was at the heart of technological development and displayed strong linkages with other sectors. Trade was crucial for increased global demand for domestic manufacturing and productivity growth. Standards and skills development were two key factors for fostering manufacturing. UNIDO provided countries with a holistic approach through its Programme for Country Partnership (PCP), which used ODA as a lever to attract investment and supported countries in building infrastructure and skills in line with the needs of potential growth sectors. He said that despite the ongoing digital transformation and the fourth industrial transformation, manufacturing could continue to play an important role in countries' development. The

forthcoming UNIDO Industrial Development Report would show that the impact of robotization and automation depended on the industry and that labour-intensive and low-technology industries continued to provide employment and income opportunities. Furthermore, the digital revolution with 3D printing and internet platforms created opportunities for new products and enterprises to leapfrog to use the latest technology. Mr Kuniyoshi concluded by highlighting the need for resources and coordinated support to use industrial development as a driver for diversification. Under the G20 initiative on industrialization in Africa and LDCs, UNIDO collaborated with partners to help countries build their industrial capacity.

Norbert Barthle, Parliamentary State Secretary, Federal Ministry for Economic Cooperation and Development, Germany: Mr Barthle said that it was important that countries themselves needed to decide on what support was best for their economy, and that Germany would provide support to countries in this process. He said that Germany had three concepts to achieve greater diversification, with a focus on Africa: (i) its 2017 Aid for Trade Strategy on Free and Fair Trade as a Driver for Development; (ii) the G20 Compact with Africa, launched during Germany's G20 presidency in 2017; and (iii) Germany's Marshall Plan with Africa which aims at creating the social framework conditions for sustainable development (human rights, rule of law, education and political stability). An important element in Germany's efforts was support provided for the implementation of the WTO Trade Facilitation Agreement; Germany was also a member of the Global Alliance for Trade Facilitation. Also, Germany had recently launched a EUR 1 billion development investment fund for Africa with the aim to promote investment and trade in Africa. Regarding the role of digitalization and e-commerce for diversification, Mr Barthle noted that Germany wanted to leverage the opportunities of digitalization in five areas: (i) work; (ii) local innovation; (iii) equal opportunities; (iv) good governance and (v) women empowerment. Germany was supporting 480 projects in 90 countries. He highlighted that digital transformation represented a historic opportunity to overcome inequality, and pointed to the #e-skills4girls initiative that had been launched during Germany's G20 presidency.

Reporter: WTO



SESSION 3: Thematic Focus Session "How can aid and 21st Century trade help to close the gender gap?"

Organizer: World Trade Organization

KEYNOTE SPEAKERS

- › **Angel Gurría**, Secretary-General, Organisation for Economic Co-operation and Development
- › **Ann Linde**, Minister for Foreign Trade, Sweden
- › **Isatou Touray**, Vice-President, The Gambia

MODERATOR

- › **Anoush der Boghossian**, Trade and Gender Focal Point, World Trade Organization

PANELLISTS

- › **Caroline Freund**, Director of Trade, Regional Integration and Investment Climate, World Bank Group
- › **Robert Koopman**, Chief Economist, World Trade Organization
- › **Cyn-Young Park**, Director, Regional Cooperation and Integration, Economic Research and Regional Cooperation Department, Asian Development Bank
- › **Marc Vanheukelen**, Ambassador, Permanent Representative of the European Union to the WTO
- › **Simonetta Zarrilli**, Chief, Trade, Gender and Development Programme, United Nations Conference on Trade and Development

The case for gender equality has never been more apparent. Despite representing half the world's population, women and girls still face inequalities that stifle social and economic progress. An economy cannot operate at its full potential if half of its population cannot fully contribute to it. Inclusive trade is a critical component to achieving gender parity. It creates more job opportunities for women with higher wages and better working conditions. Through the development of services trade, digital trade and global value chains, women's possibilities to participation in international trade have increased and contributed to closing gender gaps. However, there is still more that can be done to tackle the existing obstacles that hinder women from fully reaping the economic benefits of global trading.

In order to ensure that increased opportunities from economic growth are realized and that the results are beneficial for all it is important to adopt a gender responsive approach when planning and implementing trade policies. The WTO, the World Bank Group, UNCTAD and OECD have all conducted innovative empirical and theoretical research in deepening the understanding of the linkages between trade and gender. The panel session will include a discussion with these organizations on the importance of reliable research and data on trade and gender linkages. Key findings from recent research will be highlighted.



Short summary

The eight guest speakers agreed that the gender gap must be bridged to improve women's participation in trade and thus, women's empowerment. Some solutions had been proposed, such as better access to training, the creation of financial assistance for women entrepreneurs, better access to technologies (in particular the internet), better safety measures for businesswomen and better collection of data. All speakers agreed on the beneficial effects of including women in trade for the global economy and reducing poverty.

Long Summary

Angel Gurría, Secretary-General, Organisation for Economic Co-operation and Development said that there are two solutions to improve women's participation. One involved a horizontal approach though which states have to enact policies for women's empowerment, adapted to women's needs. These policies would only be efficient if society change its views on women's participation in trade. Women had to have the same access to financial aid, technologies and working conditions as men. The second approach was targeted policies in sectors such as transport, infrastructure, communication and agriculture. Steps in these sectors would facilitate women's participation.

Isatou Touray, Vice-President of The Gambia said that in The Gambia, wages and working conditions were lower for women than for men. Only 11% of employers in the formal sector were women, and 18% in the informal sector. In addition, women had problems obtaining land, financial assistance or access to technology. Women faced negative attitudes and behaviour because of their gender. Solutions to improve women's participation should include the improvement of infrastructure on border crossings, access of information about customs procedures, diversification of economic activities and support for women to create new enterprises (e.g. the creation of a fund for women to have access to credit). Aid for trade was helping to develop the transport, infrastructure, energy and communication sectors that could improve women's participation in trade.

Ann Linde, Minister for Foreign Trade, Sweden, said there was a lack of data on the gender and trade question and only a few donors had policies on the inclusion of women in trade. She added that it was

crucial to improve women's participation, notably in access to digital technologies and the internet.

Marc Vankheukelen, Ambassador, Permanent Representative of the European Union to the WTO said that the European Union had taken trade measures to help close the gender gap. For example, bilateral trade agreement between Chile and EU has a whole chapter on gender equality. He referenced three EU programmes to help close the gender gap: Gender action plan (2017-2020), Women's financial inclusion policy (a fund of 10 million to improve access to financial aid for women) and Promoting responsible supply chain in the garment on the chain and garment sector based on decent work, traceability and transparency.

Caroline Freund, Director of Trade, Regional Integration and Investment Climate, World Bank Group highlighted that women had 75% of the rights enjoyed by men (world's average) and less than 50% in the Middle East and North Africa. She said that women faced problems in being selected for high office positions. She added that women's safety was compromised when they were crossing the border (problems of harassment). Border staff had to be trained.

Robert Koopman, Chief Economist, World Trade Organization highlighted that the lack of access to education and financial aid hampered women's participation and trade. Discriminatory national laws were another factor. He added that solutions to improve women's participation should include access to digital technologies).

Cyn-Young Park, Director, Regional Cooperation and Integration, Economic Research and Regional Cooperation Department, Asian Development Bank (ADB) explained measures taken by the ADB to close the gap gender. Since 2018, ADB had implemented policies to promote gender equality. Now, fully 76% of its projects had a gender policy. ADB also organized financing and investment workshop to encourage businesswomen. She added that improving women's participation in digital technologies sector was key.

Simonetta Zarrilli, Chief, Trade, Gender and Development Programme, United Nations Conference on Trade and Development (UNCTAD) said that there was still a lack of data on the gender and trade question. She mentioned a study published by UNCTAD on regional trade agreement which compared the RTAs between Latin America countries (MERCOSUR)



and the RTA among East African countries (EAC) on gender issues. On both regional integrations, she said there was a gender equality policy (on EAC Treaty and later MERCOSUR).

Reporter: WTO



SESSION 4: Side Event "Aid for digital transformation"

Organizer: South Africa

MODERATOR

› **Xolelwa Mlumbi-Peter**, Ambassador, South African Permanent Mission to the WTO

PANELLISTS

› **Wullo Sylvester Bagooro**, Programme Officer, Third World Network - Africa

› **François Xavier Ngarambe**, Ambassador, Permanent Mission of the Republic of Rwanda to the UN

Significant challenges such as connectivity, accessibility and digital inequality exist in most African countries. A key objective of this session is to evaluate whether global objectives aimed at bridging the digital and technology divide are being met, as well as focusing on the scope for digital industrial policies for African countries to achieve their own digital structural transformation.

- › **What** is the status of global and stakeholder efforts aimed at bridging the divide?
- › **How** has the digital divide affected digital transformation prospects of African countries?
- › **What** finance options are best-suited for African countries to develop national and regional digital infrastructure?
- › **What** role can aid play in Africa's digital structural transformation?
- › **What** policies are required to facilitate digital transformation for African countries?



Short Summary

This session sought to establish the pre-requisites for African countries participating or thinking about participating in e-commerce negotiations at the WTO. Given that African countries are experiencing a severe digital, technology and development divide, their objectives for Digital Transformation would not be met by multilateral rules on e-commerce. The typology of the proposed rules signifies the crucial importance of data in the digital economy and African countries need to treat data as an economic resource and safeguard it from international global platforms. They also should not agree to a permanent moratorium on customs duties on electronic transmissions as the revenues generated by these duties could be used to finance digital industrialization as African countries begin to explore innovative methods of aid for digital transformation.

Long summary

The Session was moderated by **Xolelwa Mlumbi-Peter, Ambassador from the South African Permanent Mission to the WTO in Geneva**. The Panel comprised **Dr. Rashmi Banga, senior economic affairs officer of UNCTAD** and **Vahini Naidu, Counselor at the South African Permanent Mission to the WTO**. Other speakers were unable to participate due to conflicting schedules at the last minute.

Dr. Banga focused her presentation on data infrastructure. She made the point that African countries should treat data as an economic resource. In that sense, they were resource-rich as countries with large young populations had an advantage in data generation. African countries thus needed to safeguard their data from the global platforms because national platforms are not in a position to compete. She also spoke on the issue of 3D printing and additive manufacturing, saying that this had the potential to wipe out 40% of cross-border trade. This would have severe impacts on employment, economic growth and revenue generation in developing countries. She noted that African countries needed a regional data integration and digital industrial policy for digital transformation. This digital transformation could be financed by revenues from duties on digital transmissions. Sub-Saharan Africa could generate up to US\$2.6 billion per year through these duties. It was therefore important for developing countries to preserve policy space in trade and investment agreements covering e-commerce and digital trade.

She judged the current proposals in the context of the WTO negotiations on e-commerce as negative and contrary to bridging the digital, technology and development divide for developing countries as it would lock-in the benefits currently enjoyed by a few lead firms in the digital economy.

Ms. Naidu said that digital inclusion had proven elusive for African countries and a large digital and development divide persisted. She said that it is inconceivable to imagine how African countries could leverage the benefits of digital trade when their inclusion in the digital ecosystem is the exception rather than the norm. According to the ITU, only 25% of the entire African continent is online. Efforts at providing funding to narrow the existing gap had also proved fruitless (ITU Connect 2020 agenda cannot meet its objectives due to lack of funding and Global Digital Solidarity Fund collapsed due to no funding). Literature has shown that aid from developed countries was largely ineffective and merely a mechanism to extract wealth from developing countries. So, what were the options for financing digital transformation? She pointed to self-financing mechanisms and mentioned regional efforts such as the new African Development Bank facility for digital inclusiveness. She also advocated for duties on electronic transmissions as a source of finance, creating an Africa Cloud, building regional digital infrastructure, creating a digital development fund and South-South cooperation. She concluded by saying that developing countries should desist from signing on to binding rules on e-commerce with the promise of aid. The African Group had a bitter history in the WTO and elsewhere and aid had generally not been forthcoming in the ways that were needed, and it should never be conditional, particularly if it required accepting policy commitments that undermined Africa's development objectives as we defined them. Retaining policy space in this area was crucial. She also noted that e-commerce was thriving in the absence of rules.

During the ensuing discussions, there were some comments pointing out the gaps in access to electricity in Africa, and why nothing was being done about it. The panellists responded that this issue had been raised in the WTO but was met with a response that the WTO was not a developmental organization. So, the WTO completely ignored these bread and butter issues which affected the majority of WTO members.

Deborah James, Our World is Not for Sale network, commented that current proposals in the WTO



e-commerce negotiations were a corporate wish list that did not reflect the needs of developing countries.

Ambassador Deepak of India commented that rules on E-commerce would wither away existing WTO rules and will be costly for African countries preventing them from reaching leadership in this sector. There was no urgency in adopting rules on e-commerce as this was still expanding. He also advocated for duties on electronic transmissions and for a digital tax on big platforms on the basis of the number of users in the country as was being considered by the French parliament.

Michael Fiorentino noted that there were many successful digital entrepreneurs in Africa coming up with creative solutions and do not feel that they were being "crushed" by competition from developed countries.

The panellists replied that there were a lot of entrepreneurs in Africa because they had policy space. They said that China should be looked at as an example of how limitations to access by foreign providers allowed for the development of domestic platforms. They noted that they were in favour of digital transformation, digital industrialization and e-commerce but not in favour of binding rules.

Reporter: Permanent Mission of South Africa to the WTO



SESSION 5: Side Event "Creating and Capturing value at origin: Tourism as a driver of inclusive and sustainable economic diversification"

Organizers: World Tourism Organization, International Trade Centre, European Bank for Reconstruction and Development

OPENING REMARKS

- › **Arancha González**, Executive Director, International Trade Centre
- › **Francis Malige**, Managing Director, Financial Institutions, European Bank for reconstruction and Development
- › **Bambang Susantono**, Vice-President for Knowledge Management and Sustainable Development, Asian Development Bank

MODERATOR

- › **Dale Honeck**, Senior Counsellor, World Trade Organization

PANELLISTS

- › **Valeri Chekheria**, Chief Executive Officer, Adjara Hospitality Group
- › **Sanja Gagulic**, Member of the Supervisory Board, Sunce Koncern
- › **Win Nie**, National Project Consultant, International Trade Centre
- › **Lisa Van Tassel**, Director Grants Office, Office of the President, Republic of Palau

CLOSING REMARKS

- › **Zurab Pololikashvili**, Secretary-General, World Tourism Organization

Tourism is one of the main contributors to economic growth in many countries, and it is one of the most rapidly growing sectors in the international economy. Sustainable tourism development entails complex value chains, and many countries struggle to capture a larger share of the value created within the tourism value chain and to maximise spill-overs and benefits for their wider economy.

Strengthening the capacities of local facilities, suppliers and services providers combined with appropriate marketing and destination branding are key elements for a successful move into higher-value added tourism on a sustainable basis, and associated economic diversification.

The session will identify best practice strategies and solutions for key tourism actors to expand their local linkages and develop capacities and skills throughout the tourism value chain, based on successful experiences from Croatia, Georgia, Myanmar and Palau. The session will discuss the support the private sector, international finance and trade support institutions can provide for countries to further develop a competitive and at the same time responsible tourism offering and related value addition. The session will also consider how governments can establish conducive frameworks to promote and facilitate such development.



Short summary

In opening remarks, speakers from the WTO, ITC, EBRD and ADB said that tourism contributed to conservation of the environment and national cultural heritage. It generated jobs and supported SMEs. It had a positive impact on the balance of payments and employed one in ten people worldwide. Tourism created one of every five new jobs. It helped stabilize countries with growing populations. In the case of some countries it was the number one export. Tourism would also help deliver SDG 8, 12 and 14. It could have immense multiplier effects.

In the session, the four panellists presented examples of the way their countries were moving to high value tourism. Georgia and Croatia were represented by private sector hotels that had started as family ventures, Myanmar, which was receiving support from the ITC to develop its tourism sector, and Palau, which had in place a national strategy.

Long summary

Dale Honek of the WTO introduced the session noting that panellists would present examples of how countries had moved to high value tourism. In doing so, two main concerns had been raised: over-tourism and environmental conservation. Tourism created jobs and added value. It could also contribute to the conservation of the environment.

Francis Malige of the EBRD said that tourism was a very important sector for investment. It had a positive impact on the balance of payments and creation of added value. It was also a very important driver of job creation, with one in ten people employed in the sector worldwide. It had also generated one of every five new jobs. It was necessary though to plan investments carefully, so as not to overwhelm the real capacity of tourist attractions or sites and to create and structure local supply chains around them.

Bambang Susantono of the Asian Development Bank said that tourism was an important economic driver in the Asia Pacific region and with its forward and backward linkages generated around 8% of the region's GDP. Intra-Asian tourism represented 78% of the total with a growing outflow from China. The sector employed twice as many women as any other sector. The ecotourism project in Mongolia could serve as a model of projects that could be financed as well as those that promoted a sustainable blue economy.

Arancha González of the ITC said that for some countries tourism was the most important foreign exchange earner. It was linked directly to SDGs 8, 12 and 14. For the ITC, tourism was a source of entrepreneurship opportunities, a way to attract investment and it was about structural transformation, innovation and about connecting the base of the pyramid to economic opportunities. It had immense multiplier effects, but a number of prerequisites were necessary in order to make the synergy between trade and tourism work. The first one was to strategize and find out where the strengths and weaknesses were. Second, to have a whole value chain approach and work with local tour operators, local guides, hotels and restaurants, and artisans. Third, the value chain had to be connected to the market, so investment in infrastructure was needed. And finally, policy-making that favored tourism.

Valeri Chekheria, CEO of the Adjara Group, explained that they had started their business with 40 people 9 years ago and now they had 5 hotels and 3,400 employees. Tourism was one of main economic drivers in Georgia. The Group was based on the idea of giving tourists a very local experience based on Georgian traditions and culture that large international chains could not provide. Instead of destroying the old soviet architecture, they have turned them into modern hotels. In villages where the population had left, people were coming back to work at hotels or to set up businesses that developed alongside the hotel. They also worked with local farmers associations.

Sanja Gagulic, Member of the board at Bluesun Hotels and Resorts in Croatia, said they were a family-owned company. They tried to support small local businesses specially for food supplies in their hotel. When they had started, ten years ago, there was no communication between small family-owned businesses that could be suppliers to the hotel. Bluesun had started to establish these contacts, visiting businesses in a radius of 10 to 20 miles trying to get them to invest in infrastructure and to get their products to match the needs of the hotel. They had received support from the government and the EBRD. Today, 35% of their food supply came from local suppliers and an additional 25% also from local suppliers but through bigger companies.

Win Nie, National Project Consultant for ITC's project in Myanmar, explained that the government of Myanmar and the ITC had partnered to develop the Kayah inclusive tourism project. One of the keys for success had been looking at the markets before product development, for instance looking for locations



that might attract tourists, what kinds of activities were on offer, etc. Thus, local people got income from tourism and tourists could enjoy local life and culture. Benefits were not only for service providers but for the whole community. Kayah was now like a learning center for other organizations that wished to develop inclusive tourism projects. Tourism could also help to promote rebuilding of infrastructure and repatriation of refugee populations in areas that had been afflicted by armed conflicts.

Lisa Van Tassel, from the Office of the President, Republic of Palau, said that in 2014 the country had decided to target high value tourism, and move the economy towards tourism and away from commercial fishing. Starting in 2020, 80% of Palau's waters would be a no-take zone for commercial and domestic fishing. The remaining 20% would be reserved for domestic fishing first and only after the country's needs had been met would commercial fishing be permitted. In order to obtain a visa, visitors to Palau would now have to sign the "Palau Pledge" which included promises to the children of the country not to litter, not to take marine life souvenirs and to support local businesses. The problems with these measures was that it was very difficult to enforce them.

Zurab Pololikashvili, Secretary-General of the World Tourism Organization, closed the session by saying that the panellists had presented good examples showcasing the efforts of small countries to promote tourism. He announced that next year the UNWTO would be promoting rural and eco-tourism.

Reporter: WTO



SESSION 6: Side Event "Trade capacity building in Zambia: A case study in country ownership and donor coordination"

Organizers: Office of the United States Trade Representative
United States Agency for International Development

MODERATOR

- › **Paul Fekete**, Senior International Trade Advisor, Bureau for Economic Growth, Education and Environment, USAID

PANELLISTS

- › **William Gain**, Global Lead for Trade Facilitation and Border Management, World Bank Group
- › **Loren Hall**, Trade and Logistics Officer, Global Alliance for Trade Facilitation/ Center for International Private Enterprise
- › **Jacob Mwale**, Executive Director, Zambian Commodity Exchange
- › **Letchmee Naidoo**, Customs and Trade Facilitation Specialist and Lecturer, Charles Sturt University

The Government of Zambia has been a committed development partner focused on strengthening its trade related capabilities and implementing its international commitments. Donors have responded with a series of coordinated efforts that have focused on implementation of the WTO Trade Facilitation Agreement with activities being undertaken by a number of donors, including USAID, the World Bank, and the Global Alliance for Trade Facilitation. This panel will highlight the collaborative nature of donors' response to Zambia's desire to strengthen its trade facilitation environment.



Short summary

This side event focused on Zambia as a case study to emphasize how donor assistance to least developing countries can contribute to World Trade Organization Trade Facilitation Agreement implementation. The session highlighted action taken by the Zambian Government to use technical assistance to support national policies so ensuring ownership of all the measures taken. The session highlighted the economic efficiency gains accruing from implementation of the Trade Facilitation Agreement. Zambia is working with donors to reform and align its trade facilitation laws, procedures, processes and systems to enable implementation of the WTO TFA requirements.

Long summary

Mr Paul Fekete, Senior International Trade Advisor at US Agency for International Development (USAID)

recalled that the Government of Zambia had focused on strengthening its trade-related capabilities and implementing its international commitments through collaborations with development partners. Donors were helping with a series of coordinated efforts that focused on implementation of the WTO Trade Facilitation Agreement (TFA) with activities being undertaken by a number of donors, including USAID, the World Bank, and the Global Alliance for Trade Facilitation (GATF). The GATF used a novel and unique approach to the concept of aid for trade. The panel would highlight the collaborative nature of donors' response to Zambia's desire to strengthen its trade facilitation environment.

USAID was supporting Zambia within the framework of technical assistance cooperation to build the capacity of both the public and private sectors to respond to emerging trends in global trade, particularly to ease trade bottlenecks. Zambia was one of over 45 countries which had benefitted from USAID Technical Assistance programme and worked with other development partners, including Canada, USA and Australia.

Griffin Nyirongo, representative from the Zambian Ministry of Commerce, Trade and Industry, thanked USAID and other development partners for their support to Zambia in its efforts to implement the TFA. Zambia had ratified the TFA in 2015 and since then had undertaken a lot of reforms which had enabled the country to take ownership of the implementation of the agreement. Most of the reforms had taken place at the Zambian customs and the revenue authorities.

One of the key output of the reforms was the establishment of a coordinating structure through the establishment of Committees and Technical Committees. A National TF Committee was at the apex of the structure and reported directly to the President. Through this approach, a matrix had been developed to track TF activities and progress being made. This matrix ensured that overlap and duplication of efforts by different institutions were avoided. In 2018, the Border Management and Trade Facilitation Act no. 12, had been passed to facilitate the implementation of the TFA with the Zambia revenue authority as the lead agency. He mentioned however that there were still areas particularly under the category B and C commitments where Zambia was still not fully committed, but the cooperation so far gave hope that Zambia would meet those targets. Zambia was motivated by the commitment of development partners to implement all its WTO obligations in full. Zambia does not want to be left behind and miss out on the benefits that comes from TFA implementation.

Loren Hall, Trade and Logistics Officer, Global Alliance for Trade Facilitation/ Center for International Private Enterprise stated that Global Alliance Trade Facilitation support to Zambia had mainly focused on the measures being undertaken by the Zambian Government themselves for which the local private sector would be the ultimate beneficiaries. Therefore, she saw the need to enhance Public Private Dialogue to help contribute and make government interventions more meaningful and relevant. 80% of trade facilitation challenges (in Zambia) were as a result of not exchanging data electronically. The main activities were to support the design and implementation of a modern customs broker licensing framework.

Reporter: WTO



SESSION 7: Development Hub "Making the Grade: How TBT and SPS promote regulatory cooperation and help you trade"

Organizers: Organisation for Economic Co-operation and Development, World Trade Organization

MODERATOR

- › **Céline Kauffmann**, Deputy Head, Regulatory Policy Division, Public Governance Directorate, Organisation of Economic Co-operation and Development
- › **Aik Hoe Lim**, Director, Trade and Environment Division, World Trade Organization

PANELLISTS

- › **Roberto Azevêdo**, Director-General, World Trade Organization
- › **Angel Gurría**, Secretary-General, Organisation for Economic Co-operation and Development

Heads of the OECD and WTO Secretariats will launch a joint publication: "Facilitating trade through regulatory cooperation: The case of the WTO's TBT/SPS Agreements and Committees".

Diversity in regulation, while sometimes resulting from legitimate differences in societal preferences and priorities, can in some cases be narrowed to facilitate trade and promote better regulation. International regulatory cooperation (IRC) between Members, through various mechanisms and settings, can help to reduce trade costs while respecting differences in regulatory objectives.

This publication explores how the WTO TBT and SPS Agreements, and their related Committees, set out and implement disciplines for domestic regulations and standards that at the same time create opportunities for IRC to facilitate trade. It emphasizes how key disciplines of the Agreements (e.g. notification of draft measures, and the use of international standards) and practices of the Committees (e.g. discussion of specific trade concerns, development of guidance through decisions and recommendations) promote cooperation.

This publication was co-authored by the OECD and WTO Secretariats. It was developed within the framework of OECD work on IRC, as part of a series of case studies of international organizations.



Short Summary

This session was a book launch for the OECD-WTO joint publication, "Facilitating Trade Through Regulatory Cooperation: The case of the WTO's TBT/SPS Agreements on Committees". The moderator, **Aik Hoe Lim, Director, Trade and Environment Division, WTO**, explained that this publication explored how the WTO Technical Barriers to Trade (TBT) and Sanitary and Phytosanitary Measures (SPS) Agreements and their related Committees create opportunities for International regulatory cooperation (IRC) to facilitate trade.

Long summary

Roberto Azevêdo, Director-General, WTO welcomed the joint efforts by OECD and the WTO to promote economic growth and development— of which this publication was an important example. Director-General Azevêdo also emphasized the importance of IRC and explained that the WTO plays a crucial role through the TBT and SPS agreements, which provide a unique multilateral transparency framework. These two agreements also encouraged Members to base their measures on relevant international standards.

Angel Gurría, Secretary-General, OECD echoed the long history of the OECD-WTO joint efforts and highlighted OECD's role in supporting the WTO by providing data and analysis relevant to ongoing multilateral trade negotiations. Angel Gurría also emphasized that multilateralism was increasingly essential today and international regulatory cooperation was a fundamental building block in this regard.

Following these remarks, the floor was open to the audience for a Q & A session with **Director Aik Hoe Lim** and **Céline Kauffmann, Deputy Head, Regulatory Policy Division, Public Governance Directorate, OECD**. Céline Kauffmann highlighted that sometimes regulators' work in isolation and this could be the source of trade frictions. This joint publication was an effort to highlight tools that existed to reduce these trade frictions and ease possible regulatory divergences.

Reporter: WTO



SESSION 8: Thematic Focus Session "E-Commerce: Potential and challenges for developing countries"

Organizer: African Group

KEYNOTE SPEAKERS

› **Serge Mahouwedo Ahissou**, Minister, Ministry of Industry and Trade, Benin

MODERATOR

› **Xiankun Lu**, Emeritus Professor, China Institute for WTO Studies, University of International Business and Economics of China

PANELLISTS

› **Killian Clifford**, Director for Policy and Advocacy, Mobile Money, GSMA

› **Chileshe Mpundu Kapwepwe**, Secretary General, Common Market for Eastern and Southern Africa

› **Ann Linde**, Minister for Foreign Trade, Sweden

› **Catalin Marinescu**, Head of the Strategy and Planning Division of the Strategic Planning and Membership Department, International Telecommunication Union

› **Abdu Mukhtar**, Director, African Development Bank

This thematic focus session seeks to discuss the potential and challenges of African countries in developing their ecommerce markets - nationally, regionally and at the continental scale in the context of the Continental Free Trade Area.

In entrepreneurial terms, Africa has much ground-breaking innovation taking place in the digital space. Examples include MPesa and Jumia, the Pan-African e-commerce platform which recently became listed on the New York Stock Exchange. There is much optimism, particularly among young Africans, of the promise that digital applications and ecommerce offer for improving lives and incomes.

However, the reality of connectivity and skills constraints affecting the continent cannot be overlooked. Key ICT indicators for the year 2018 (ITU) show that only 24% of Africans have access to the Internet. This figure is the lowest for any region and stands well below the world average of 51%. In addition, while 58% of households globally enjoy access to a computer, only 9% of Africans do so. And, although they constitute 17% of the world's population, Africans only account for 6% of global Internet users.

Although many digital inclusion initiatives have sprung across the continent, achieving the goal of universal affordable access to ICTs for all Africans will require a sustained and committed effort on the part of governments, the private sector and development partners. This is the rationale behind the All Africa Digital Economy Moonshot spearheaded by the Broadband Commission (ITU) and the World Bank.

Against this background, this thematic focus session will explore how Aid for Trade can best help support African economies to realize the potential of ecommerce.



Short summary

This session emphasized the importance for African countries - including with the support of the international community - to adopt appropriate measures for promoting e-commerce. Panellists discussed both the advantages and downside risks associated with e-commerce, and African countries were urged to make their voices heard and to take commitments at the WTO on e-commerce, commensurate with their development status. The African Group informed participants that it would examine the issue concerning the Moratorium of customs duties on electronic transmissions, in light of several factors, including its public revenue implications.

Long summary

Serge Mahouwedo Ahissou, Minister of Industry and Trade, Benin in his opening remarks highlighted the need to address obstacles faced by African countries that could prevent them from taking full advantage of e-commerce. He provided the example of Benin concerning the promotion of e-connectivity: Benin's Government had implemented a programme titled "programme internet de couverture large bande du territoire", which entailed the promotion of e-education, e-health, e-agriculture, and the creation of a city for innovation. So far, the results of this programme were encouraging. He went on to indicate that the African Group would examine carefully the issues related to the moratorium of customs duties on electronic transmissions, taking into account several factors, including its public revenue implications.

The Panellists then addressed questions out to them by **Xiankun Lu, Emeritus Professor, China Institute for WTO Studies, University of International Business and Economics of China.**

Chileshe Mpundu Kapwepwe, Secretary General, Common Market for Eastern and Southern Africa replied to a question about the role of digital connectivity and e-commerce in national and regional economic development strategies. Ms Kapwepwe said that the launch of the Continental Free Trade Area would be instrumental in leveraging technology to promote e-commerce on the African continent. She indicated that COMESA leaders needed to address several issues in order to promote e-commerce: including logistics, notably digital platforms, e-payments, harnessing the potential of the young

and growing population, and developing a regional strategy for e-commerce promotion. She also highlighted key measures to develop e-commerce and address downside risks. These included the need to build capacity in human resources concerning digital connectivity; the need to attract foreign investment, including from a regional perspective; support for an enabling regulatory environment for e-commerce; the need to develop a payment system; and the development of a regional COMESA strategy on how to address barriers to e-commerce.

Catalin Marinescu, Head of the Strategy and Planning Division of the Strategic Planning and Membership Department, International Telecommunication Union took the audience through the targets in the ITU's "Connect 2020 Agenda for Global Telecommunication/ ICT Development". A Working Group on Digital Infrastructure for Africa had been launched in 2018 by the Broadband Commission for Sustainable Development, with a view to achieving universal and affordable access to ICTs for Africa. ITU was facilitating the implementation of this project by regularly organizing consultative meetings with African Ministers to develop a vision on how they should develop projects for this initiative as well as other initiatives. In particular, ITU offered platforms to showcase development projects. He also noted the importance of addressing cybersecurity issues, and the role of ITU in this regard; as well as the need for regulations to converge.

Ann Linde, Minister for Foreign Trade, Sweden argued that e-commerce was instrumental to reach many sustainable development goals (SDGs). She underlined the role of mobile payments in helping African countries bridging the digital divide, and urged African Governments to include digital connectivity in their development strategies. She stressed the importance of finance and investment for promoting e-commerce, and in that respect noted that the financial support of the Swedish Government in favour of trade, including for physical and digital infrastructure in developing countries amounted to US\$400 million. She also referenced the support by Sweden. Minister Linde noted that downside risks associated with e-commerce varied by countries' development level, and included for example job losses and fraud in e-transactions. Many risks could not be addressed through negotiations at the WTO, but rather through development cooperation. She underlined the importance of international rules on trade-related aspects of e-commerce and urged developing countries to make their voice heard at



the WTO and take commitments commensurate with their development status. Finally, she insisted on the relevance of international partnerships and noted in that regard that there was great cooperation between the EU and Africa in the digital field, exemplified by the setting-up of an EU-Africa digital economy task force. She invited African leaders to draw lessons from the EU's experience concerning the digital single market.

Abdu Mukhtar, Director, African Development Bank noted that 57% of Africans did not have a formal bank account. Nonetheless, Africa was leading in terms of mobile money transfer technology. The AfDB had launched the "Digital Financial Inclusion Facility" to promote digital financial inclusion in Africa, and bring at least three million people in the digital market. To that end, the AfDB was helping African Governments developing the necessary connectivity environment and infrastructure. Mr Muktar said that while governments, including with the assistance of international organizations, such the AfDB, would have to lay the ground for promoting e-commerce, the private sector had also to play its role by investing.

Killian Clifford, Director for Policy and Advocacy, Mobile Money, GSMA emphasized that the lack of financial penetration was impeding the development of e-commerce in Africa. In spite of this, mobile payments could facilitate e-commerce in Africa, including by offering a platform for providing e-services. FinaHe also pointed to the need to tackle data localization issues.

Reporter: WTO



SESSION 9: Thematic Focus Session "Trade finance"

Organizer: World Trade Organization

KEYNOTE SPEAKERS

- › **Roberto Azevêdo**, Director-General, World Trade Organization
- › **Philippe Le Houérou**, Chief Executive Officer, International Finance Corporation, World Bank Group

MODERATOR

- › **Marc Auboin**, Counsellor, World Trade Organization
- › **Emmanuelle Ganne**, Senior Analyst, Economic Research and Statistics Division, World Trade Organization

PANELLISTS

- › **Francis Malige**, Managing Director, Financial Institutions, European Bank for reconstruction and Development
- › **Benedict Oramah**, President, African Export-Import Bank
- › **Hani Salem Sonbol**, Chief Executive Officer, Islamic Trade Finance Corporation
- › **Bambang Susantono**, Vice-President for Knowledge Management and Sustainable Development, Asian Development Bank

Trade finance has arisen as a policy issue in the past few years. To finance over US\$18 trillion in annual flows of merchandise trade, there needs to be a well-functioning trade finance market, a significant share of which is served by banks. While there existed a significant gap between the demand for trade finance in emerging markets and the supply prior to the 2008-09 global financial crisis, it appears that the gap has not only persisted but expanded since. As measured by the Asian Development Bank, the global trade finance gap remained close to US\$1.5 trillion in 2017. This estimated gap represents the amount of trade finance requested by importers and exporters; but rejected. In many developing countries, the alternatives to bank financing are scarce, so when rejected by banks, trade transactions are most often abandoned. Lack of trade finance is therefore a serious impediment for developing countries' trade as noted by 60 WTO Members in their response to the Aid-for-Trade questionnaires, with 18 Members, mostly from Africa, the Western Hemisphere and the Pacific describing the situation as severe. In the past two years, WTO Director-General Roberto Azevêdo and IFC CEO Philippe Le Houérou have built a strong coalition of multilateral institutions to step in directly in markets, to engage into a regulatory dialogue with institutions of the Financial Stability Board to help clarify regulatory expectations, and build capacity in smaller local respondent banks.

This session will take stock of progress to date and see what the WTO with its partners can do to ease this situation. On this occasion, a joint publication: "Trade finance and the compliance Challenge: A showcase of international cooperation" will be launched by WTO Director-General Roberto Azevêdo and IFC's CEO Philippe Le Houérou (World Bank Group), followed by a dialogue between the audience/WTO Members and WTO's partner institutions on trade finance.



Short summary

This session took stock of progress to date, what the WTO with its partners have done and what more could be done to bring about a well-functioning trade finance market. How the opportunities presented by the Aid for Trade can help to close the trade finance gap was discussed together with how all countries can take advantage of opportunities to improve MSMEs access to trade finance in developing countries. A joint publication: "Trade finance and the Compliance Challenge: A showcase of international cooperation" was launched by WTO Director-General Roberto Azevêdo and IFC's CEO Philippe Le Houérou (World Bank Group). Marc Auboin, Counsellor, World Trade Organization and Emmanuelle Ganne, Senior Analyst, Economic Research and Statistics Division, World Trade Organization were the moderators

The session discussed trade flows and finance gaps especially for MSMEs and the need for a well-functioning trade finance market as well as the significant role played by banks. The discussions noted the widening gap between the demand for trade finance in emerging markets and the supply. Asian Development Bank reported the global trade finance gap to be close to US\$1.5 trillion with developing countries hit the hardest. Lack of trade finance was a serious impediment for developing countries. For this reason, WTO Director-General Roberto Azevêdo and IFC CEO Philippe Le Houérou are leading a strong coalition of multilateral institutions to engage in regulatory dialogue with institutions to help clarify regulatory expectations and build capacity in smaller local respondent banks.

Long summary

The **Director-General, Roberto Azevêdo, World Trade Organization**, in his keynote speech, said 80% of global trade requires credit or guarantee, mostly short term translating into around US\$15 trillion of trade. Unfortunately, not all requests for trade finance were being met leaving a gap of US\$1.5 trillion and half of the gap, according to the Asian Development Bank report, was in developing Asia and Africa, with the MSMEs being hit the hardest.

The Director-General stated that trade finance has been highlighted as one of the top three obstacles to trade and therefore called for urgent collaboration among heads of the regional development banks, the Chair of the Financial Stability Board (FDB) and others

for an increasing dialogue with regulators to tackle head on the factors causing the widening gap in trade finance. He mentioned some of the factors included regulatory risk, and low capacity of the financial sector in some countries especially in developing and least developed countries (what he referred to as de-risking).

He informed the participants that he has been working with Mr Phillippe Le Houérou on the margins of the Annual Meetings of the IMF and World Bank in Bali to find ways to help encourage larger banks to have confidence in the financial markets. The result of the discussions was the book they both were launching. The book contained many case studies and best practices including regulatory reforms in several developing countries which encouraged trade finance and he hoped that the contents of the book would provide comfort to practitioners to have more confidence to do business with small and emerging economies.

Philippe Le Houérou, Chief Executive Officer, International Finance Corporation, World Bank Group, also highlighted the US\$1.5 trillion gap and challenged practitioners to do something about the situation. He continued his remarks with a quote from a Tanzanian businesswoman: "In Africa no one wants to work with you without letters of credit" to illustrate that the trade finance gap was acute in Africa. Some 50% of requests by MSMEs were rejected. MSMEs were important to developing countries and therefore needed support to enable them to become part of global trade.

He also mentioned that the widening trade finance gap was because a result of a shift of resources by financial institutions to resolve issues of anti- money laundering and counter- terrorist financing (AML/ CTF) activities. He called for a concerted effort to help build the capacities of central banks. He also called on the need for banks to learn from each other (more coordination) and to introduce new platforms which made it easier to bring on board local banks who deal with these MSMEs.

Francis Malige, Managing Director, Financial Institutions, European Bank for reconstruction and Development (EBRD) emphasized the importance of trade in achieving the Sustainable Development Goals.

He also highlighted that the trade finance gap was huge and mostly the result of the difficulty of getting confirmation from large banks regarding MSMEs transactions. This meant that some MSMEs were going



back to cash – a retrograde step. He suggested there was a need for policy dialogue using the opportunities of aid for trade to bring smaller countries on board in rule making on trade finance and to also bridge technology gap between developed and developing countries.

Hani Salem Sonbol, Chief Executive Officer, Islamic Trade Finance Corporation (ITFC) said ITFC has changed its business model to become more responsive through customized packages for countries and increased financing lines. He encouraged regional banks to help train MSMEs on one hand and banks which would provide services to MSMEs on the other hand on for example how to submit applications and also how to detect fraud to enhance their participation. He said such information should be shared among other developing banks.

Bambang Susantono, Vice-President for Knowledge Management and Sustainable Development, Asian Development Bank (ADB), congratulated the WTO for coming up with a book on trade finance and said that it was his hope that the book would enhance understanding of trade finance and help close the funding gap, ultimately benefitting the MSMEs in developing countries. Some of the support provided by ADB included credit guarantees and risk facilitation agreements. Viet Nam, Bangladesh and Pakistan were some of the beneficiary countries and interestingly, there was no default to loans granted to MSMEs. He called on regional banks to use the aid for trade platform to support developing countries by providing training in AML and CT issues, help create the necessary infrastructure for banking and support policies on loans. The partners should help make regulatory reforms that are business friendly especially for women and using digital technologies such as blockchain.

Reporter: WTO



SESSION 10: Side Event "The Employment Equation: Leveraging Aid for Trade to boost sustainable investment and jobs"

Organizer: Germany

KEYNOTE SPEAKERS

- › **Norbert Barthle**, Parliamentary State Secretary, Federal Ministry for Economic Cooperation and Development, Germany

MODERATOR

- › **Daniela Zehentner-Capell**, Head of Division Trade Policy, Federal Ministry for Economic Cooperation and Development, Germany

PANELLISTS

- › **Shadi Anabtawi**, Board Member, East Amman Industrial Investors Association
- › **Augustin Fosu**, Professor, University of Ghana
- › **Axel Klaphake**, Head of the Division for Economic and Social Development, Digitalisation, German Corporation for International Cooperation GmbH
- › **Markus Thill**, President, Responsible for the Africa region, BOSCH South Africa

Job creation is one of the major challenges for the 21st century. In Africa alone, 20 million new jobs will be needed each year as the population is set to double by 2050. Similar demographic trends in many low-income countries point out the urgency of addressing this issue in new and innovative ways. The creation of decent employment opportunities is also crucial in countries that are working towards integrating a large number of refugees into their economies.

Aid for Trade can play a pivotal role in this regard, but it is evident that official development assistance alone will not suffice to meet these challenges. This session will therefore explore new insights and approaches to leveraging Aid for Trade to boost sustainable investments, diversify trade, and create more and better jobs. Amongst others, the panel will discuss new forms of collaboration between international investors, local companies and development cooperation stakeholders. These "job partnerships" aim to facilitate sustainable investments and job creation through the joint identification and removal of trade and investment barriers. The session will also highlight best practice examples of jobseekers from marginalized groups that were successfully placed in jobs as a result of demand-based employability trainings and matchmaking services.



Short summary

The session organized by Germany discussed new avenues and approaches for leveraging Aid for Trade more effectively to contribute to job creation and to empower women and youth who are disproportionately affected by unemployment.

In his opening address, Parliamentary State Secretary Norbert Barthle recalled that worldwide, 200 million people are still unemployed and that 1.4 billion people work in precarious employment situations. Creating fairly paid, safe, and decent jobs for people was therefore a key objective of German Development Cooperation, with Aid for Trade as an important instrument for shaping such fair trade conditions. Germany is supporting the initiative with about US\$4.5 billion per year, making it the second largest bilateral donor of Aid for Trade.

Panellists cited skills shortage and a lack of access to finance as main reasons why MSMEs are unable to capitalize on their potential to grow and to create more jobs as a result. Speakers also emphasized the importance of close collaboration with the private sector to tackle these challenges, as the funding and expertise required go beyond the capabilities of official development assistance.

The "Special Initiative on Training and Job Creation" was highlighted as an example for greater cooperation with the private sector: The initiative was recently launched to forge new training and job partnerships between German and African enterprises.

The session organized by Germany discussed new avenues and approaches for leveraging Aid for Trade more effectively to contribute to job creation and to empower women and youth who are disproportionately affected by unemployment. Panellists particularly emphasized the importance of close collaboration with private enterprises as nine out of ten jobs are created in the private sector.

Long summary

In his opening remarks, **Parliamentary State Secretary Norbert Barthle** recalled that worldwide, 200 million people are unemployed and that 1.4 billion people work in precarious employment situations. Moreover, demographic trends indicate that 20 million new jobs will be needed in Africa each year as the population is set to double by 2050. Creating fairly

paid, safe, and decent jobs for people is therefore a key objective of German Development Cooperation, with Aid for Trade as an important instrument for shaping such fair trade conditions. Germany is supporting the initiative with about US\$4.5 billion per year, making it the second largest bilateral donor of Aid for Trade.

Axel Klaphake, Head of the Division for Economic and Social Development and Digitalization at GIZ, affirmed that German Development Cooperation is going through a paradigm shift, with projects now explicitly targeting job creation as a key performance indicator of their work. The second element of this shift was a co-creation process with the private sector to multiply and enhance the impact of official development assistance. Mr Klaphake cited the "Special Initiative Training and Job Creation" as an example, a multi-country initiative that was recently launched to eliminate trade and investment barriers in collaboration with the private sector, and to forge new training and job partnerships between German and African enterprises.

Another approach showcased during the panel was the "Trade for Employment" project in Jordan. **Shadi Anabtawi, Secretary of the Board of the East Amman Industrial Investors Association (EAIIA)**, explained that his association identified skills shortage and high staff turnover as major obstacles to productivity, thus also hampering companies' ability to engage in international trade. The EAIIA had set up an Employment Promotion Unit (EPU) a few years ago to bridge the gap between jobseekers and employers. The EPU provides skills trainings for jobseekers, educates companies on supervisory skills and more efficient onboarding processes, and ensures that the skills of jobseekers match the needs of trade-oriented companies. As a result, the EPU had already placed more than 500 people in jobs.

Marion Jansen, Chief Economist, ITC stressed the importance of SMEs for job creation as they employ about 70% of the global workforce. However, in the developing world, US\$5 trillion are currently missing for MSMEs to invest in their businesses, which deprives them of their potential to grow and to create employment opportunities. Ms Jansen also highlighted the various channels through which MSMEs contribute to the achievement of the Sustainable Development Goals (SDGs). Linking up MSMEs with private investors and improving their access to finance is therefore not only essential for achieving job growth, but also for meeting 60% of the SDG targets.



Markus Thill, President, Africa Region at BOSCH and responsible for BOSCH's business in Africa, specified high financing costs, small market size and skills shortage as the main reasons for low investments by European and North American companies in Africa. He expressed his hope that the implementation of the African Continental Free Trade Area (AfCFTA) will resolve some of these issues and attract more multi-national enterprises. To tackle the challenge of skills shortage, Mr. Thill emphasized Bosch's engagement in the area of technical and vocational training, for example by supporting local TVET colleges and by setting up vocational schools that offer dual certification. BOSCH will also collaborate with the Special Initiative by providing training and employment opportunities in the field of car repair services.

Daniela Zehentner-Capell concluded the session by emphasizing that more and better jobs are a major contribution to sustainable development, allowing people not only to provide for themselves through improved incomes, but also to contribute to the development of their own local economies.

Reporter: Federal Ministry for Economic Cooperation and Development, Germany



SESSION 11: Side Event "Tourism financing for the 2030 Agenda"

Organizer: World Tourism Organization

KEYNOTE SPEAKERS

- › **Arancha González**, Executive Director, International Trade Centre
- › **Zurab Pololikashvili**, Secretary-General, World Tourism Organization

MODERATOR

- › **Zoritsa Urosevic**, UNWTO Special Representative to the United Nations in Geneva - Chief, Institutional Relations and Partnership Department, World Tourism Organization

PANELLISTS

- › **Rania Al-Mashat**, Minister, Ministry of Tourism, Egypt
- › **Caroline Freund**, Director of Trade, Regional Integration and Investment Climate, World Bank Group
- › **José Gonçalves**, Minister, Ministry of Tourism and Transport and Maritime Economy, Cabo Verde
- › **Toshiyuki Nakamura**, Director General, Japan International Cooperation Agency

Tourism, as the third largest traded sector, represents 10% of World GDP, 7% of total world exports and 30% of total exports in services, while providing one out of ten jobs worldwide. In 2018, international tourist arrivals grew by 6% reaching 1,4 billion. The universal 2030 Agenda constitutes an ambitious universal plan of action for people, planet, prosperity and peace through partnerships. The explicit mention of tourism in the SDGs - as a target in Goal 8, 12 and 14 - is a clear recognition of tourism is potential to contribute to sustainable development.

The enormous potential of the tourism sector for growth and job creation justifies significantly the need to increase the amount of aid and development financing towards tourism. In 2017, only 0.2% of total ODA for Productive sectors, and 0.4% of total Aid-for-Trade flows were directed to tourism development even though the sector accounts for 6% of developing countries' exports.

Tourism has, therefore, a key role to play in maximizing the contribution of trade in services to development, economic diversification, and the achievement of the 2030 Agenda. Ministers, development partners and financing institutions will discuss how to strengthen and unlock Aid flows for tourism in the new aid architecture to realize the Sustainable Development Goals. Expected outcomes:

- Position the importance of tourism as a key sector to achieve the 2030 Agenda and to secure adequate financing for tourism for both development cooperation and innovative financing.
- Strengthen partnership and exchange on good practices between countries, organizations, donors, development partners and financial institutions.
- Increase commitment for financial resources accessible to developing countries for the development of tourism.



Short summary

The session addressed the importance of unlocking aid for tourism in the new aid architecture to achieve the Sustainable Development Goals. Panellists discussed how the Official Development Assistance (ODA) context can and should be changed to support tourism development. Tourism had an enormous potential for sustainable development. However, even though tourism was the third export earning category worldwide and one of the fastest growing sectors, the level of assistance it received did not match its potential to contribute to development objectives.

The impact of tourism projects was generally underestimated and so these projects were overlooked in ODA budgets. All panellists noted that there was still a need to improve aid flows and partnership for development, as echoed in SDG 17- for a new finance architecture for tourism. Maximizing finance for tourism by finding other sources of financing such as foundations, private funds, sovereign wealth and pension funds would also be useful.

Long summary

Claudia Lisboa UNWTO acted as moderator. She said that tourism was the third largest traded sector, provided one of ten jobs worldwide, accounted for 10% of the world's GDP and 30% of services exports. However, it only received 0.2% of ODA and 0.4% of total aid for trade.

Zurab Pololikashvili, Secretary – General, World Tourism Organization (UNWTO) opened the event by highlighting that tourism's growing recognition as an engine for growth and development. In 2017 tourism had been the third export earning category after fuels and chemicals. In 2018 international tourist arrivals had grown by 6%, reaching 1.4 billion. However, the level of assistance to tourism did not match the capacity of the sector to contribute to development objectives. There was a need for investment and financing in tourism sector.

Mr Pololikashvili mentioned that unlocking tourism's potential for realizing the 2030 Agenda requires a combination of effective and robust policy frameworks, enhanced private sector action, and an innovative approach to development cooperation. The core efforts to unlock the potential of tourism growth was through investing in people, boosting infrastructure development, shaping better policies and institutions,

building resilience, stimulating entrepreneurship, fostering innovation and digitalization, and making sustainable use of rich biodiversity and culture, all the while mitigating migration and preserving each destination's natural and cultural assets.

In order to accelerate and scale up the achievement of the SDGs through tourism, Mr Pololikashvili explained that UNWTO, with the support of the government of Switzerland developed a Tourism for SDGs platform (www.tourism4sdgs.org), an innovative online tool providing the global community a space to co-create and engage to realize the 2030 Agenda through tourism.

Aranha González, Executive Director, International Trade Centre (ITC) in her keynote address noted that tourism was a huge economic sector and held big promise to connect smaller sized and distant from market businesses, to economic activities. Ms González reiterated that tourism ranked third in the world export earnings category, accounting for 10% of global GDP, 7% of world exports and 30% of services exports. She also stressed the explicit mention of tourism in the SDGs – as a target in Goals 8, 12 and 14 – is a clear recognition of tourism's potential to contribute to sustainable development. Tourism's cross-cutting nature and its broad value chain meant it could have an impact for the advancement of all SDGs.

Ms González posed the question on how private and public investment can be tempted into the sector. She introduced ITC's flagship report: Big money to small businesses, dedicated to unlocking investments in Small Medium Enterprises (SMEs) and stressed that there were about one trillion assets stranded looking for good returns in the capital market, which were not invested because there was a problem of trust on commercial return in small investment.

She introduced the discussion on soft infrastructure through investment facilitation vs. investing in investment facilitator (intermediaries to help connect offer with the demand), through technology, crowd funding, the use of impact investors, blended finance – but with a sense to build more trust. There must be more discussions on investment facilitation like the ones going on at the WTO. This would make it simpler, easier and more transparent for investors to understand the real conditions of investments in the sector.



Rania Al- Mashat, Minister of Tourism, The Arab Republic of Egypt explained that since entering office in January 2018, she had worked on changing the narrative of the sector in Egypt. The impact of tourism on the social fabric, on employment, on prospects of investment were aspects that are generally overlooked. Tourism can contribute to peace among nations.

In Egypt, 98% of tourism was led by the private sector so in any discussion on reform or a new vision, the private sector had to be on the table. She introduced Egypt's tourism reform programme (E-TRP) which provided a common vision for sustainable tourism sector. E-TRP was designed to modernize the sector by implementing five pillars of structural reform - institutional reforms, legislative reforms, promotion and marketing, infrastructure and tourism development and global tourism trends- that strengthen Egypt's competitiveness and are in line with international standards.

Dr. Al-Mashat mentioned the impact tourism had on the social fabric and the importance of green tourism, smart tourism and women's empowerment. She noted that Egypt was the first country to adopt United Nations Developmental Programme (UNDP) "Gender Equality Seal" in the tourism sector and together with UNWTO had organized the Tourism Tech Adventure on start-up tourism, emphasising the importance of digitalization.

She highlighted the importance of raising the profile of the sector, and having the discussion on tourism in the international fora. Tourism, as an important sector, needed institutions such as World Bank (WB) and International Monetary Fund (IMF) to think of the sector in their design of programmes. Structural reform was extremely important, as it ensures growth and can move the country forward.

Toshiyuki Nakamura, Director General, Japan International Cooperation Agency (JICA) stressed the need of a sustainable tourism development focusing on the benefit to local community and promotion of public – private partnerships, while minimizing the negative impact of tourism.

Mr Nakamura agreed with Ms González on the importance of private sector involvement and the need for scaling up collaboration. The involvement of the private sector was also very important because there were no tools to scale projects up without it. JICA was one of the top donors in ODA- unfortunately, out of total

scale of operation, 29.5 billion ODA in JICA, tourism accounted for only 1%.

Based on a Memorandum of Cooperation signed with UNWTO in 2017, JICA and UNWTO were working together to develop a toolkit which will measure how tourism development projects contribute to the achievement of SDGs. The toolkit will facilitate resource mobilization not only by donors, but also by governments and private sector, and is expected to be completed in 2020 in time for the Tokyo Olympics.

Mr Nakamura noted that tourism was clearly highlighted as an important driver of global economic growth during the G20 in Osaka, leaders' declaration. During Mr Nakamura's presentation, fellow panellist, Dr. Al-Mashat introduced the Grand Egyptian Museum project, a collaboration between the Egypt and Japan, which will be open in 2020.

Caroline Freund, Director of Trade, Regional Integration and Investment Climate, World Bank explained that the World Bank is investing in tourism because it is beneficial for growth, jobs, environment protection, climate, important for development. She stressed that it is a fast growing sector, and as middle income countries have been growing faster, there is a whole new wave of tourists and thus, is attractive for investment. In 2019, the WB Group (WBG) supports approximately US\$4.4 billion in knowledge sharing, lending and technical assistance tourism work. This work is delivered across the WBG by the Global Practices, the International Finance Corporation (IFC) and Multilateral Investment Guarantee Agency (MIGA) in over 50 countries across all regions.

Ms Freund highlighted that the availability and quality of projects in the tourism sector was more relevant than the funds available. In infrastructure alone, there was a need for, around US\$1 to 1.5 trillion in investment annually. Official development assistance was only US\$150 billion, thus requiring maximizing finance for development through other sources of development assistance, namely, foundations, private funds including sovereign wealth funds, pension funds etc. Ms Freund reiterated that we should leverage bringing the private sector fund into tourism. Hence, the need to provide information and data for private investors in order to reduce the volatility of returns and ensure bankable projects in the sector. Ms Freund also outlined the importance of inter-agency coordination.

The Q&A discussion revolved around challenges of trade tensions on tourism. Panellists argued that



tourism, as services may not be subject to the same kind of stresses as other sectors, especially not subject to tariffs. Growth in tourism was outpacing GDP growth and in comparison to trade in goods, trade in services particularly tourism is part of national pride. The importance of the sector spill over effects on employment, empowerment can substitute/mitigate the impact of trade tension.

Reporter: WTO



SESSION 12: Development Hub "Trade and eliminating extreme poverty"

Organizers: World Trade Organization, World Bank Group

PANELLISTS

- › **Paul Brenton**, Trade Practice Leader in the Africa Region, World Bank Group
- › **Roberta Piermartini**, Senior Economist, World Trade Organization
- › **Robert Teh**, Chief of the Economic Modelling and Quantitative Analysis Unit, World Trade Organization

The session will provide new evidence on how international trade can create valuable economic opportunities for the poorest and most vulnerable who live in rural areas, work in the informal sector, live in fragile and conflict-affected regions and face gender inequality. The evidence is based on eight country/regional studies conducted in the developing world, namely, Cambodia, Lao PDR, Ghana, India, Tanzania, Tunisia, Uganda and Viet Nam. It will also highlight the constraints that hold back the poorest from taking full advantage of the benefits of trade and what policymakers can do to remedy the problems.



Short Summary

The WTO and World Bank presented a joint publication entitled "Trade and poverty reduction: new evidence of impacts in developing countries". The discussion moderated by Robert Teh (WTO) featured two of the editors of the joint work, Roberta Piermartini (WTO) and Paul Brenton (WB).

The speakers highlighted that trade does not reduce poverty equally and that some people — women, those living in fragile states, those who work in agriculture and the informal sector — face greater difficulty. Trade opening creates risks and adjustment costs so trade opening should be accompanied by measures to mitigate these risks.

Women faced specific challenges that hindered their ability to benefit from trade, such as lower levels of education, limited access to finance, and less legal rights. The reduction of border barriers was not enough to foster participation in the global market and complementary policies that addressed these constraints were needed.

It was important to bring the market closer to poor people and digital technologies could help by reducing trade costs that impeded the poor from accessing the global market.

Multilateral institutions could play a vital role in reducing poverty through multilateral trade negotiations that reduced barriers to trade, lending programmes that targeted the poor, and research that provided policymakers with greater insights about how trade can more effectively benefit the poorest.

of the case studies was that they were able to bring out these dimensions more clearly.

Women faced specific challenges that hindered their ability to trade internationally and benefit from trade, such as lower levels of education, limited access to finance, and less legal rights. The reduction of border barriers or the streamlining of border procedures, while important, were not enough to foster inclusive participation in the global market, and complementary policies that addressed the specific constraints faced were needed.

It was important to bring the market closer to poor people and digital technologies could play a key role in this task. New digital technologies reduced some of the trade costs that impede the poor and women from accessing the global market. The use of the internet reduced information and search costs. However, the digital divide, in particular access to broadband connection and digital literacy, loomed large.

Multilateral institutions could play a vital role in reducing poverty and creating a better environment that enhances the participation of the poor and of women in global trade. They could do so through multilateral trade negotiations that reduced barriers to trade, through lending programmes that relieved some of the infrastructure constraints faced by the poor, and also through research that provide policymakers with information and greater insights about how trade can more effectively benefit the poorest and most marginalized members of society.

Reporter: WTO

Long summary

The speakers highlighted that trade does not reduce poverty equally and that some members of society — women, those living in fragile states, those who work in agriculture and the informal sector — face greater difficulty.

The share of the informal sector in total employment could be extremely high, as in the case of Ethiopia (88%). Trade opening could create risks and adjustment costs for these members of society who are least able to bear adjustment costs. Trade opening needed to be accompanied by measures to mitigate these risks and to lower the adjustment costs faced by the poor. Poverty had a country specific dimension and the value



SESSION 13: Side Event "From crop to shop: Unlocking women's potential for sustainability in GVCs"

Organizers: Finland, Ireland, International Trade Centre, United Kingdom

MODERATOR

› **Arancha González**, Executive Director, International Trade Centre

PANELLISTS

› **Boubacar Barry**, Minister of Trade, Guinea

› **Caroline Keeling**, Chief Executive Officer, Keelings Group

› **David Lawrence**, Board Member, SEDEX

› **Josephine Ndikwe**, Marketing Director, Kenya Coffee Producers Association

› **Ville Skinnari**, Minister for Development Cooperation and Foreign Trade, Finland

What drives value in global value chains? Our understanding of competitiveness is evolving. Competitiveness goes increasingly beyond economic returns to include other factors such as environmental risks and opportunities, employment conditions, diversity and equality. Value chain actors on the ground are navigating these multiple dimensions successfully. This event showcases an example of how this can be done, providing lessons for key stakeholders including the international community.

The event will draw on the story of a woman coffee producer from Kenya to paint a picture of the strategies to compete effectively in global value chains. A range of GVC actors will join a dynamic discussion about climate change, competitiveness, access to buyers, and compliance with complex requirements such as voluntary sustainable standards. The panel will capture the experience of a woman producer and other value chain actors around the following themes:

- The trajectory of a woman producer in sustainable agricultural production, including how she has overcome key barriers to trade
- Buyer perspective to managing the social and environmental performance of supply chains
- Voluntary sustainability standards, trends of sustainable products and how this impacts the value chains and producers
- Policies that foster inclusive and sustainable trade



Short summary

This session brought together a wide range of global value chain actors and high-level representatives from Finland, Guinea, Ireland, Kenya and the UK. Ministers of Trade from Finland and Guinea elaborated on their strategies to enable conducive trade and business environments for women to access international markets. The discussion was animated by insights from a woman coffee producer from Kenya who elaborated on how she has overcome barriers to trade such as compliance with complex international standards. Panellists from the private sector shared strategies and practical examples on how to promote women within businesses and ensure social and environmental sustainability along supply chains.

Long summary

Ville Skinnari, Minister for Development Cooperation and Foreign Trade of Finland stated that Finland is committed to controlling climate change. The promotion of human rights, the rule of law, democracy, peace, tolerance and equality are at the center at the Finnish policy. Finland planned to strengthen the multilateral system and contribute to the achievement of the Sustainable Development Goals. Finland is increasing funding to UN Agencies that have proved to be effective.

Combating climate change is at the core of Finnish security policy, including as regards international trade. Finland had over the years worked to strengthen the status of the rights of women and girls in developing countries - something which also made significant economic sense. One of the reasons Finland had been transformed from a poor country to a modern country was the fact that both women and men were educated and had equal rights. Both women and men were active contributors to the development of the economy, and everyone had access to education, health, financing and employment. This enabled Finland to be innovative in business, trade as well as in other sectors. Finland wants to help its partners to make their economies more dynamic and stronger. Governments should pay particular attention to small enterprises and help them to move from the informal to the formal sector. The ITC is Finland's partner, is supporting small and medium size enterprises, sustainable value chains and women's entrepreneurship. He concluded by stating that the international community could and should do more towards gender objectives.

Josephine Ndikwe, Marketing Director, Kenya Coffee Producers Association highlighted that production costs for coffee were increasing while the income is decreasing. One of the challenges faced was in climate change and as a result coffee farmers would have to adapt by coming up with new ways of farming coffee and new ways of managing and maintaining the soil. Because of climate change production had started to decrease with a negative impact on revenues. Another challenge faced was barriers to trade. In this regard, she stated that the ITC support through She Trades Initiative was very useful in learning how to get into the international market. Being certified was another challenge but did not necessarily ensure success. Increasing efficiency was also key to be able to survive price fluctuations.

Caroline Keeling, Chief Executive Officer, Keelings Group affirmed that inclusiveness was extremely relevant. Currently 29% of the senior management of the Keelings Group were women. She discussed a programme, "I Belong", which was about to be launched and would ensure that everyone in every department felt a sense of belonging to the company. On the sustainability side, efforts started with the company's board and whenever possible work with third party accreditation. In Ireland, the Origin Green scheme focused on sustainability which sets a number of sustainable targets. The company worked closely with the Farm Alliance.

She argues that more globally recognized standards on sustainability were needed. One benefit of sustainability was saving money in areas like packaging which represented a massive challenge for industry, with the end goal being to replace plastic altogether. Some of the solutions however had a higher carbon footprint and this is still part of a very complex process. Sustainability was also about branding and this enabled the company to communicate with their customers and consumers. Looking at the supply chain in order to support empowerment, she stated that she was a little disappointed when discovering that only 6% of the companies in Europe and 2% of the companies at global level were led by female CEOs. Starting a discussion on inclusiveness was really important.

David Lawrence, Board Member, SEDEX explained that SEDEX was a system that allowed sharing information and also looked into the sustainability aspects and the human rights of the people into the supply chain. Sustainability should be looked at as a way to become more efficient and reduce costs. SEDEX



had just launched a programme on gender data which could be used in decision-making.

In the Q&A session, one of the issues raised was about understanding the human rights in global value chain. One participant stated that SEDEX has been very useful in improving its supply chain to improve transparency and clarity in the global supply chain. David Lawrence, Board Member, SEDEX stated that having the right regulatory framework is important to ensure that the supply chain is transparent and sustainable. Arancha González, Executive Director, International Trade Centre stated that sustainable consumption should also be considered and addressed. Caroline Keeling, Chief Executive Officer, Keelings Group explained that it was easy to engage with the consumers and get their feedback when there was a brand. When the brand was not known, engaging with consumers was more difficult.

Reporter: WTO



SESSION 14: Side Event "Trade in knowledge today: Rethinking the link between intellectual property, trade and development"

Organizer: World Trade Organization

MODERATOR

› **Antony Taubman**, Director, Intellectual Property Division, World Trade Organization

PANELLISTS

› **Wolf Meier-Ewert**, Counsellor, World Trade Organization

› **Nicholas Niggli**, Deputy Secretary General, Republic and State of Geneva

› **Jayashree Watal**, Senior Counsellor, Intellectual Property Division, World Trade Organization

› **Sacha Wunsch-Vincent**, Senior Economic Officer, World Intellectual Property Organization

Trade in knowledge today: rethinking the link between IP, trade and development

The conclusion of the TRIPS Agreement captured a set of understandings, a generation ago, as to the link between intellectual property (IP) and trade, and sparked a complex set of discussions about the implications for development. The period since then has seen a fundamental transformation in the ways that IP is managed and traded. Knowledge goods and creative content that used to be traded as physical goods can now find their way via digital platforms directly to markets across the globe - a burgeoning "trade in knowledge" that frees valuable content from the physical carrier media once relied upon to transport it. Such "digital disruption" raises new opportunities for development, as small traders and creative industries in the developing world can potentially overcome traditional obstacles to trade, although significant challenges remain. Equally, the management of IP and IP licensing transactions constitute significant elements of global value chains, and play a key role also in the knowledge spillovers resulting from the increased flow in knowledge and IP-based transactions.

This session reviews the prospects for a new generation of Aid-for-Trade activities that would recognize the opportunities and the policy dilemmas posed by this radical transformation of the role of IP in knowledge-rich trade. It builds upon the lessons from an extensive exploratory capacity-building workshop conducted in the WTO last November, and presents cutting edge research and policy thinking drawn from current WTO Secretariat work in this area.



Short Summary

This session focused on the need to take an approach to managing the technological, social and political disruptions today that brings everyone involved to the table. To help developing countries leverage digital technologies to unleash untapped creative and innovative potential, the international community should rethink what trade is in the digital environment – and ask some difficult questions: do we need to adapt our existing paradigms? And how do we help policymakers seize the opportunities and overcome the challenges of this digital age? The panellists touched on examples of new forms of networks, approaches and technologies that help communities promote sustainable living and allow creators to reach a global audience. The main message of the panellists was the pressing need for a holistic and data-driven approach to thinking about the links between trade, IP in the digital environment and development.

Long summary

Jayashree Watal, Counsellor, Intellectual Property, Government Procurement and Competition Division, WTO, emphasized the need for an improved understanding of the dimensions of cross border flows of knowledge as essential to comprehending how modern economies operate. To this end, she briefly explained a WTO training activity which took place in November of 2018 on Intellectual Property (IP) and Knowledge Flows in the Digital Era. She recalled that in the 1990s, development economists had been examining the impact of investment in human capital and technology on a country's economic growth, and that to increase legal certainty, policymakers negotiated the TRIPS Agreement around the same time. The TRIPS Agreement therefore set the legal and economic framework for global transfers of knowledge from the mid-90s to today. Negotiators did not, however, anticipate the digital disruption we face today, and thus the law was far behind the curve of technological changes. Disruption raised new opportunities and challenges for development.

In that light, she posed the following question to the panel: whether, given the present economic and technological realities, whether the current legal frameworks are adequate to promote trade and flow in knowledge, and what changes to law and policy do the opportunities and challenges call for?

Mr Nicholas Niggli, Deputy Secretary General, Republic and State of Geneva, remarked on the political, economic and social disruption in today's world, and stressed the need to link topics in new ways. He noted that the challenges attached to disruption span beyond those posed by technology – we face challenges combating climate change, inequality and ensuring the regulatory framework does not become obsolete. The Fourth Industrial Revolution is changing the world at an exponential speed and making a huge impact on trade in IP and how we can empower people around the world. How technology is used to empower is still far from its full potential, and the danger of digital divides are evident. The speed of change and nature of delivery have changed in recent years – for example, negotiations took years to complete. Now, you must either deliver or you become obsolete as a place where value-added is created. There is thus an urgency to rethink the links between the policy themes, and a need to create a holistic reflection or else make the wrong decisions, under-deliver or render ourselves irrelevant.

The questions we need to be asking ourselves are “What to do in this context? Where are we heading? What action do we take?” In London in the 1830s, Lord Palmerston received the first telegraph – and he spoke of this moment as the end of diplomacy; it was instead the beginning of a new type of diplomacy. When technology changes our lives, we adapt and build new organizations to manage the new paradigms. Now, the question for this century is what do we need to do to address the present disruption and deliver for all stakeholders around the world?

The institutions in Geneva deliver 50% of the world's digital governance; and yet, organizations still think and act in silos – there is little multidisciplinary action, and this is what is most-needed. Mr Niggli said that we need not abandon the Westphalian system, but we must build on it differently than before. To that end, the Geneva Initiative on Capacity Development in Digital Policy is bringing together all stakeholders – multinational enterprises, start-ups, academia, international organizations and states – to discuss how we deal with today's disruptions. The goal is to find a way to cooperate better. The Geneva Initiative on Capacity Development in Digital Policy has assisted the creation of multi stakeholder networks around key SDGs: sanitation, and the Initiative's work on the Toilet Board Coalition, is an illustration. What the Initiative is trying to achieve is public-private partnerships for people, planet and with purpose. Mapping is also vital;



to revolutionize how people access opportunity, we must first know the ecosystem.

We must remain dedicated, eager and hungry to make more of a positive difference and believe we are at the beginning of a journey revolutionizing how we deliver. Cannot rest on laurels. In sum, Mr Niggli called for working together smartly and differently, as no one can address these challenges alone.

Quan Zhao, Trade Policy Advisor, Office of the Chief Economist, International Trade Centre, introduced the work of the ITC, and highlighted that the ITC receives more requests now on digital trade and e-commerce – an indicator that smaller players in developing countries have digital content to export. Many developing countries are trying to leverage digital technology to expand their global competitiveness. A recent fair in Beijing for international trade in services was a prime illustration: the ITC had supported companies in Bangladesh to go to Beijing to meet and link with potential buyers.

Mr Zhao also introduced an ITC case study of the creative industry in Rwanda as an example of SMEs in small developing countries that are putting much effort into leveraging digital technology. In Rwanda, a country rich in cultural heritage and in which creative industries account for just over 5% of GDP, which is above the average in North America and Europe (average of 3% of GDP) and also above the average of African countries (average of 1% of GDP), music and film companies are using global platforms to reach global audiences. Rwandan music and film companies have also employed several techniques to overcome their challenges of limited market size and lack of resources, such as adapting their approach to cater to regional markets and target the Rwandan diaspora. Some companies have also used monetization methods that provide for fair revenue sharing.

The Rwandan case study was an example of the importance of strengthening IP protection for small businesses. In Rwanda, illegal copies of Rwandan musicians' music can show up soon after the release of new albums. Where law enforcement is under-resourced or otherwise inadequate, artists must form their own communities and work with local law enforcement to track down illegal copies. The business environment in general must have greater recognition of the value of IP.

We are therefore faced with both challenges and opportunities in this digital age: how to determine the IP content generated by AI? How to optimize the use of Blockchain for IP protection?

Antony Taubman, Intellectual Property, Government Procurement and Competition Division, WTO

noted the complementarity between the two presentations, and that collectively they called for a forward-looking approach rooted in practicality. Rwanda as a case study of untapped potential in the creative sector is but one example of how we need to work together in Geneva on solutions that are beneficial and practical for the global community. To underscore the point, Mr Taubman told an anecdote of a meeting he attended with a Minister of Trade of a developing country; the Minister had told Mr Taubman of the young, creative generation, born and raised in the digital era and asked him "What can the WTO do for them?" This remark showed that the aid for trade demand in this dimension is evolving rapidly.

Mr Taubman gave two examples of famous musicians who faced difficulties maintaining the rights to their music to make the point that empowerment in the context of IP is not about changing the structure of the IP system as such. Rather, it is about the way that IP rights are managed and organized – and behind this is the capacity for effective negotiation.

There is a need, therefore, to rethink what international trade is, and examine how it has been digitally disrupted, diversified, and even redefined – especially given the evolution from trade in IP-intensive goods to trade in IP as such. These questions matter particularly for trade and development policy. There are new trading platforms that enable creators anywhere on the planet to find their way to global markets. Moreover, knowledge spill overs occur when developing countries take part in global value chains – and IP is a link in the global value chains.

The possibilities are clear, but there are real difficulties in mapping the ecosystem. The data is opaque; we know that there are over 100 billion downloads of apps on the Apple store alone, but we do not know the value of these transactions nor to whom the money goes – it is not included in trade statistics. The IP component of international trade is not given enough attention, even at a time where trade deficits and flows are an increasing concern at the highest political levels. We therefore need to improve our understanding of IP flows. Endeavours to deal with this to date have not been harmonized or uniform; some regional trade



agreements, for instance, distinguish between trade in digital products and IP in the digital environment. In sum, we need to look at whether existing trade rules are workable in today's context and see how rules can be applied more effectively – are existing trade platforms adequate or do we need a new digital domain?

Reporter: WTO



SESSION 15: Side Event "Financing digital industrialization"

Organizer: South Africa

MODERATOR

› **Vahini Naidu**, Counsellor, South African Permanent Mission to the WTO

PANELLISTS

› **Rashmi Banga**, Senior Economic Affairs Officer, Unit on Economic Cooperation & Integration Among Developing Countries, GDS, United Nations Conference on Trade and Development

› **Deborah James**, Director of International Programmes, Center for Economic and Policy Research

The context in which African countries will have to industrialize, is changing rapidly. Industry 4.0 illuminates the stark digital, technology and development divide and the urgent need to develop policies to enhance digital industrialization in African countries. A key objective of this session is to consider homegrown solutions and options for sustainable financing for digital industrialization in view of the development imperatives of the AU Agenda 2063: The Africa We Want.

- What sustainable, innovative or self-financing models can African countries consider?
- What is the scope of Aid for Trade? How far can Aid for Trade bridge the infrastructure, digital and technological divide?
- How can the Aid-for-Trade Initiative better contribute towards building supply-side capacity in line with African countries' industrial transformation ambitions?



Short Summary

This session explored ways in which digital industrialization could be financed. Key points included that multilateral rules on e-commerce and digital trade would not support rapid digital transformation of African countries. It would instead lock-in the existing economic order that placed first-movers and digital tech giants at the forefront of the digital economy and exclude domestic African firms. Agreeing to binding rules in WTO would also prevent developing countries from adopting tax policies and regulating this space that would allow them to generate the necessary revenue and resources to finance digital industrialization.

Long Summary

The Session was moderated by Vahini Naidu, Counsellor at the South African Permanent Mission to the WTO in Geneva.

Dr. Richard Hill, President, Association for Proper Internet Governance made the point that Data was the most valuable resource in today's economy. He said that although some economists treated data as a non-rivalrous resource, i.e. that it was not consumed upon use, in practice it was not due to the limitations internet platforms imposed on sharing data. When countries considered the question of how to make technology available to all, they should look at universal service commitments as a model. This may involve using taxes and subsidies to provide access to technologies to the more remote and deprived areas. They should also use duties on electronic data transmissions to finance universal access. It was also important to implement competition policy rules to avoid digital services concentration. This he said was the opposite of what was being proposed in the negotiations on e-commerce in the WTO. Proposals in the negotiations also advocated for the free flow of data which was being treated differently than intellectual property with prohibitions on technology transfer. Thus, he warned developing countries against accepting binding e-commerce rules in the WTO that would enshrine the current globalized commercial system which was not working for the global majority.

Deborah James, Director of International Programmes, Center for Economic and Policy Research proposed that liberalization of digital trade would weaken the ability of developing countries to generate resources for digital industrialization. It

was better to use "the China model". She said that developing countries should not rely on aid to finance their digital industrialization, but rather rely on taxes on data flows. However, the issue of taxes was not being discussed in the WTO and neither were the negative revenue implications that a digital trade agreement would have on developing countries. She described seven ways in which transnational corporations were seeking to use trade agreements to lock-down a regime in which they would not have to pay taxes in the countries in which they profit. She said that instead of discussing rules on e-commerce that favoured developed countries and their businesses, the WTO should be discussing the Doha Development Agenda. She also said the WTO Director-General was acting outside of his mandate by promoting the interests of some members over the development interests of the majority of members.

The moderator asked the panellists whether innovative financing mechanisms could be developed for African countries who do not want to rely on aid, such as levies charged by the African Union to fund internal operations and the climate change levy. The moderator explained that we have often been told in the WTO that it is not technically feasible to levy customs duties on e-transmissions. For example, if African countries do not agree to any moratorium on e-transmissions, can the money collected be used to finance digital industrialization such as an African cloud, data centers, or a digital skills academy?

Dr. Hill replied that this was indeed possible. This was not a legal or technical issue and the companies were already developing systems to collect copyright levies on digital content so the same ingenuity should be used on collecting duties when data crosses borders.

Reporter: Mission of South Africa to the WTO



SESSION 16: Side Event "Trade for Peace through WTO accessions: Opportunities for the private sector"

Organizers: g7+ WTO Accessions Group, The Netherlands

KEYNOTE SPEAKERS

› **Alan Wm. Wolff**, Deputy Director-General, World Trade Organization

MODERATOR

› **Mohammad Qurban Haqjo**, Ambassador and Permanent Representative, Permanent Mission of Afghanistan to the WTO

PANELLISTS

› **Monique van Daalen**, Ambassador, Permanent Representation of the Kingdom of the Netherlands to the UN

› **Francisco Dionisio Fernandes**, Chargé d'affaires, Permanent Mission of Timor Leste to the UN

› **Frank Matsaert**, Chief Executive Officer, TradeMark East Africa

› **Daniel Weston**, General Counsel and Global Head of Creating Shared Value and Corporate Communications, Nestlé Nespresso SA

Countries that have been isolated from the global economy by years of conflict are yet to fully realize their trade and development potential. Thirteen out of 22 governments currently acceding to the WTO are considered fragile or conflict-affected countries. They use WTO accession as a tool to build and transform their economies and to create credible trade and policy frameworks through WTO consistent reforms - for post-conflict recovery and development, state-building and promotion of peace.

These processes offer significant trade opportunities for the private sector, as well as they raise question about the role that businesses engaged in peaceful trade could play in conflict prevention and mitigation processes, whether MSMEs, large enterprises or multinational corporations. The session will focus on examining this link and will provide a platform for conflict-affected acceding governments and development partners to:

(i) discuss and exchange ideas on the business and investment opportunities offered by trade in achieving peace, and the specific challenges; (ii) familiarize broader audience with the implications of disruptions in trade and investment on the private sector; and (iii) identify how private sector can play a role to contribute and advance in peaceful development.



Short summary

The session, moderated by Ambassador Mohammad Qurban Haqjo (Afghanistan), focused on business opportunities offered by trade in achieving peace. Five panellists provided perspectives from a WTO Member (Netherlands), conflict-affected acceding governments (Ethiopia, Timor-Leste), private sector (Nestlé Nespresso SA) and an AfT organisation (Trade Mark East Africa, TMEA). Panellists agreed that trade played a role in preventing conflicts and facilitating post-conflict recovery. The reforms associated with WTO accession offered significant trade opportunities for the private sector. The g7+ pledged to use the WTO for peacebuilding and sustainable development.

Long summary

The session was co-organized by the g7+ WTO Accessions Group and the Government of the Netherlands and moderated by Ambassador Mohammad Qurban Haqjo, Permanent representative of Afghanistan to the WTO.

Five panellists provided perspectives from: an original WTO Member (Ambassador Monique van Daalen, Permanent Representative of the Netherlands to the WTO), conflict-affected acceding governments (Ambassador Zenebe Kebede Korcho, Permanent Representative of Ethiopia to the UNOG; Mr Francisco Dionisio Fernandes, Chargé d'affaires of the Permanent Mission of Timor-Leste to the UNOG), private sector (Daniel Weston, General Counsel, Nestlé Nespresso SA) and an Aid for Trade organisation working in FCA states (Mr Frank Matsaert, Chief Executive Officer, Trade Mark East Africa).

Panellists agreed that trade played a role in preventing conflicts and facilitating post-conflict recovery. The reforms associated with WTO accession and membership offered significant trade opportunities for the private sector. The g7+ pledged to use the WTO for peacebuilding and sustainable development.

The Netherlands believed that trade, development and humanitarian efforts had to be streamlined in fragile contexts. While Aid for Trade programmes contributed to the realisation of the SDGs, if Agenda 2030 was to be achieved, there had to be focus on the fragile and conflict-affected states.

Ethiopia was reforming its economy, liberalizing some of the state-owned enterprises (in telecoms, logistics,

power and agricultural sectors). The Government had signed and ratified the landmark African Continental Free Trade Area (AfCFTA) and reactivated its WTO accession process. It was leveraging the regional and global integration processes to achieve peace and security.

Timor-Leste was fully committed to overcoming the social and economic hurdles which it faced – the legacy of an armed conflict which lasted nearly a quarter of a century. The Government believed that these challenges could only be overcome through local-led projects in a broader context of regional and international co-operation.

Nestlé Nespresso stressed that a stable governance framework was critical for enabling private enterprises to flourish. The company was supportive of ongoing WTO accessions and the Trade for Peace Initiative. Following the success of South Sudanese coffee in the global markets, it planned to continue investing in fragile and conflict-affected countries with commercially viable coffee (i.e., Colombia and Zimbabwe).

TradeMark East (TMEA) added that trade facilitation was critical for peacebuilding. It financed infrastructure projects essential for boosting trade (like ports and roads). Furthermore, it had contributed to leveraging trade for bridging the gender gap and empowering women.

Reporter: WTO



SESSION 17: Development Hub "Leveraging services for development: policies and prospects" Organizers: Asian Development Bank, Asian Development Bank Institute

KEYNOTE SPEAKERS

- › **Bambang Susantono**, Vice-President for Knowledge Management and Sustainable Development, Asian Development Bank

MODERATOR

- › **Martin Roy**, Counsellor, World Trade Organization

PANELLISTS

- › **Matthias Helble**, Economist, Asian Development Bank
- › **Justine Lan**, Economic Affairs Officer, World Trade Organization
- › **Ben Shepherd**, Principal, Developing Trade Consultants

The services economy is on the rise all around the world. Services provide, in nearly all economies, the largest proportion of economic activity and employment. At the same time, the services economy remains relatively under-studied. The book presents latest evidence on how technologies and globalization have transformed the services industry.

Today, services are increasingly tradable under WTO rules and regional trade agreements. Some services sub-sectors are also seeing rates of productivity growth that are comparable to manufacturing. At the same time, services increasingly contribute to manufacturing success and that countries' overall economic competitiveness hinges crucially on the availability of high-quality and affordable services inputs. Furthermore, a well-functioning services sector can accelerate human development through better access to basic needs, such as education, energy, finance, health, water and sanitation. Services can also become a source of good jobs that have less negative environmental and social externalities.

Overall, the ongoing structural transformation towards a services economy is a unique change to achieve long run income growth, which in turn helps to promote sustainable development. This book gives ideas on the how and is thus an indispensable read for researchers and policy makers alike.



Short summary

In this session the ADB-ADBI book entitled "Leveraging Services for Development: Policies and Prospects" was launched by ADB Vice President Bambang Susantono.

Three of the authors, Matthias Helble, Justine Lan and Ben Shepherd discussed the main findings of the book. Martin Roy from the WTO Services Division led the panel discussion.

Some of the highlights of the discussions were: First, services are increasingly contributing to manufacturing success, and countries' overall economic competitiveness. A well-functioning services sector can accelerate human development through better access to basic needs, such as education, energy, finance, health, water, and sanitation. Services can also be a source of good jobs for women with fewer negative environmental and social externalities. Finally, the ongoing structural transformation toward a services economy was a unique opportunity to achieve long-term income growth, which in turn promoted sustainable development.

affordable services inputs. Furthermore, a well-functioning services sector could accelerate human development through better access to basic needs, such as education, energy, finance, health, water, and sanitation. Services could also be a source of good jobs with fewer negative environmental and social externalities.

Overall, the ongoing structural transformation toward a services economy was a unique opportunity to achieve long-term income growth, which in turn promoted sustainable development. This book offered suggestions on how to achieve this, and was an indispensable read for researchers and policy makers alike.

Reporter: Asian Development Bank

Long summary

In this session the ADB-ADBI book entitled "Leveraging Services for Development: Policies and Prospects" was launched by the ADB Vice President Bambang Susantono. Following the launch, three of the authors, namely Matthias Helble, Justine Lan and Ben Shepherd discussed the main findings of the book. Martin Roy from the WTO Services Division led the panel discussion.

The book offers new insights into the services sector with a particular focus on services trade. The services economy is on the rise all around the world, and services now comprise the largest share of economic activity and employment in almost every country. Yet, the services economy remains relatively understudied. This book presented the latest evidence demonstrating how technologies and globalization have transformed the services industry. Services are becoming increasingly tradable under World Trade Organization rules and regional trade agreements, and some services subsectors are also seeing rates of productivity growth comparable to that in manufacturing. At the same time, services are increasingly contributing to manufacturing success, and countries' overall economic competitiveness now hinged on the availability of high-quality and



SESSION 18: Plenary "South-South and triangular cooperation: Supporting economic diversification and empowerment" Organizer: World Trade Organization

KEYNOTE SPEAKERS

- › **Jorge Chediek**, Envoy of the Secretary-General on South-South Cooperation and Director, United Nations Office for South-South Cooperation

MODERATOR

- › **Shishir Priyadarshi**, Director, Development Division, World Trade Organization

PANELLISTS

- › **Carlos Mario Foradori**, Ambassador, Permanent Mission of Argentina to the WTO
- › **Hassan Houmed Ibrahim**, Minister, Ministry of Economy and Finance responsible for Trade, SMEs, Crafts, Tourism and Formalization, Djibouti
- › **Pranav Kumar**, Chief, International Trade Policy Division, Confederation of Indian Industry
- › **Simmone Rose**, Programme Officer, Technology Bank for Least Developed Countries
- › **Desmond Tupangaia**, Unit Manager Trade and Values, Pacific Regional Division, Ministry of Foreign Affairs and Trade, New Zealand
- › **Zhang Xiangchen**, Ambassador, Permanent Representative to the WTO, People's Republic of China

The importance of South-South development cooperation has been growing from the time that the global Aid-for-Trade Initiative was launched. The contribution that South-South cooperation is making to the economic diversification in developing countries is borne out by the fact that a very large number of developing country respondents have identified China and India as the most important South-South sources of development cooperation and financing in the joint OECD-WTO 2019 monitoring and evaluation (M&E) exercise. The role of these two South-South cooperation providers was especially visible among LDC respondents. The survey also highlighted the cooperation offered also by a range of other South-South actors. With South-South trade offering an avenue for export diversification, understanding both the experience of South-South cooperation providers and recipients is relevant given the focus of this year's review on economic diversification and empowerment.

Recently, Argentina hosted the Second High-level United Nations Conference on South-South Cooperation. It marked the fortieth anniversary of the launch of the United Nations Conference on Technical Cooperation among Developing Countries. The outcome document of the Argentinian Conference recognizes the role of trade in growth and economic development of developing countries. It also underscores the contribution that South-South and triangular cooperation can make in the area of trade and its ability to promote sustainable development, notably towards implementation of the 2030 Agenda for Sustainable Development.

The aim of the plenary session panel is to survey South-South cooperation, to discuss the contribution that South-South and Triangular cooperation is making to Aid for Trade. Speakers will be encouraged to bring out the similarities and differences between South-South and North-South development cooperation and to highlight how these forms of cooperation can complement each other in their contribution to the trade-related outcomes envisaged by the Sustainable Development Goals. Importantly, the session will attempt to draw some conclusions and recommendations to make South-South cooperation even more meaningful and effective.



Short summary

On 20-22 March 2019, Argentina hosted the Second High-level United Nations Conference on South-South Cooperation in Buenos Aires. It marked the fortieth anniversary of the launch of the United Nations Conference on Technical Cooperation among Developing Countries. The outcome document of the Argentinian Conference recognizes the role of trade in growth and economic development of developing countries. It also underscores the contribution that South-South and Triangular cooperation can make in the area of trade and its ability to promote sustainable development, notably towards implementation of the 2030 Agenda for Sustainable Development. Against this background, the plenary session panel surveyed the contribution that South-South and Triangular cooperation is making to Aid for Trade. Speakers highlighted how South-South and Triangular forms of cooperation could complement each other in their contribution to the trade-related outcomes envisaged by the Sustainable Development Goals. The session drew some conclusions and recommendations on making South-South cooperation meaningful and effective.

Long summary

Shishir Priyadarshi, Director, Development Division, World Trade Organization introduced the session recalling that South-South trade had been a bulwark following the financial crisis, keeping trade and economic growth going among developing countries. South-South cooperation was flourishing, one reason behind this was unease with conditionalities imposed through traditional funding lines. South-South cooperation was typically between countries that were going through or had gone through the same development cycle.

Jorge Chediek, Envoy of the Secretary-General on South-South Cooperation and Director, United Nations Office for South-South Cooperation highlighted that South-South cooperation was important for development in general and that 2019 marked a new beginning for South-South cooperation. Achievement of the 2030 Agenda needed the engagement of developing countries. UNCTAD confirmed that the shares of exports of developing countries had increased from 42% to 57%. In 2017, one quarter of the global trade was taking place among developing countries. Most of this trade was taking place in Asia. There was scope for expansion in South-

South trade to link Asia, African, Latin America and the Caribbean.

South-South cooperation and its agenda had to be set by the countries of the South. Compared to 40 years ago, South-South cooperation had significantly evolved and was taking different forms, including through the promotion of economic cooperation capacity building, technology transfer and trade. The role of trade in growth and development in developing countries was key in strengthening South-South cooperation. The United Nations Office for South-South Cooperation had recently launched a database on South-South cooperation and supported a network of South-South thinkers across the globe, together with an inter-Agency mechanism within the UN to support South-South cooperation. UN was looking forward to developing new partnership on this topic with WTO.

Carlos Mario Foradori, Ambassador, Permanent Mission of Argentina to the WTO recalled that Argentina had a long history in South-South cooperation. Argentina created a special agency focusing on South-South cooperation. One of the reasons behind Argentina's focus on this was its Government's view that we needed a world in which more benefit. Growing in equilibrium and balance would help everyone. South-South trade between South America and Africa was about 3% of the total. This was insignificant and highlighted the need for capacity building. South-South cooperation had a value-added based on mutual understanding. From a developing country perspective there was sometimes demand from developed countries to move fast, and a lack of understanding of the constraints faced. South-South cooperation was based on a better level of understanding, but this was not enough, financial resources were needed which made Triangular cooperation key. The digital divide had to be seen as an opportunity. Ambassador Foradori offered an example of the combination between digital connectivity, micro policy, public and private sector could be key from Guatemala and had significantly increased exports after only two years. This model had been exported to other countries. Focusing on cooperation, trade and digital tools was essential, together with collaboration between the public and private sector.

Zhang Xiangchen, Ambassador, Permanent Representative to the WTO, People's Republic of China highlighted that among developing countries, capacity constraints were the main issue. Capacity building was an important pillar of the South-South



cooperation. China had an Institute which focused on the South-South cooperation. The Chinese Government provided scholarships for civil servants from developing countries to study at this Institute in order to enhance capacity building. South-South cooperation was not exclusive cooperation. There was a need to combine the efforts of the developing and developed countries to achieve the SDGs in an effective way. With regard to the digital connectivity, he stated that the digital gap *vis-à-vis* developed countries and developing countries needed financial support to close. Developing countries had different strategies to tackle this issue. For example, China and Argentina participated in the e-commerce initiative, but other countries were reluctant to join such initiatives. Different positions had to be respected. but he encouraged other countries to have strategies to deal with the digital gap. He concluded his remarks by commenting that South-South cooperation was important because countries faced the same problems and had a good understanding, but that there should be no intention to replace the role of the developed countries in North-South cooperation, particularly as regards narrowing the digital gap.

Pranav Kumar, Chief, International Trade Policy Division, Confederation of Indian Industry remarked Indian industry was a close partner of the Government of India in South-South cooperation. India had signed Preferential Trade Agreements providing unilateral duty-free market for LDCs. The North-South cooperation focused on unilateral preferences granted in the form of GSP or duty-free quota market, capital flow, aid and knowledge transfer. South-South cooperation was also moving in this direction in terms of granting duty-free access. Capital flow was also increasing but so far was not so significant, as well as the transfer of knowledge and technology. South-South cooperation could not be a full substitute for North-South cooperation.

Building digital infrastructure would help meet the SDGs. India has been using digital technology in many social development programmes as it allowed better targeting. Internationally, aid effectiveness was also based on digital infrastructure.

South-South cooperation helped with the SDG targets. Innovation, infrastructure and industry were clustered in SDG 9 and one of the challenges of the South-South cooperation was the lack of connectivity which was a major bottleneck for regional trade. In conclusion, he stated that more capital flow to create value chains was important to promote trade. Improving the connectivity

among South countries was very important, as well as standards compliance to get into global value chains.

Simmone Rose, Programme Officer, Technology Bank for Least Developed Countries recalled that the Technology Bank had been born from a call made by the LDCs for such a mechanism in 2011. Funding was provided by LDCs themselves and other partners. The mandate was to enhance the technology of the LDCs and to support the transformative change of the economies required by the 2030 Agenda. Trade had an important role to play in this regard. The Bank required the support of developed countries and partnerships with the private sector, as well as the support of the emerging economies such as India, China and Brazil.

The creation of the bank was a recognition by the international community that technology was important for the 2030 Agenda. Technology cuts across all the SDGs. She stated that the digital divide was an opportunity and one of the things the bank was looking into. LDCs did not need to start from zero. In her view, South-South and Triangular cooperation were key partnerships that would help accelerate achievement of the 2030 Agenda.

Desmond Tupangaia, Unit Manager Trade and Values, Pacific Regional Division, Ministry of Foreign Affairs and Trade, New Zealand highlighted that New Zealand's aid focused on the Pacific. The New Zealand Pacific Islands Investment Forum had three priorities: sharing knowledge, supporting professional development and developing investment opportunities. Another priority was building infrastructure across the Pacific. One of the unique features of the Agency was understanding business risk – something that helped to increase the speed of seizing opportunities.

One big challenge for the Pacific region was connectivity, in particular sea transport. Part of the region were remote and the ability to get to developed markets was a significant challenge. Some of the Pacific islands had no connectivity and so no ability to engage in e-commerce. For the islands that did have connectivity, there were issues of reliability, and the challenges of cost and speed of connection. These fundamental challenges needed to be addressed as part of advancing the e-commerce and connectivity agenda. He concluded by saying that South-South and triangular cooperation should put developing countries at the center of the conversation so they can engage effectively.

Reporter: WTO



SESSION 19: Side Event "Economic diversification and increase of exports from Angola"

Organizer: Angola

OPENING REMARKS

› **Yonov Frederick Agah**, Deputy Director General, World Trade Organization

ANGOLA

› **Vera Esperança dos Santos Daves**, Secretary of State, Ministry of Finance, Angola

› **Sérgio Mendes dos Santos**, Secretary of State, Ministry of Economy, Angola

The session aims to reflect on the challenges facing Angola, in a context in which the strong dependence of the national economy on the oil sector is the main feature of the current imbalance of its structure. This is why the Executive in a strategic alliance between the State and the private sector in pursuit of its objectives is developing a programme aimed at improving the business environment, encouraging investment, strengthening the state's organizational and digital capital, Economic Diplomacy, as well as developing the country in a sustainable way.

SESSION CANCELLED



SESSION 20: Side Event "Leapfrogging the digital gap: Addressing practical challenges for scaling up digital trade"

Organizers: Permanent Representation of the Kingdom of the Netherlands, Permanent Representation of Benin to the WTO

MODERATOR

› **Nick Ashton-Hart**, Geneva Representative, Consensus Optimus

PANELLISTS

› **Serge Mahouwedo Ahissou**, Minister, Ministry of Industry and Trade, Benin

› **Candace Nkoth Bisseck**, Lead, eTrade for Women Network Initiative, United Nations Conference on Trade and Development

› **Killian Clifford**, Director for Policy and Advocacy, Mobile Money, GSMA

› **Justin Macmullan**, Advocacy Director, Consumers International

› **Marcel Vernooij**, Minister Plenipotentiary, Head of Economic and Development Division, Permanent Representation of the Kingdom of the Netherlands to the UN

Debates on digital trade are characterized by an abundance of gaps. One of these is between often highly technical discussions on regulatory frameworks in Geneva, and the day-to-day practical challenges entrepreneurs all over the world face in starting, building and expanding their digital businesses in a rapidly developing, global, and digital space. The Netherlands Government, in cooperation with the Government of Benin, will host an interactive seminar to dive into the practical implications of two particular real-world challenges, and jointly explore ways forward.

The first challenge is how to ensure financial inclusion; the second concerns consumer protection within the rapidly changing context of e-commerce, platform-based economies and the potential and peril of access to data.



Short summary

This side-event was co-organized by the Permanent Representations of the Kingdom of the Netherlands and the Republic of Benin. The purpose of this session was to zoom in on two important topics within the current e-commerce debate at the WTO: financial inclusion and consumer protection. The session discussed opportunities and challenges faced in the digital space. While e-commerce provides consumers with greater choices, the lack of trust in the digital space has prevented consumers from fully engaging in e-commerce. Consumer protection has therefore been identified as an enabler for digital trade. The session also discussed the potential of mobile money for promoting financial inclusion and the importance of creating gender-inclusive regulatory environment. The session was moderated by Nick Ashton-Hart from Digital Trade Network.

Long summary

On consumer protection, **Justin Macmullan, Advocacy Director, Consumers International** asked what the main reason is for consumers to not shop online and showed that trust, consumer protection and e-commerce regulations need to go hand in hand. One of the emerging issues is e-commerce, which provides consumers with greater choices, and producers with greater access to markets at lower cost. He stated that one million consumers go online everyday typically without prior training which may pose risks. For instance, consumers may not be aware of their rights in the digital world and how to protect them. E-commerce relates to national growth. He cited a study from UNCTAD which shows that B2C e-commerce is the fastest growing sector. He highlighted that B2C e-commerce has created a new form of international trade where consumers are active participants in trade.

He noted that trust and assurance has become more important in the digital world in terms of delivery, seller's credibility, financial information, etc. In this context, he stressed that consumer protection is an enabler of trade. Although consumers are buying online, they do not have full confidence online. Forty-nine per cent of consumers are worried that their digital payment is unsafe. In 2016, 57% of consumers worldwide were more concerned about their online privacy than they were in 2014. Lack of access to accurate information, lack of redress, concerns about quality and safety of goods, standards and consumer rights, payment and

delivery are some of the factors that create mistrust. He argued that modern trade agreements should have provisions that increase consumer trust. He presented the Consumer's International Checklist for an international e-commerce deal. This checklist should help to ensure that the outcome of negotiations is beneficial for consumers and protects them. The audience seemed to agree and picked "I don't trust shopping online" as the main reason for not shopping online, showing that trust, consumer protection and e-commerce regulations need to go hand in hand.

Killian Clifford, Director for Policy and Advocacy, Mobile Money, GSMA discussed barriers to greater uptake of mobile money. He invited participants to participate in a poll to identify the top factors preventing greater uptake of mobile money. The audience ranked lack of financial inclusion the biggest barrier to using mobile money. Other barriers include anti-money laundering, data localization, lack of competition in certain markets.

He showed that the use of mobile money has increased substantially over the past eight years in all parts of the world and that it plays a critical role in enhancing financial inclusion in emerging markets. He discussed the recent performance of the mobile money industry which had experienced 20% year on year growth on the number of registered customers globally. One hundred and forty-three million new customers were added in the last year. At the end of 2018, the number stood at 866 million accounts and at that pace, it is expected to hit one billion at the end of 2019. There is an active mobile money deployment around the world. In terms of mobile money services launched, the figure showed a maturing market. Whereas the number of services launched had stagnated, the number of accounts continued to grow. He also showed that mobile money contributed to financial inclusion. Financial inclusion in East Africa for instance was higher than that in the MENA region, thanks to mobile money.

On financial inclusion, Mr Clifford from GSMA also presented the opportunities of mobile money systems for safe, cheap and fast remittances. He discussed the role remittances play in trade, financial inclusion, and the SDGs. He highlighted that mobile money helps formalize remittance flows. Mobile money promotes the use of safe, cheap and fast remittances, which can contribute to the SDGs. In 2018, US\$529 billion in remittances were sent to developing countries, of which only US\$4.3 billion went mobile money systems. He discussed factors that may influence the low uptake of mobile-money enabled remittances including



de-risking of correspondent banking, complex regulatory environment, and a lack of competition. A solution to these issues would be to ask regulators to encourage banks to follow a risk-based approach to anti-money laundering. He also pointed out that data localization requirements could push up the cost for sending remittances. In addition, licenses may not be available to non-banks and exchange controls also driving up the remittance cost. He stressed that the low uptake of mobile money was likely to be driven by de-risking.

Candace Nkoth Bisseck, Lead, eTrade for Women Network Initiative, UNCTAD shared her perspectives on the gender, consumers protection and financial inclusion. She stated that challenges in e-commerce are often driven by the lack of trust, whereby electronic transactions are often associated with scam and consumers are concerned about their data.

She also discussed financial inclusion and the challenges faced by women. In her remarks, she explained that when it comes to financial inclusion and the digital divide, there was a big gender divide: women had less access to financial inclusion, for example. This was worrisome, as a majority of MSMEs trading online are women-owned. Beyond regulatory challenges, she highlighted some gender-specific issues including limited financial skills and capabilities, the digital gender gap, and social norms. To increase women's participation and empower women through ICT, she suggested adapting the environment to be more gender inclusive, assisting women to gain access to resources. She cited findings by McKinsey Global Institute which showed that fully incorporating women into the global economy would add US\$12 trillion to GDP by 2025. She stressed the need to create a more gender-inclusive regulatory environment and ensure women are well represented in policymaking at the national, regional, and international level. Digital financial services and payments have an important role to play in closing these gaps.

Marcel Vernooij, Deputy Permanent Representative of the Kingdom of the Netherlands to the WTO, provided closing remarks, emphasizing that inclusion of SMEs and women contributed to sustainable development of the digital economy. In the current Joint Statement Initiative there was room for development issues, and thus it was vital that all WTO Members, developing and developed, join the negotiations to ensure that the negotiated outcome represents all countries and leaves no one behind. He announced that sessions like these would be organized in the course of the following

year, and asked the audience what topics they would like to discuss further. Ideas included the risks and benefits of data localization, e-commerce readiness on the ground, ways to deal with data ownership, and a more regional focus.

Reporter: WTO



SESSION 21: Side Event "Gender integration in Aid-for-Trade Facilitation: Existing tools and lessons learnt in Aid for Trade Facilitation"

Organizers: The Ministry for Foreign Affairs, Sweden, The Swedish International Development Cooperation Agency, World Customs Organization

MODERATOR

› **Cecilia Scharp**, Assistant Director General, Swedish International Development Cooperation Agency

PANELLISTS

- › **Dicksons Collins Kateshumbwa**, Commissioner of Customs, Uganda Revenue Authority
- › **ames Kisaale**, The Assistant Commissioner Customs - Trade Division, Uganda Revenue Authority
- › **Ann Linde**, Minister for Foreign Trade, Sweden
- › **Maria Liungman**, Senior Economist, World Bank Group
- › **Axel Pougin de la Maisonneuve**, Deputy Head of Unit, Directorate-General for International Cooperation and Development, European Commission
- › **Johanna Törnström**, Assistant Programme Manager and Lead on Gender Equality and Diversity at the Capacity Building Directorate, World Customs Organization

Following the Buenos Aires Declaration on Women and Trade from 2017, many Aid for Trade organizations are looking for ways to move from words to action. However, there is no one size fits all - what is needed is evidence and tools for identifying the challenges and opportunities in each case. A particularly important area is implementation of the Trade Facilitation Agreement (TFA), which holds great potential for stimulating trade, job creation and poverty reduction. Yet a gender lens is needed to ensure that the benefits are shared and that the gender-related challenges involved in trade facilitation are dealt with.

This event will have a "hands on" focus and bring together donors and implementing partners in Aid for Trade to share experiences and lessons learnt in gender mainstreaming. What available tools are there? What can be learnt from the experiences in using these tools? What are the identified challenges that women traders face in undertaking cross-border trade and what particular interventions might be useful for ensuring that the trade opportunities are benefitting both men and women?



Short summary

The event organized by Sweden, and moderated by Cecilia Scharp (Swedish International Development Agency, Sida), had a "hands on" focus and brought together donors and implementing partners in Aid for Trade to share experiences and lessons learnt in gender mainstreaming in aid for trade facilitation. Discussions centered on a variety of tools available and experience using them. Panellists highlighted challenges that women traders faced in undertaking cross-border trade and identified interventions which might be useful to ensuring that the trade opportunities are of benefit to all women.

The session identified specific trade barriers at the borders that women traders faced and behind the border barriers such as legal discrimination, logistics, access to finance, skills and education. Uganda Revenue Authority had developed a trade facilitation framework for simplifying customs clearance processes and strengthening women trader associations. The World Bank pointed at different data collecting systems that undermined the identification of women traders. The Swedish trade minister, the European Commission and the World Customs Organization all underscored the importance of improving the gender dimension in impact assessments of trade reforms and aid for trade. The WCO presented GEOAT, a self-assessment tool for customs to assess their policies and practices for gender equality. In the WCO's virtual working group, customs could exchange experiences and gather good practices. Sida stressed that internal work plans, skills development for staff and a tool for gender integration in Aid for Trade were the main ingredients for successful gender mainstreaming in Aid for Trade.

Long summary

Ann Linde, Minister for Foreign Trade, Sweden, called upon all donors to allocate gender marked aid for trade to trade policy projects. The Minister stated that administrative burdens disproportionately affected SMEs and that the implementation of the Trade Facilitation Agreement would be beneficial for SMEs in general and women-owned SMEs in particular. Ms Linde made reference to expert-led Aid-for-Trade projects which addressed barriers encountered by women and the need to simplify access for female entrepreneurs. The implementation of the Trade Facilitation Agreement would remove barriers that were especially burdensome for female entrepreneurs.

Maria Liungman, Senior Economist, World Bank Group stated that firms that are engaged in trade employ more women and pay higher wages. She stated that the expansion of international trade had created new jobs for women traders however only 15% of exporting firms were female-led. Liungman also concluded that although there was evidence of a close correlation between trade openness and gender equality there were a lot of things that were not known about women's participation in trade. How do constraints differ and how many traders were men versus women? Some barriers were common, such as tariffs, but other barriers differed between men and women. Maria Liungman pointed to a lack of information, inconsistency in tariffs, cumbersome procedures and low connectivity as some of the challenges at the border. Behind the border, legal discrimination, logistics, access to finance, skills and education were some of the problems that had to be addressed. For women to take advantage of trade opportunities as much as male traders there is a need to collect gender disaggregated data, for example of the exact number of women traders or the exact nature of barriers. The World Bank Group surveys would help to develop appropriate trade facilitation programmes to address gender specific constraints and to support women traders. She stated that a lesson learnt was that women traders are extremely diverse therefore when developing programmes, said programmes must be country specific.

Axel Pougin de la Maisonneuve, Deputy Head of Unit, Directorate-General for International Cooperation and Development, European Commission, stated that the time had come to move from gender mainstreaming to a tailored response, one by one upfront. He referred to a targeted intervention and gender assessment regarding the West Africa Trade Facilitation Programme which had resulted in reduced barriers for small scale traders with an emphasis on improving conditions for women. He also pointed to an example from Burkina Faso where an SME - a mango exporting company led by a woman - exported to the EU, had 190 employees and traded fruit from over 3,000 mango producers, but could not expand the business as they couldn't afford the high bank interest rate (13%) and thus couldn't upgrade technical equipment. The European Commission representative also spoke of the COMESA cross-border trade initiative which, among other issues, identified the need to design and implement trade and movement facilitation policies and instruments for small traders and the need to build/upgrade adequate gender sensitive border infrastructure for small-scale traders. The European



Commission underlined the importance of tackling not only challenges at the border such as corruption, bribery and harassment, in addition to supporting cross border trade associations and improved border infrastructures, but also behind-the-border issues such as access to finance, skills and justice/formality. Gender assessments were instrumental in targeting future interventions. He emphasized that gender assessments should be undertaken before Aid-for-Trade projects. He also spoke of the need to not only strengthen vocational training for women entrepreneurs but to also ensure that they have dedicated training programmes.

Johanna Törnström, Assistant Programme Manager and Lead on Gender Equality and Diversity at the Capacity Building Directorate, World Customs Organization pointed to gender equality and diversity as a key area in customs modernization. The WCO Gender Equality Organizational Assessment Tool (GEOAT), would help customs authorities to assess and address gender inequality in their internal workplace, but also in how they treat traders. The WCO has also introduced a blended training package (workshop and e-learning module) on "Advancing Gender Equality in Customs Administrations" aimed at addressing the links between gender equality and customs reform and modernization. An update of the tool in 2019 included new indicators and support to gender mainstreaming in project management. In addition, the WCO's virtual working group, could support customs organizations to exchange experiences and gather good practices. The Virtual Working Groups was open to assigned representatives from Members and held meetings every one to two months via Skype. From the virtual discussions a compendium of good practices was being developed as a complement to the GEOAT. In addition, a user-friendly e-learning module was launched in 2019 targeting all custom officers.

Dicksons Collins Kateshumbwa, Commissioner of Customs, Uganda Revenue Authority, informed about their work at the borders and stated that all projects were initiated by first talking and listening to women traders at the borders. An URA survey made it clear that women traders had unique difficulties coming from e.g. being single mothers, difficulties in accessing finance or networks and harassment. The URA had launched the Women Trade Facilitation Framework in 2018 that included building capacity of women in trade, simplifying customs clearance processes and procedures, advocating for gender responsiveness among the partners and stakeholders and improving access to trade information as well as strengthening

women's associations. In addition, increased storage facilities at the borders mean that women did not have to carry heavy weight packages every day and reduced the risk of being robbed on the way to and from the border. The WTFF has resulted in 900 women being trained in 2018 on procedures and financial literacy; free storage facilities at border posts; peer-to-peer bonding between women from different borders and the creation of KPIs for Customs staff regarding the manner in which they facilitate women at their respective stations. A MoU with Trade Mark East Africa had been launched in March 2019 to ensure that women traders were educated, empowered, organized, facilitated and protected.

Cecilia Scharp, Assistant Director General, Swedish International Development Cooperation Agency, concluded from the presentations that there was a growing body of evidence and lessons learnt. She explained how Sida was working to integrate gender equality issues across the board, and in Aid for Trade. She informed all present of Sida's recent publication on "Gender Equality and Trade". The publication provided examples from different economic sectors on how gender equality and women, men, girls and boys affected and were affected by trade. She also stressed that mainstreaming needs to work together with targeted interventions. Internal work plans, lead policy specialists and skills development for staff were more general ingredients for successful gender mainstreaming in Aid for Trade.

Reporter: WTO



SESSION 22: Side Event "Facilitation 2.0 Lite"

Organizers: World Economic Forum, Australia, Denmark

MODERATOR

› **Aditi Sara Verghese**, Policy Analyst, International Trade and Investment, World Economic Forum

PANELLISTS

› **Simon Farbenbloom**, Deputy Permanent Representative to WTO, Department of Foreign Affairs and Trade, Australia

› **Kasek Galgal**, Young Professional, Papua New Guinea, World Trade Organization

› **Pan Sorasak**, Minister of Commerce, Cambodia

› **Kerim Türe**, Founder and CEO, Modanisa

To sustainably grow their economies and provide opportunities for their citizens, many countries are looking to ease the path for small business. For many, the opportunity is in diversified agribusiness, empowered by new channels to market.

Facilitation is critical for small businesses, unable to cope with complexity. Trade facilitation is crucial, but so too is facilitating easier ways to invest, reach customers through e-commerce and create services businesses.

Aid for Trade aims to smooth the road to trade success. In combination with business input, it can focus on the most cumbersome problems, advance real opportunities and offer links into value chains. Local community ownership is the best route to sustainability.

This session draws from several initiatives working to support innovative, holistic facilitation, in a light-touch way. Beneficiaries, donors and private sector partners will share their experiences on what and how to facilitate to enable empowered sustainable development. These insights may be useful both for domestic reforms and for international cooperation.



Short Summary

The World Economic Forum, together with the Governments of Australia and Denmark, organized a session to examine how trade facilitation efforts require other, complementary facilitation efforts – including in investment, services, and e-commerce – if the gains from trade are to be fully realized.

Trade facilitation efforts require other complementary facilitation efforts in a holistic manner if the gains from trade are to be fully realized, an approach dubbed "Facilitation 2.0". Such an approach is "lite" in that it helps to identify and support implementation of domestic regulatory priorities, as opposed to long-term infrastructure initiatives, for example.

In this session, representatives of the private sector, international organizations, donors, and developing countries shared their insights on this approach by identifying concrete actions, especially with a view to growing e-commerce.

Some of the top recommendations included: creating an enabling legal and regulatory framework, advancing soft infrastructure in customs or payment gateways, pursuing regional policy cooperation, re-orienting freight services for small package trade, simplifying VAT payment and accounting for returns, establishing mechanisms of dialogue and coordination (especially between donors and between governments and the private sector), empowering women-owned businesses and local communities, ensuring complementarity of policies and institutional efforts such as between trade initiatives and education for digital skills, and using social platforms as new channels to grow and facilitate trade.

Long summary

Speakers shared insights and experiences from multiple vantage points, respectively a fast-growing developing country, a successful new firm in e-commerce based in Turkey, a donor government involved in WTO negotiations, a Papua New Guinean working on trade in the WTO Secretariat with a background in information and communications technology (ICT), and an international organization currently managing development projects in this area.

SOK Sopheap, Secretary of State, Ministry of Commerce, Kingdom of Cambodia emphasized the importance of creating the legal and regulatory

environment as a key enabler for e-commerce to grow, such as through Cambodia's ICT masterplan and an e-commerce law that will be enacted in the next few months. However, developing countries still struggle to do this effectively, as illustrated in two ways: (i) Cambodia signed the 2016 Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific but has been unable to ratify it due to insufficient implementation capacity in customs, specifically on e-payment of duties; and (ii) Cambodia is still lacking a legal framework on the movement of data. At the same time, he underlined that such national efforts should be supported within regional efforts, in Cambodia's case ASEAN and RCEP (the latter including an e-commerce chapter). Harmonization of national efforts at a regional level would help realize trade potential, such as *de minimis* levels that are currently very different from country to country across ASEAN. The importance of soft infrastructure was also underscored, including payment gateways and single window mechanisms.

Kerim Ture, CEO, Modanisa argued that facilitation should deal with trade complexity; the system as a whole is currently unsuited to small-package trade. From his experience starting an e-commerce business – which specializes in the sale of garments across borders – moving goods is complex. Larger firms can deal with such complexity with relative ease, but smaller firms face a significant challenge to entering and operating in such a market. The existing infrastructure also favours larger firms that move containers full of goods rather than smaller firms that send individual packages. To tackle these challenges, he suggested three concrete actions: (i) lowering freight costs (currently shipping a good from Turkey to China costs six times more than shipping it the other way), including through the use of fixed prices regardless of the number of packages sent and higher *de minimis* levels; (ii) simplifying VAT/tax calculations and operations (e-commerce actors find it difficult to navigate differences in taxes between states/provinces in the same country) and merchants need to be able to get taxes back when a product is returned, such as in Germany where 50% of e-commerce purchases are currently sent back; and (iii) lowering banking fees for payments. In addition, he mentioned the challenge of larger firms controlling sales platforms, and the need to find ways to better share platform-generated profits.

Simon Farbenbloom, Deputy Permanent Representative, Australian Permanent Mission to the WTO explained that Australia followed four key



principles in its approach to unlocking the benefits from trade: (i) grounding actions in evidence-based identification of priority reforms; (ii) ensuring effective coordination among donors; (iii) ensuring effective and regular dialogue between government and the private sector; and (iv) ensuring an inclusive approach, especially of women. Australia therefore views its donor role as enabling partner countries to address their needs through following these four principles. He cited several concrete projects that are implementing this approach, including: (i) the Global Alliance for Trade Facilitation, which implements the Trade Facilitation Agreement; (ii) a project in Papua New Guinea to operationalize the Facilitation 2.0 approach, currently being implemented by the World Economic Forum. A recent workshop in Port Moresby brought together key stakeholders from across government and the private sector to prioritize e-commerce reforms; (iii) Pacific Trade and Invest, an Australian initiative that, for instance, recently trained pacific islanders on e-commerce opportunities through Airbnb.

Kasek Galgal, Young Professional, Papua New Guinea, World Trade Organization discussed the importance of identifying and implementing the right policies to enable people to fully participate in the digital economy. Concretely, this requires three approaches: (i) policies need to be complementary to one another, and considered in a holistic manner; (ii) institutions need to work together in a coordinated way, for instance in the identification and provision of skills and training in the educational system; and (iii) mechanisms of digital connectivity should be encouraged – such as social media – for while these may seemingly be aimed at leisure activities, they also have the potential to be used to stimulate and facilitate trade. He also emphasized the importance of financial services to facilitate e-commerce, as in Papua New Guinea small businesses are currently unable to receive payments from overseas. To carry out these reforms requires not only high-level political support, but that these approaches permeate down through government to an operational level. In the case of PNG, e-commerce may soon take off through the efforts of Facilitation 2.0 and the fact that internet costs have recently fallen. He also suggested that developing countries can tap into native solutions to develop e-commerce, and need not always adopt technology-intensive approaches (a tendency that could be called ‘techsolutionism’) which may be hard to implement in a developing-country context.

joining e-commerce platforms such as Modanisa; the role of certificates of origin to facilitate exports to third markets; and plans to incorporate blockchain to facilitate e-commerce.

Reporter: World Economic Forum



Questions from the audience involved better understanding the challenges to developing countries

SESSION 23: Side Event: "Promoting regional integration through MSME value chains"

Organizer: Common Market for Eastern and Southern Africa

PANELLISTS

- › **Arancha González**, Executive Director, International Trade Centre
- › **Chileshe Mpundu Kapwepwe**, Secretary General, Common Market for Eastern and Southern Africa
- › **Mwinyikione Mwinyihija**, Executive Director, Africa Leather and Leather Products Institute
- › **Ken Ndala**, Principal Secretary, Ministry of Industry, Trade and Tourism, Malawi
- › **Admasu Yilma Tadesse**, President, Trade Development Bank
- › **Fungai Zvinondiramba**, Secretary, Bulawayo Leather Cluster, Zimbabwe

COMESA, through its SME Cluster Programme, recognizes that SMEs contribute significantly to employment creation and national incomes in both developing and developed countries. The average contribution by SMEs to GDP in the COMESA region is estimated at 20- 25%, with a minimum and maximum contribution of 12% and 39% attributed to Sudan and Malawi respectively. However, SME capacities can be enhanced through minimal investments in cluster and incubation interventions targeted at improving their performance in regional value chain that have a rapid and deep multiplier effect across the entire economies. Thus, the interventions at regional level is aimed at enhancing the SMEs participation in intra and extra regional trade by addressing the challenges linked with low productive capacities.

The discussion will focus on how to further build MSMEs productive and export readiness capacities in order to participate in sustainable regional and global value chains.

A documentary on Malawi's Leather Value Chain Project supported by the European Union through the COMESA Adjustment Facility will be presented as part of this programme.



Short Summary

The session discussed how Aid for Trade interventions in the COMESA region support MSMEs and help them tackle their biggest challenges. These were listed as difficulties accessing quality inputs in sufficient quantities, lack of access to market information, inadequate business skills, poor access to technology and lack of access to finance. The session provided examples of support particularly in key high value sectors (leather, cotton, etc.). Development partners and institutions provided information on the instruments, strategies and financing they had put in place to address the challenges listed above and empower MSMEs to take advantage of opportunities present in key sectors and value chains.

Long Summary

Chileshe Mpundu Kapwepwe, Secretary General, Common Market for Eastern and Southern Africa said that the ratification of the African Continental Free Trade Area would foster free trade amongst African countries and would reinforce value chains, especially for MSMEs and other fragile groupings. The Agreement was likely to support productive capacities in countries and product development. This would support African traders to commercialize products within the wider continental market. Of course, value chain participation presented many challenges that needed to be first identified then mitigated. For MSMEs they first consisted in them having access to insufficient quantities of quality raw material to use as inputs. This prevented them to satisfy customer orders at the source.

To address this, COMESA had clustered MSMEs and grouped them together in order to give them increased negotiation power. To address another issue, insufficient information, which penalized MSMEs, COMESA has set to train them and inform them of market access opportunities. In this domain, e-commerce could help, and this was a point well established in other sessions of the Global Review. Training was also necessary to provide MSMEs with technical and business management skills which COMESA was addressing with capacity building and business education. MSMEs also needed to access to modern technologies and equipment in order to meet the lead times that trade, and value chain participation required. In order to maximize potential gains, the focus had been placed on agro-processing, particularly in the sectors connected to leather and cotton production and processing.

Ken Ndala, Principal Secretary, Ministry of Industry, Trade and Tourism, Malawi said that his country's policy documents focussed on supporting the large number of the country's MSMEs add value to its productions. Malawi wanted to see its traders transform raw materials in key sectors such as oil seeds, soybean, groundnuts and sunflower seeds. With support from partners, Malawi had reached a point at which it was able to produce cooking oil. Another processed product which was now traded in markets was peanut butter. The purchase of cooperatives by the country had helped this trend. Malawi was adding value to other products such as skin hides, copper, and leather. In the case of leather, Malawi had attempted to produce boots for the army and police who appreciated the products made by MSMEs. However, the issue of production sustainability remained.

Mwinyikione Mwinyihiya, Executive Director, Africa Leather and Leather Products Institute identified a lack of value addition in animal products as one of the biggest challenges faced by his sector in Africa. Although the business of leather articles represents US\$150 billion globally, or as high as US\$250 billion taking into account the full value chain, Africa only accounted for 2% of the value produced. This was all the more striking since Africa housed 25% of the global livestock population of 3.3 billion head. He noted that the leather industry contributed to food security. The production of hides and skins classified under the customs classification codes HS 64 HS 41 and HS 40 was not fully benefitting Africa. The continent was too commodity dependent and it was time for its producers to develop products. Many factors explained and perpetuated this situation including lack of skilled manpower. In addition, the industry needed to attract the right technology that would be accessible to MSMEs too.

In order to address this, the Africa Leather and Leather Products Institute (ALPI) had developed a triple helix solution, which involved academia, the private sector and member states. These three constituencies would meet and come together with solutions. ALPI had also started working very closely with the International Trade Centre (ITC) including on strategic planning to improve MSMEs competitiveness. He argued that it was the lack of innovation that made MSMEs so much less competitive. To remedy this, innovation hubs had been replicated in African countries.

The representative of the **International Trade Centre** saw her institution as on the right track in terms of



support to MSMEs. In Africa and elsewhere, value addition was critical to structural transformation. Globally 80% of world trade was in one way or another entrenched in value chains and this presented vast opportunities. On the innovation front, it was not only necessary to master production but to understand the dynamics of doing business, a domain undergoing considerable change not least because of ecommerce. ITC's approach to providing support to MSMEs was very integrated and customized, and provided tailor-made solutions at the country and regional levels. For instance, ITC had worked with COMESA in the leather sector including in its Member countries.

She added that ITC focussed on three main pillars: (i) Strategy formulation; (ii) Value addition; and (iii) Fostering market linkages. Due regard was given to the environment, women's empowerment and youth, and capacity building remained an integral part of its processes.

Admasu Yilma Tadesse, President, Trade Development Bank recalled how his bank had opened 35 years ago on a mission to facilitate trade finance in its six member countries. Over the years, that bank has grown to over US\$5 billion in assets. The Bank's action was guided by three main axes: (i) Development focussing on smaller transactions (those ranging from US\$200,000 - US\$10 million); (ii) an MSME programme which helped local financial institutions serve small businesses, access finance and a wider range of financial products; and (iii) a financial product whereby the Trade Development Bank itself was the issuing bank.

Reporter: WTO



SESSION 24: Development Hub: "Global Value Chain Development Report 2019".

Organizers: World Trade Organization, World Bank Group, Organisation for Economic Co-operation and Development, The Institute of Developing Economies Japan External Trade Organization, The University of International Business and Economics.

PANELLISTS

› **Michael Ferrantino**, Lead Economist, Trade and Competitiveness Global Practice, World Bank Group

› **Emmanuelle Ganne**, Senior Analyst, Economic Research and Statistics Division, World Trade Organization

This session will present the main findings of the **Global Value Chain Development Report 2019**, a co-publication by the World Trade Organization, the Institute of Developing Economies (IDE-JETRO), the Organisation for Economic Co-operation and Development, the Research Center of Global Value Chains headquartered at the University of International Business and Economics (RCGVC-UIBE), the World Bank Group, and the China Development Research Foundation.

The report takes stock of the evolution of global value chains (GVCs) in light of technological developments, such as robotics, big data and the Internet of Things. It discusses how these technologies are reshaping GVCs and examines the effect of these changes on labor markets in developed and developing economies and on supply chain management. The report discusses how technological developments are creating new opportunities for the participation of small and medium-sized enterprises in global value chains and reviews issues related to GVC measurement. The Global Value Chain Development Report 2019 is a follow-up to the first Global Value Chain Development Report, which revealed the changing nature of international trade when analyzed in terms of value chains and value-added trade.



Short summary

The session highlighted key findings of the Global Value Chain report. More than two-thirds of world trade occurs through global value chains (GVCs), in which production crosses at least one border, and typically many borders, before final assembly. The session discussed key value chain trends and explored ways in which new technology was transforming this process. It discussed some of the implications it had on the labour market in developed and developing countries. The session also explored some of the challenges and opportunities for small and medium enterprises.

Long summary

The speakers discussed trends in Global Value Chain. More than two-thirds of world trade occurs through global value chains (GVCs), in which production crosses at least one border, and typically many borders, before final assembly. While the growth of global value chains has slowed since the Global Financial Crisis of 2008-09, it has not stopped. In fact, complex global value chains (GVCs) grew faster than GDP in 2017.

Factoring in GVCs when studying the impact of trade on labour markets reveals that trade has not been a significant contributor to declines in manufacturing jobs in advanced economies, and that job gains in services have offset job losses in manufacturing. There is a positive association between output growth and employment growth within GVC sectors, which increased overall welfare as workers moved out of agriculture or the informal sector toward better paying, higher value-added jobs. The emergence of GVCs has offered developing countries opportunities to integrate into the global economy by delivering jobs and higher income. This has fundamental impacts on where jobs go, who gets them, and what type of jobs they are. Significant parts of the developing world are deeply involved in GVCs.

Robotics, 3D printing, the Internet of Things, Big Data, and cloud computing, among others, are transforming entire industries. The impacts of technological change and increased productivity on employment linked to GVCs have been offset by growing consumer demand, and in the short term, automation will not dramatically reduce the attractiveness of low wage destinations, especially for labour-intensive tasks that require human dexterity. In the apparel industry, for example, soft materials like fabrics are difficult to handle through automation compared to solid materials such

as metal or wooden objects and sewing/stitching can still be out of the reach of "robots' hands".

The impact of new digital technologies on GVCs is uncertain: they may reduce the length of supply chains by encouraging the re-shoring of manufacturing production, thus reducing opportunities for developing countries to participate in GVCs, or they may strengthen GVCs by reducing coordination and matching costs between buyers and suppliers. Despite the aggregate gains they create, trade, automation and digital technologies can cause disruption and widen existing disparities across regions and individuals. This calls for broad and comprehensive adjustment policies.

While small and medium-sized enterprises (SMEs) are under-represented in GVCs, the digital economy provides new opportunities for SMEs to play a more active role. The digitally powered, knowledge-intensive GVCs that are emerging and are likely to dominate in the coming years have a strong potential for inclusion.

Open and transparent policies tend to promote GVC-led growth more than import-reducing policies targeted at raising the share of domestic value-added in exports. Using value-added trade rather than gross trade statistics is crucial to understanding GVCs and their impact on jobs. Efforts to continue to improve the quality of these estimates were strongly encouraged.

Reporter: World Bank



SESSION 25: Regional Focus session: "Africa focus: Supporting economic diversification and empowerment".

Organizer: United Nations Economic Commission for Africa.

KEYNOTE SPEAKERS

- › **Stephen Karingi**, Director, Regional Integration and Trade Division, United Nations Economic Commission for Africa

MODERATOR

- › **Uzoamaka Madu**, Communications and Public Affairs Specialist, What's in it for Africa?

PANELLISTS

- › **Tei Konzi**, Commissioner for Trade, Customs and Free Movement of Persons, ECOWAS Commission
- › **Ben Mellor**, Director, Economic Development, Department for International Development, United Kingdom
- › **Abdu Mukhtar**, Director, African Development Bank
- › **Ken Ndala**, Principal Secretary, Ministry of Industry, Trade and Tourism, Malawi
- › **Navalayo Osembo-Ombati**, Co-founder and CEO, Enda

This regionally-focused plenary session will launch the joint report by WTO and United Nations Economic Commission for Africa Report titled "An inclusive African Continental Free Trade Area: Aid for Trade and the Empowerment of Women and Youth".

The AfCFTA marks a tremendous opportunity for Africa's trade: it aims to integrate some 1.3 billion citizens into a single continental area, hence reducing the fragmentation of African markets. It is also expected to stimulate the continent's trade growth, and boost intra-Africa trade including for services and transformed goods. Most importantly, the Agreement is expected to deliver on the continent's developmental objectives and support the achievement of Agenda 2063 "The Africa We Want".

To deliver on its promises, the AfCFTA will need to be accompanied by investments in infrastructure, human resources and institutional capacity, among others. Such investments, as well as dialogue with the private sector, will be a powerful force in accompanying the process of economic diversification that has begun in Africa, albeit heterogeneously. To maximize the benefits from the implementation of the Agreement, it will be crucial to ensure that those parts of the population that have been disadvantaged in their access to trade, will also be able to reap benefits from the new African trade policy landscape. It is well known that gender gaps persist in cross border trade, highlighting the need to pay special attention to measures that can support women's participation in trade. For Africa, as the youngest continent in the world, a priority will also be to ensure that the young African's will see their opportunities increase through the AfCFTA.

Based on the results of the M&E exercise, this session will discuss ways in which Aid for Trade can support empowerment of women and youth, as well as sustain and propagate economic diversification throughout the continent. These issues will be examined in the context of the AfCFTA and will look towards the inclusive industrialization and structural transformation of Africa under Agenda 2063.



Short summary

The session saw the launch of the joint WTO-UNECA 2019 Aid for Trade report *"An inclusive African Continental Free Trade Area: Aid for Trade and the Empowerment of Women and Youth"*. Deriving from the 2019 OECD-WTO Aid for Trade monitoring and evaluation exercise, discussions shed light on the role of Aid for Trade in promoting economic empowerment and diversification in Africa and in the context African Continental Free Trade Area (AfCFTA) launched a year prior. Although the innovative Agreement was expected to transform the continent and deliver impacts beyond trade, participants urged authorities to ensure that inclusive policies were devised and implemented, leaving no one behind and particularly marginalized groupings such as women, youth and MSMEs.

The African Development Bank, one of the main financiers to the continent recalled the main thrust underpinning its action, the High 5s, aligned with the AfCFTA and sought to provide better living conditions and enhanced opportunities to citizens of the continent. A young female entrepreneur explained how the speed of digitization in commerce, and in society overall, had taken policy makers by surprise and disrupted rules designed for traditional trade. Providing a donor perspective, the representative of the United Kingdom, encouraged inclusive approaches that would tie together poverty reduction, wealth creation and industrialization while ensuring women and youth included. TradeMark East Africa highlighted the importance of partnership in Aid for Trade. Strong partnerships were also in the AfDB *modus operandi*. An example provided in the session was the AfDB-COMESA US\$ 8.5 million Trade for Peace programme.

Long Summary

In her introductory remarks, the moderator, **Uzomaka Madu, Communications and Public Affairs Specialist, What's in it for Africa?** said that the session would explore how Aid for Trade supported the economic diversification and empowerment, particularly among women and youth, in the context of the AfCFTA. Remarkably, the Agreement was expected to integrate a fragmented continent of around 1.3 billion citizens into a single continental area. Further, the arrangement was expected to boost intra-Africa trade and support the continent's development objectives as envisioned in African Union championed Agenda 2063. However, she cautioned that the Agreement was still at its early

stages and that deliverables would need to follow the signing, ratification and launch of the Agreement.

She commented that the Agreement rightly encompassed investments in infrastructure, human resources, building institutional capacities and fostering dialogue with the private sector. She then insisted on the importance of including people marginalized from trade in to the trade and business landscape. Aid for trade could contribute to this by supporting them, and women, and by supporting gender mainstreaming with AfCFTA implementation strategies. At stake was providing opportunities to the booming young population of Africa.

Steven Karingi, Director, Regional Integration and Trade Division, UNECA lauded the OECD-WTO monitoring and evaluation exercise for its quality and proceeded to highlighting its findings. He related the survey findings to the implementation of the AfCFTA, which had been launched in Kigali, Rwanda, on 21 March 2018. The pace at which the Agreement had come into effect showed the resolved by Africa's governments to deepen continental integration.

UNECA was expecting the AfCFTA to boost intra-African trade by 15-25% and change its composition. Two thirds of the gain were likely to occur in industrial goods which, in turn, would provide a good environment for industrialization, diversification and for the development of regional value chains. Then, good quality jobs and better living condition could ensue. Work remained to realize this potential and the AfCFTA would need the general trade environment.

The joint WTO-UNECA 2019 Aid for Trade report highlighted some of the constraints to economic diversification as identified by African respondents to the Aid for trade monitoring and evaluation exercise. These included limited industrial and manufacturing capacity, limited access to finance and inadequate infrastructure. Although 70% of Africans were employed in the agricultural sector, the limited capacity of agricultural production was also identified as a key constraint. Cooperation frameworks such as Aid for Trade were powerful tools towards overcoming these obstacles.

Looking at the latest Aid for Trade figures (2017), Africa was the second largest recipient continent in terms of disbursements in line with the constraints. Three quarters of disbursements went to transport and storage, energy generation and supply, and agriculture.



Banking and financial services accounted for 8% of the disbursements, and industry for 6% of them.

African respondents reported progress in terms of economic diversification, especially in agriculture, an area in which future support would be required. He then stressed the ambition of the AfCFTA, as its scope covered the liberalization of goods and services (including competition, investment and intellectual property rights). The agreement also aimed beyond trade and towards delivering on the objectives of the African Union vision "Africa 2063 - The Africa We Want". This level of ambition was visible in the AfCFTA's requirements towards deliver sustainable and inclusive social economic development, gender equality and structural transformation. These developmental ambitions would not, however, be automatically achieved. Trade liberalization could lead to an equal benefits and costs equation and increase inequalities.

At a more granular level, he opined that the ability of an individual to benefit from the Agreement would depend on factors such as professional skills and flexibility and access to productive assets. In countries, a strong implementation strategy was required at the national level to identify areas where equality concerns lied and to develops missions to overcome them. Aid for trade had a role to play in this as it could help mitigate the lack of education and skills which limited opportunities in the formal sector.

He then lamented the fact that women faced specific challenges such as the burden of household chores, limited legal rights and gender-based harassment and violence at the borders. Many countries in the African region had joined the Buenos Aires Declaration on Trade and Women's Economic Empowerment which identified Aid for trade as a key instrument in assisting Members to analyze, design and implement more gender-responsive trade policies. This was buttressed by responses to the 2019 Aid for Trade monitoring and evaluation exercise where 91% of African respondents confirmed that women's economic empowerment was a priority. Youth economic empowerment was also noted by 86% of respondents.

The link between empowerment and participation in international trade was identified by 80% of African respondents. However, gaps still existed between these priorities and actual aid-for-trade projects. Studying a one-year sample of aid-for-trade projects taking place in Africa, authors had found that only

32% of them included gender equality as an objective. Further, variations existed between categories with transport and storage being particularly gender blind (8%). Aid-for-trade projects in the business services category proved more gender mainstreamed (47%). In trade facilitation, only 17% included gender equality in their design.

With regards to inclusiveness, he noted the fast growth of Africa's young population and that twelve million youth were entering the workforce every year. Despite this, no indicator tracking the resources dedicate to ensuring that the benefits of aid-for-trade projects was reaching youth existed. To promote the economic empowerment of women and youth, the monitoring and evaluation exercise responses indicated that actions aiming to promote access to finance, access to information, business skills, access to foreign markets and global value chains were the priority of African governments. Another area which was deemed beneficial was improving digital connectivity. Generally, trade facilitation, trade education and training, business support services and agricultural projects had the most potential to improve economic empowerment of women and young people.

To conclude his remarks Mr Karingi provided a brief overview of aid-for-trade flows to the African continent as outlined in the 2019 Africa Aid for Trade report.

Ken Ndala, Principal Secretary, Ministry of Industry, Trade and Tourism, Malawi said that the AfCFTA would provide an expanded market which would benefit people and traders by connecting them to parts of Africa that were considered too remote in the past. To maximize the African production competence, it was necessary to sensitize the private sector and development skills development programmes for youth, both boys and girls. He said that when the negotiations for the AfCFTA were underway, Africa had recognised the importance of ecommerce, yet challenges existed in how provisions for ecommerce would be included and implemented. He added that connectivity remained a challenge as Malawi was still developing.

Abdu Mukthar, Director African Development Bank saw the AFCFTA as was a very transformative idea as it created a US\$5 trillion market. The Agreement stood as a model of how trade deals could be done in the world. Africa had taken a leading role and the way forward. He then presented the AfDB High 5s: (i) Industrializing Africa; (ii) Integrate Africa; (iii) Improve the quality of life for Africans; (iv) Feed Africa; and (v) Light up Power Africa. All these were in full alignment



with the ethos of the AfCFTA. The Bank and its partners were providing support to MSMEs, a category of business which accounted for over 90% of economic activities globally and which could not be overlooked. In the previous 2 years, the AfDB had financed 200 000 of them in various forms. One of the instruments that had been created to that effect was Boost Africa – a low interest grant provided in partnership with the European Investment Bank. Such loans had amounted to US\$250 million dollars.

In collaboration with the Common Market for Eastern and Southern Africa (COMESA), the AfDB had launched the COMESA trading for peace project which had resulted in 14 trade information centres. Policies would need to ensure that the AfCFTA does not only benefit big players, but that its benefits trickle down all to the one to the smaller players including women, youth and MSMEs. Gender was at the forefront of the bank's activities and it tracked impact on women.

Navalayo Osembo-Ombati, Co-founder and CEO of Enda first spoke of the challenges she faced as CEO of a Kenyan-based company seeking to export internationally. The biggest one was the export processing zones (EPZ). When the laws were instituted, the expected model was that foreign direct investment would provide financing to the country. However, the uberization of business had brought in a new approach. A physical manufacturing plant was no longer required to export produce. Contract manufacturing was a great way to get young people into the manufacturing sector. The existing laws therefore punished local entrepreneurs who wanted to trade using new business models. On the other hand, companies with a physical presence and operating in an EPZ were exempted from paying tax. Another challenge faced was raising capital. She described how she had managed to do so online. Entrepreneurs like her faced the triple challenge of figuring out how to establish a local entity, how to access the local market and how to raise capital both locally and internationally. She discussed the importance of marketing, but said that this was contrasted by the need for entrepreneurs to come with a solid business plan. Competence in entrepreneurs was just as essential in digital business as in traditional business. When it came to digital marketing, a skills gap existed among many operators.

Ben Mellor, Director, Economic Development, Department for International Development, UK identified the threads that tied together poverty reduction, wealth creation and industrialization as

a first area of focus for the UK Aid for Trade. From a donor perspective, analysis this thread from end to end help identified where gaps were and how they could be bridged. A second area of focus was around making sure that the type of trade fostered does not disadvantage, young people, women or the poor. As a donor, the UK sought to establish partnerships with countries, governments and businesses. In its aid-for-trade actions, the UK looked at partnerships at all levels: globally, regionally and nationally. An example of such action was TradeMark East Africa, an UK-sponsored organisation working to support cross border traders, most of which were women. TMEA had brought improvements at borders, working with border officials and traders to ensure that simplified trade regime worked for all stakeholders. At the national level, the UK was involved in programmes like SheTrades, a specific programme supporting the increased participation in international trade of women owned businesses.

Reporter: WTO



SESSION 26: Regional Focus session: "Asia and Pacific focus: Supporting economic diversification and empowerment".

Organizer: Asian Development Bank.

KEYNOTE SPEAKERS

- › **Bambang Susantono**, Vice-President for Knowledge Management and Sustainable Development, Asian Development Bank

MODERATOR

- › **Shishir Priyadarshi**, Director, Development Division, World Trade Organization

PANELLISTS

- › **Kedar Bahadur Adhikari**, Secretary, Ministry of Industry, Commerce & Supplies, Nepal
- › **Simon Farbenbloom**, Deputy Permanent Representative to WTO, Department of Foreign Affairs and Trade, Australia
- › **Cyn-Young Park**, Director, Regional Cooperation and Integration, Economic Research and Regional Cooperation Department, Asian Development Bank
- › **Lautafi Fio Selafi Purcell**, Minister, Ministry of Commerce, Industry and Labour, Samoa
- › **Pan Sorasak**, Minister of Commerce, Cambodia
- › **Silap Velbegov**, Deputy Minister of Finances and Economy, Turkmenistan

Aid-for-Trade has been an integral part of the Asian Development Bank's support for inclusive, sustainable development in Asia and the Pacific. International trade is a key driving force behind rapid economic growth and poverty reduction in the region and so, continued progress on this front is necessary to promote sustainable development. The regional focus session will launch and discuss key findings from the Asian Development Bank 2019 report on Aid for Trade in Asia and the Pacific.

Under the overarching theme of leveraging trade for economic diversification and empowerment, the session will discuss how international trade is promoting inclusive growth and economic empowerment through increased participation of women and youth in trade-related activities. It will discuss ways to facilitate MSMEs' integration into regional value chains and global trade and promote inclusive industrial development. It will also review trends in Aid-for Trade-support from established donors and South-South partners.

Towards this end, the session aims to explore policy recommendations on how trade can be leveraged for economic empowerment and inclusive growth.



Short summary

International trade has been a key driving force behind rapid economic growth and poverty reduction in Asia and the Pacific. Under the overarching theme of leveraging trade for economic diversification and empowerment, the session highlighted the importance of policies that promote inclusive growth. It discussed ways in which trade and the rise of services can unlock economic opportunities for women. Another important driver of inclusive economic growth is digital connectivity, with Asia and the Pacific economies rapidly becoming leaders in ICT. Along with providing support to bridge the digital divide and improve connectivity, aid for trade can play an active role in creating an enabling environment for businesses and ensuring equal opportunities for those on the margins of trade. Aid-for-Trade is an integral part of the Asian Development Bank's support for inclusive, sustainable development in Asia and the Pacific. The session called for the continued support of aid for trade to promote economic diversification and empowerment, by addressing challenges faced by women, MSMEs, sea-locked, and land-locked countries.

Long summary

Bambang Susantono, Vice-President for Knowledge Management and Sustainable Development, Asian Development Bank highlighted the remarkable progress made through increased trade and openness. In 1965, the Asian share of global GDP was 7%. Half a century later by 2017, this figure had jumped to 39%. This impressive growth was characterized by the consistent trend of structural transformation across the region, marked by the gradual shift from agriculture to manufacturing, and subsequently services. International trade and foreign direct investment have played significant roles in this process. He underlined the importance of promoting policies that provide equal opportunities for smaller firms and socially-marginalized and vulnerable groups to make trade more inclusive. In this regard, he pointed to the potential of services as a driver of inclusive growth and economic diversification. There was a need to provide a supportive environment for smaller firms as they often face greater challenges in accessing international markets or participating in international trade than bigger firms. He noted positive signs towards greater female participation in trade and their empowerment, which can be attributed to the rise of trade in services and use of digital technologies.

Vibrant e-commerce has created many jobs and economic opportunities in the region. There are three policy considerations. First, domestic regulatory reforms on market access and foreign ownership can unlock huge potential to boost the tradability of services for more inclusive growth. Second, it is also critical to provide a supportive environment for SMEs and women to start businesses and participate in trade. Third, digital connectivity can be promoted to capitalize on the potential of e-commerce to promote inclusive growth. Aid for Trade could unlock the potential for employment and inclusive growth of services. Aid for Trade could advance gender equality by increasing gender mainstreaming in aid for economic infrastructure and helping to improve gender targets in trade policies and regulations. Aid for Trade can also play a catalytic role in improving digital connectivity. As a major Aid for Trade partner, ADB would continue to build close relationships with stakeholders to facilitate more inclusive and sustainable trade growth in Asia and the Pacific.

Cyn-Young Park, Director, Regional Cooperation and Integration, Economic Research and Regional Cooperation Department, Asian Development Bank presented the ADB regional report. She discussed how trade had long been considered an effective way to promote economic growth and development. The rise of trade and FDI has been vital to Asia's rapid economic growth and structural transformation with many Asian economies successfully integrated into Global Value Chains. Evidence showed that trade costs in Asia and the Pacific have generally declined slowly, but with wide variations across subregions. Developing Asian economies are among the largest Aid for Trade recipients. Across Asia, services trade still lags behind merchandise trade. Barriers to trade in services are falling but remain significant. Trade and participation in global value chains (GVCs) hold potential for employment and entrepreneurial outcomes for women. The expansion of comparative advantage industries that are relatively more female labour-intensive could increase female labour demand. Trade openness can result in lower prices and increased variety for consumers, for which women stand to benefit the most given their consumption patterns relative to men. The share of employment in services is projected to expand faster for women than men, further increasing their representation.

Turning to the inclusion for MSMEs, Ms. Park stated that the main reason MSMEs do not tend to engage in international markets is that they face greater challenges. To improve aid effectiveness for inclusive



trade, she highlighted the importance of targeting sectors where potential gains of inclusive growth and gender equality are greater. Aid for trade can contribute to tackling the supply-side capacity and trade-related infrastructure constraints of MSMEs. Integrated support can be provided by removing barriers to the formalization of economic activities, including unnecessary burdensome administrative procedures and other constraints to business activities, especially access to finance. More aid could go to programmes that support women's participation in trade and economic empowerment— by promoting gender mainstreaming in economic infrastructure and building productive capacities in sectors where women are concentrated. Better targeting of sectors where women are concentrated and/or are most active and have a high potential for growth can be an important catalyst for empowerment.

Trade in ICT-enabled and digitally deliverable services was also quickly gaining ground. However, digital trade restrictiveness remains a huge barrier to capitalizing the digital economy. Digital technologies can spur connectivity and help women take advantage of the many opportunities in the digital economy. Digital technologies and digitalization can also assist governments in increasing rural incomes, foster productive activities and decent job creation, and support the growth and formalization of MSMEs.

Simon Farbenbloom, Deputy Permanent Representative to WTO, Department of Foreign Affairs and Trade, Australia outlined how his country had been committed to aid for trade since the initiative was launched in 2014 and targets had been reached ahead of schedule. Australia was committed to aid for trade because international trade was a key driving force for economic growth. In boosting trade in developing countries, he noted the need to create entrepreneurship opportunities for women. The digital economy had the power to empower disadvantaged groups and highlighted the importance of leveraging technology to improve trade. Digital technologies could also lower cost and provide independent working conditions. However, the digital divide was real and there was a need to sustain efforts to bridge this gap. He pointed to findings in the report which called for higher quality digital infrastructure and said that Australia was committed to expanding ICT investment.

Lautafi Fio Selafi Purcell, Minister, Ministry of Commerce, Industry and Labour, Samoa highlighted the geographical challenges his country faced, compounded with the vulnerability to natural disaster

and climate change. Pacific Leaders recognised that climate change presents the single greatest threat to the livelihood, security, and well-being of Pacific people. Samoa's approach included interventions to enhance the resilience of crops, instituting better farming practices, and building resilience to climate change. The Minister stated that Pacific economies were largely services-based. Aid for trade targeting tradable services was an important catalyst to promote inclusive growth and structural transformation. The Minister noted that many challenges remained for trade and investment in services, more so than for merchandise trade. The intangibility of services posed regulatory concerns and required some adaptation by taking into account linkages between services sectors and the economy in general.

Samoa has initiated regulatory reforms in telecommunications, energy, transport, and financial services to ensure liberalisation of services trade and adaptability. A regional approach to tourism was an opportunity to establish linkages to enhance capacity, and pursue regional integration strategies. Production and supply remained a challenge for small economies and required support from development partners.

Tekreth Kamrang, Secretary of State of the Ministry of Commerce, Cambodia stated that Cambodia had experienced remarkable growth, moving from a low-income to middle-income country. Their goal was to become an upper middle-income country by 2030 and high-income country by 2050. Cambodia is actively working with partners on how to overcome the challenges faced in the country. The inauguration of the Cambodia Trade Integration Study, supported by the EIF and other development partners, outlined the country's trade strategy over the next five years. There was a need to diversify products and markets as the country's production was still largely concentrated in a few products such as garments. Through the strategy, the country hoped to generate more jobs and expand trade by focusing on capacity building, financing, and procurement. In that regard, she highlighted the importance of mobilizing not only donors but also the private sector.

Kedar Bahadur Adhikari, Secretary, Ministry of Industry, Commerce & Supplies, Nepal stated that total trade had increased over the past years, but product export diversification remains a challenge. Nepal is a landlocked country which faces certain challenges including connectivity which means transit and time cost is high. To improve competitiveness, efforts should focus on making connectivity more



seamless. In that regard, Nepal has been receiving support from development partners including in the area of trade. Due to a lack of competitiveness, aid for trade remains a priority for Nepal. Efforts to empower women include providing access to finance, capacity building programmes, subsidized loans, among others.

In closing **ADB Vice President Bambang Susantono** stated that aid for trade is a journey and ADB looks forward to maintaining the relationships with various stakeholders in this area of work.

Reporter: WTO



SESSION 27: Regional Focus session "Latin-America and Caribbean Focus: Supporting economic diversification and empowerment"

Organizer: Inter-American Development Bank

KEYNOTE SPEAKERS

› **Jaime Granados**, Division Chief, Integration and Trade, Inter-American Development Bank

MODERATOR

› **Laura Valentina Delich**, Academic Director, Latin American Institute for Social Sciences, Argentina (FLASCO)

PANELLISTS

› **Diego Aulestia**, Ambassador, Permanent Mission of Ecuador to the WTO

› **Chad Blackman**, Ambassador, Permanent Mission of Barbados to the WTO

› **Pedro Mancuello**, Vice-Minister, Ministry of Industry and Commerce, Paraguay

› **John Mein**, Executive Coordinator, Alliance for Modernization of Logistics, Member, Private Sector Consultative Group, World Customs Organization

› **Melvin Enrique Redondo**, Secretary-General, Secretariat for Central American Economic Integration (SIECA)

This session will review the progress of Latin American and Caribbean (LAC) countries so far, and how in a challenging global environment, LAC has taken advantage of WTO Trade Facilitation Agreement's tools, e.g., Foreign Trade Single Windows (VUCE), Authorized Economic Operator (AEO) programmes and Coordinated Border Management to improve its trade performance. Panellists will share the positive results, and outstanding challenges, of implementing these tools, and discuss how countries can further cooperate with one another, to advance economic regional integration and increase LAC's participation in international global value chains. This session will also address what is the perspective from private sector to advance economic diversification and empowerment through trade facilitation.



Short summary

In this session speakers reviewed whether the region had taken advantage of the Trade Facilitation Agreement and examined some successful experiences and the way in which countries in the region could cooperate to apply those experiences more broadly. Intra-Latin America trade had remained stagnant at the same percentage over the past 70 years. The region needed productive diversification, to add value to commodities and use more technology. There was no need for further studies or resources. What was lacking was leadership and a will to make changes in procedures, because sectors were entrenched in their comfort zones and legislative modifications had to be approved by paralyzed parliaments. There were political economy issues. Modifying procedures, and even promoting greater efficiency and competition from the private sector affected some vested interests. In the region there was an excess of liquidity in financial systems that was not reaching private sector companies who needed it to trade. It was not good to digitalize the bureaucracy. It was necessary to find mechanisms and methodologies to engage all actors: businesses, transporters, port operators and custom brokers.

Long summary

Laura Valentina Delich, Academic Director, Latin American Institute for Social Sciences, Argentina (FLASCO) moderated the session. She stated her intention was to review whether the region had taken advantage of the Trade Facilitation Agreement (TFA) and examine some successful experiences and the way in which countries could cooperate to apply those experiences more generally.

Jaime Granados, Division Chief, Integration and Trade, Inter-American Development Bank gave a presentation on economic diversification through trade facilitation. Intra-Latin America had remained stagnant at the same percentage over the past 70 years. The region needed productive diversification, added value and to leave commodities and use more technology. Economic integration was one of the pillars of the IADB. To this end, the IADB was helping to reduce the four basic trade costs to promote diversification and integration: transport and logistics, information costs, regulatory compliance and financial costs. The IADB had more than 48 loans in 26 countries and a portfolio of US\$3.4 billion.

Trade facilitation was one of the most urgent issues. Issues such as electronic payments, risk management, coordinated border management and modernization of physical infrastructure, among others, were addressed. This promoted greater integration of GVCs and lowered costs for SMEs. Work was also being done on the VUCES (Single Windows), a one-stop shop for foreign trade.

There were also programmes to promote exports and attract investments that complemented each other. Much had been learned. There was no need for further studies or resources. What was lacking was leadership and a will to make these modifications in the procedures, because it was an issue of managing change and working with sectors that were entrenched in their comfort zones or making legislative modifications that must be approved by parliaments that were sometimes paralyzed. The adoption of technologies such as artificial intelligence, blockchain and cloud computing were also a part of the Bank's work. The IADB was also working on the inclusion dimension with programmes to integrate women and other marginalized sectors into productive activities.

The moderator asked what trade facilitation tools were being used and which were working.

Pedro Mancuello, Vice-Minister, Ministry of Industry and Commerce of Paraguay said that as a landlocked country, Paraguay found trade opportunities were important for job creation and integration. Historically, trade growth had been much higher than GDP growth so opportunities for growth were to be found in trade. In Paraguay the tools that had worked were the single windows. There was one for exports and one for imports. There was also a single system for opening and closing companies. Paraguay also had a pilot programme for a helpdesk for exports, which would help SMEs to obtain the trade information they needed. The country also had some experience with digital signatures.

Ambassador Diego Aulestia, Permanent Representative of Ecuador to the WTO said that in services stagnation was worse. The region did not exceed 3% of the share in world services trade. Integration to GVCs was desirable but growth at world-wide level had already stagnated also. It was not only necessary to put an end to cumbersome procedures through trade facilitation, but also to promote competition in the private sector. Ecuador had already adopted a single window and there had been a major modernization and automation of the national



customs service. Accreditation of authorized economic operators had also been adopted. Ecuador had also modified the physical cargo inspection system. Nevertheless, there was a political economy issue in the reform. Modifying procedures, bureaucratic burdens and even promoting greater efficiency and competition from the private sector affected some interests from labour issues to vested interests and that must be taken into account.

Melvin Enrique Redondo, Secretary-General at the Secretariat for Central American Economic Integration (SIECA), said that a very strong political will was needed to address the problems of trade facilitation as an instrument for promoting growth. Central America was well aware of this as a space for regional integration. In 2015 it had launched a coordinated border management strategy with a WCO model, across pairs of borders and countries. Work had been done on five initial measures: mandatory advanced clearance, migration facilities for transport operators, advanced and electronic transmission of health certificates, installation of radio-frequency measurement mechanisms at border posts to accurately measure how long it took for a transport to cross the primary zone and to identify whether delays were caused by specific procedures at the border post or the action of other agencies such as police or migration authorities. Finally, a digital trade platform was being developed at a regional level. With the deep integration process between Guatemala, Honduras and El Salvador, crossing times had been reduced from 40 hours to 6 minutes.

Ambassador Chad Blackman, Permanent Representative of Barbados to the WTO, said that trade facilitation was good, but it must be seen as an enabler. It was necessary but not sufficient. Some successes in trade facilitation included increased levels of trust between countries in the region through authorized operator schemes or single windows. So why was there still not the sort of growth seen in the global economy? There was no real harmonization of legislation relative to the movement of goods and services between countries or trading groups in the region. Also, in the Caribbean there was an excess of liquidity in financial systems that was not reaching private sector companies who needed it to trade. In terms of diversification of trade, many countries in the Caribbean have moved from sugar to tourism but this was a very volatile export so then countries started to diversify to financial services. He added that whether economies were based on commodities or on services,

one of the key factors that affected the ability for countries to trade in the region was climate change.

The economy of Barbados had a large tourism sector and some years ago a rise in the sea level eroded sand beaches, and this caused serious economic losses. It was necessary to rethink the perception of growth. He said that Latin America and the Caribbean have the requisite skills and services as a group, but many were not matching each other, and there was no central structure pooling those skills and resources in the region. Political will and clear legislation were needed or this to happen.

John Mein, Executive Coordinator of the Alliance for Modernization of Logistics said that the problem was that things were not being analyzed properly. There was no such thing as the private sector or the government. The private sector was segmented and sometimes those segments were at odds with each other. Part of the problem was in the private sector because some companies made money out of inefficiencies in the process. Another part was in the government, where different agencies had their own cultures, missions and processes. The two worse chapters of the TFA at the implementation level worldwide were governmental agency integration and integration of governmental agencies between countries. Another problem was that the private sector was ignored. The process had to be redesigned because it was not good to digitalize the bureaucracy. It was necessary to find mechanisms and methodologies to engage all actors: businesses, transporters, port operators, custom brokers, etc.

The moderator asked which of the trade facilitation tools were part of regional integration efforts.

Vice-Minister Mancuello said that there was a regional integration project called Bioceanic integration corridors, between the Atlantic and Pacific Oceans that connect Brazil, Paraguay, Argentina and Chile, and eventually Bolivia. This included work on border crossing facilitation.

Ambassador Aulestia said that there were subregional mechanisms like the Andean Community, where work has been done on a space of normative confluence, although the common external tariff had not been successful. Forums such as this could be used to work on trade facilitation issues.

Secretary-General Redondo said that according to the WTO, Latin America and the Caribbean had 111 notified regional trade agreements. However, the



level of intraregional trade remained very small. Regionalization should not be bureaucratized. The region must work on the interoperability of the various trade platforms and on regional and local value chains.

Ambassador Blackman agreed that there had to be harmonization across borders, but it could only come if there was a clear collective strategy. He insisted on the need for access to finance. A Latin America and Caribbean finance mechanism was needed to unlock all the liquidity in the region's financial systems.

Jaime Granados said that it was believed that facilitation would not be very complicated, but it was because there was still mercantilism. There was a reconfiguration of integration axes that could contribute to integration in terms of trade facilitation.

Reporter: WTO



SESSION 28: Regional Focus session "Islamic Development Bank Focus: Supporting economic diversification and empowerment"

Organizer: Islamic Development Bank

OPENING REMARKS

› **Hani Salem Sonbol**, Chief Executive Officer, Islamic Trade Finance Corporation

MODERATOR

› **Leila Baghdadi**, Associate Professor of Economics, Tunis Business School

PANELLISTS

› **Elvin Afandi**, Principal Economist, Islamic Corporation for the Development of the Private Sector

› **Mohammed Faiz Shau Hamid**, Head of Global Value Chain Unit, Islamic Development Bank

› **Lassaad Ben Hassine**, Programme Manager, Aid-for-Trade Initiative for Arab States

› **Annette Mutaawe Ssemuwemba**, Deputy Executive Director, Enhanced Integrated Framework

› **Anisse Terai**, Head of Policy and Partnerships, Islamic Trade Finance Corporation

› **Hadi Honoré Yonli**, Technical Adviser, Trade Policy Specialist, Burkina Faso

The Islamic Development Bank Group (IsDB) has been an active contributor to the Aid-for-Trade Initiative since its inception in 2006. Since then, it has reaffirmed its ongoing commitment to expand trade and strengthen regional cooperation, foster inclusive growth, and generate employment opportunities.

To that end, its Global Value Chain (GVCs) approach attempts to drive the competitiveness of industries that can be connected through GVCs. This focus on value chains allows the IsDB Group to priorities and programme their interventions in areas with highest impact for member countries and at the same time provide greater opportunities for interconnection in GVCs based on comparative advantage connection channels available.

The IsDB Group approach to GVCs is based on the belief that all countries, including those with limited industrial capacity, should be able to connect to value chains, including through infrastructure and investment, and that policy and projects should be targeted at enabling this connection.

This session will highlight the correlation between trade development, sustainable growth and global value chains in Member Countries of the Organization of Islamic Cooperation (OIC). The IsDB Group and the participating Institutions/ Experts will shed light on their potential role/ efforts in the field of Global Value Chains, and how they support OIC economies through various channels including agriculture, industry, trade policy and facilitation.

The session is also an opportunity to launch IsDB Group Report in contribution to the 2019 Aid for Trade Global Review, which summarize the IsDB main Aid for Trade interventions during the period 2017-2019.

Relevant questions that will be addressed during the session include, but are not limited to:

- What initiatives have been applied in the OIC Member States in support of integration into GVCs? Cases of different countries Industrialized/semi-industrialized and non-industrialized)
- What are the tools, technologies and approaches developed by partner institutions?
- What role for IsDB Group and its partners in developing GVCs in the OIC Countries, through innovative solutions?



Short summary

This session highlighted the connection between trade development, sustainable growth and global value chains in member countries of the Organization of Islamic Cooperation (OIC). The Islamic Development Bank Group and speakers shed light on their efforts to promote global value chains, and how they support OIC economies through various channels including agriculture, industry, trade policy and facilitation.

The session was also an opportunity to launch IsDB Group Report in contribution to the 2019 Aid for Trade Global Review, which summarizes the IsDB main Aid for Trade interventions during the period 2017-2019.

Long summary

Anisse Terai, Head of Policy and Partnerships at Islamic Trade Finance Corporation stated that countries need to be involved in global value chains to be part of international trade. He highlighted that IsDB is working on a common strategy on how can link ISDB members to the GVC.

Elvin Afandi, Principal Economist, Islamic Corporation for the Development of the Private Sector discussed the IsDB approach which involved looking at the economy and identify industries where there were opportunities to update or help the country to specialize. The tool kit helps find industries that are best to be linked to GVC. He also stated that IsDB looked at the natural potential, employment and skills set already existing in the country, at the global demand and the spillover effects to other industries. He referenced the Korean economic miracle which had taken the country from a basic exporter of tungsten to the development of a world-class ship building industry. The movement from commodities to manufacturing goods is at the basis on the IsDB strategy.

Annette Mutaawe Ssemuwemba, Deputy Executive Director, Enhanced Integrated Framework discussed how the EIF was working on strategic GVCs in many LDCs to understand which sectors were important for these countries and support countries to develop capacity building. For example, in Niger a project related to supporting the leather sector aimed at modernizing the production process and so the products could access the global markets. As a result, there have been increased revenues and the ability to enter new markets, including China. International trade played a role to preserve peace and security.

International trade was not only about economic development, but also sustainable development.

Hadi Honoré Yonli, Technical Adviser, Trade Policy Specialist, Burkina Faso talked about a case study from the cotton sector. Burkina Faso exported cotton and was the 3rd biggest exporter in Africa, but export was mainly of unprocessed commodity. The government was seeking to add value rather than just export in an unprocessed state. In its National Plan for Economic Development, the Government teamed up with Partners to see how to establish cotton processing units in the country. Burkina Faso had signed agreements with other countries to get assistance. With this new policy context, the country wanted to develop processing units. The EIF was an extremely important partner in this regard. Before talking about global value chains, it was also important to focus on national value chains. Products need to be first produced at home and then exported.

Mohammed Faiz Shau Hamid, Head of Global Value Chain Unit, Islamic Development Bank stated that in order to link to GVCs, suppliers had to master the relevant technology. He gave Gabon as an example which had become an exporter of magnesium used to make steel and batteries for electrical cars.

Lassaad Ben Hassine, Programme Manager, Aid-for-Trade Initiative for Arab States suggested that Africa could not really transform without industrialization, otherwise jobs would be created somewhere else, but not in Africa.

Reporter: WTO



SESSION 29: Thematic Focus Session “Women entrepreneurs: Making the Buenos Aires declaration happen”

Organizer: World Trade Organization

KEYNOTE SPEAKERS

- › **Kodjo Adedze**, Minister of Commerce, Industry, Private Sector Development, and Promotion of Local Consumption, Togo
- › **Roberto Azevêdo**, Director-General, World Trade Organization
- › **Ann Linde**, Minister for Foreign Trade, Sweden

MODERATOR

- › **Anoush der Boghossian**, Trade and Gender Focal Point, World Trade Organization

PANELLISTS

- › **Sheela Bhide**, Chairperson, Women Entrepreneurs International Trade and Technology Hub, Vishakhapatnam, Andhra Pradesh and Senior Adviser, Association of Lady Entrepreneurs of India
- › **Elissa Golberg**, Assistant Deputy Minister, Strategic Policy, Global Affairs Canada
- › **Carmen Hijosa**, Founder, Ananas Anam Ltd
- › **Wanjiku Kimamo**, Director, Sustainability and Inclusive Trade, TradeMark East Africa
- › **Michal Tsur**, President and Co-founder, Kaltura, Israel

The Aid-for-Trade Global Review 2019 examines the theme of “Supporting Economic Diversification and Empowerment” and it will feature discussions on the role of trade in promoting women’s economic empowerment.

In December 2017, on the margins of the 11th WTO Ministerial Conference, WTO Members and Observers launched the Buenos Aires Declaration on Trade and Women’s Economic Empowerment. Today, 124 Members, representing more than 75% of world trade, have signed the Declaration. The Buenos Aires Declaration provides a platform to better understand the links between trade and women’s economic empowerment. It is a vital element in the WTO’s work to make trade more inclusive and has placed this issue on the WTO agenda like never before.

Women entrepreneurs are an underutilized economic asset. There are many examples of successful women entrepreneurs in the developing world. Some, if not most, have outgrown their domestic market, triggering the economic necessity to access regional and international markets. The regulatory and institutional steps they need to follow to have access to export markets is still a barrier to expansion.

The session will explore how Aid for Trade and the Buenos Aires Declaration can unlock opportunities for women entrepreneurs. It will start with political statements on the Declaration’s implementation and will then focus on challenges and opportunities faced by women entrepreneurs in accessing international markets. Success stories from women entrepreneurs driving innovation and creating business solutions will be presented. The session will also be an opportunity for governments to share their experiences on how best they promote women’s participation in international trade. During the session, the WTO also will showcase its new data on specific trade-related issues faced by women entrepreneurs.



Short summary

The nine guest speakers shared a similar vision of the current situation of women's participation in trade and global market. The current trade barriers to women, such as lack of information, training and financial aid had to be removed to improve women's empowerment.

Summary

Roberto Azevêdo, Director-General, WTO stated that women have an interest in participating in the global market and exporting goods. A survey conducted in South Asia and East Africa (with 200 women surveyed) showed that women lacked information and training about legal aspects of international trade and global market opportunities. He added that the Aid for Trade programme could help women with training and support. Better access to digital technology sector was a key enabler in this regard.

Ann Linde, Minister for Foreign Trade, Sweden said that gender equality was a top priority for the Swedish government. They would like to introduce gender issues more into regional integration and EU trade policy. Sweden would soon publish a report on gender inequalities and encouraged all countries to do the same. This report shows that only 27% of business in Sweden were led by women. She especially added that in developing countries, women worked in the informal sector and faced barriers to grow their business. Access to financial assistance or credit was one of the main difficulties.

Kodjo Adedze, Minister of Commerce, Industry, Private Sector Development, and Promotion of Local Consumption, Togo, explained how women were integrated into economic activities in Togo, thanks in part to the Aid-for-Trade programme. On governmental action, he said that Aid for Trade helped the government to take action to improve women's participation in trade. For example, 20% of public procurement was reserved for women and young people. He highlighted that according to the Buenos Aires Declaration, priorities should include reduction of barriers, the inclusion of women-led business in the global market, and better access to financial aid and support.

Elissa Golberg, Assistant Deputy Minister, Strategic Policy, Global Affairs Canada highlighted that in Canada, while 1.5 million Canadian women were involved in trade (US\$250 billion), only 16% of MSMEs

were women-led, and of these only 11% were exporting goods or services, compared with 22% of MSMEs led by men. Moreover, in Canadian companies, only 32.6% of senior executives and 27.8% of senior managers were women.

Sheela Bhide, Chairperson, Women Entrepreneurs International Trade and Technology Hub, Vishakhapatnam, Andhra Pradesh and Senior Adviser, Association of Lady Entrepreneurs of India, explained her project WITH which aims at the increase of women's participation in regional trade, the improvement of women's empowerment in encouraging them to pass from the informal sector to the formal sector. She highlighted issues relating to regional trade. There were still significant barriers to regional trade in some parts of the world. In South Asia (only 5% of trade was exported outside the region). She identified solutions to improve women's participation including: (i) Encourage women to create green business for sustainable growth (for example, using of banana waste to make baskets, then selling them on the global market or making plastic bags from corn starch); (ii) Ensure that women are ready to compete in the global market before the liberalization of their economic sectors; and (iii) Regional trade agreements must be based on the capacity of the poorest or only the richest countries would benefit.

Wanjiku Kimamo, Director, Sustainability and Inclusive Trade, TradeMark East Africa highlighted that women-led businesses had different levels of growth. She suggested that standardization and transparency in rules could improve women's participation in trade because they would feel more confident and safer. For example, she said that women in Rwanda had benefited from the Trade Facilitation Agreement and could easily sell their goods (clothes) to DRC.

Carmen Hijosa, Founder, Ananas Anam Ltd shared her experience as a founder of a green company based on innovation produce and techniques. Her company was based on ecological, social and economic matters. On innovation, she highlighted that the company used pineapple leaves to produce textiles, it had difficulty getting local farmers to understand the concept and train them. Regarding women entrepreneurs, she said it was becoming easier for women to start a business, but many barriers persisted, such as lack of access to training, information, financial aid and support.



Michal Tsur, President and Co-founder, Kaltura, Israel said that the Israeli market was relatively small. Entrepreneurs had to export their goods or services if they wanted their business to grow. She identified solutions to improve women's participation: WTO activities should focus on training women in the rules of international and regional trade. The clearer the rules, the more women would understand them and would be willing to participate in the global market.

Reporter: WTO



SESSION 30: Thematic Focus Session "Making e-commerce work for all"

Organizers: Belgium, International Trade Centre, United Nations Conference on Trade and Development, World Bank Group

OPENING REMARKS

› **Roberto Azevêdo**, Director-General, World Trade Organization

MODERATOR

› **Pierre Sauvé**, Senior Trade Specialist, World Bank Group

PANELLISTS

› **Caroline Freund**, Director of Trade, Regional Integration and Investment Climate, World Bank Group

› **Arancha González**, Executive Director, International Trade Centre

› **Serge Ahissou**, Minister of Industry and Trade of Benin

› **Mukhisa Kituyi**, Secretary-General, United Nations Conference on Trade and Development

› **Geert Muylle**, Ambassador, Permanent representative of Belgium to the WTO

› **Leah Uwihoreye**, Managing Director, Golden Thoughts Ltd, Rwanda

In their Joint Statement at Davos, 76 WTO Members declared their intention to commence WTO negotiations on trade-related aspects of electronic commerce. The signatories who account for over 90% of world trade "recognize and take into account the unique opportunities and challenges faced by Members, including developing countries and LDCs, as well as by micro, small and medium-sized enterprises, in relation to electronic commerce".

However, many developing countries remain concerned that such negotiations will lead to a restriction of their regulatory and policy space related to e-commerce and trade, without providing sufficient provisions to meet their specific needs.

With a focus on Africa, this session explores what needs to happen to ensure that these voices are heard, and the rules will be shaped by all for all.



Short summary

E-commerce needs to be a force for inclusion – and all members should make their voices heard as the rules are being defined. That was the message from speakers at the “Making e-commerce work for all” session during the seventh Aid for Trade Global Review.

The session was organized by the Permanent Mission of Belgium in Geneva, ITC, UNCTAD and World Bank. One in four people in Africa are connected, and one in ten in least developed countries are connected, said WTO Director-General Roberto Azevêdo. The digital divide is not only developing countries versus developed countries, but it's male versus female, rural versus urban.

Action is needed, even if stakeholders do not agree on next steps, said UNCTAD Secretary-General Mukhisa Kituyi, adding: “E-commerce grows four times as quickly as traditional trade. If you're not visible in the digital space, you don't exist.” Caroline Freund, Director at the World Bank Group, drew attention to the need for specific development provisions to level the playing field. Marion Jansen, Chief Economist and Director at ITC, said if developing and least developed countries do not have a voice at the negotiating table, young entrepreneurs would lose out and these countries would lose the opportunity to become standard setters.

Rwandan entrepreneur Leah Uwihoreye said to make e-commerce work for all, governments must support local online marketplaces. Otherwise, those most in need would be left behind. Serge Ahissou, Minister of Industry and Trade of Benin, a country that recently joined the Joint Statement Initiative on e-commerce, invited attendees to study their e-commerce efforts and underlined the importance of consumer and intellectual property protection.

Long summary

E-commerce needs to be a force for inclusion.

That was the message shared by high-level speakers during the “Making e-commerce work for all” session organized by the Permanent Mission of Belgium in Geneva in cooperation with the International Trade Centre (ITC), the United Nations Conference on Trade and Development (UNCTAD) and the World Bank Group, to explore global e-commerce inclusiveness in practice and in discussions.

One in four people in Africa are connected, and one in ten in least developed countries are connected, said **WTO Director-General Roberto Azevêdo**, opening

the session. The digital divide was not only developing countries versus developed countries, but it's male versus female, rural versus urban. Azevêdo added: To close the digital divide, tackle poor infrastructure, reform regulatory frameworks and build the digital skills of everyday people.

Even if stakeholders do not agree on next steps, action is needed, **Mukhisa Kituyi, Secretary-General, UNCTAD** said. “E-commerce grows four times as quickly as traditional trade,” he said. “If you're not visible in the digital space, you don't exist.” He added that developing countries and least developed countries are oftentimes more digitally ambitious because digital is an enabler of economic growth. Mukhisa Kituyi urged these countries to define their concerns, what is lacking in negotiations and ways to bridge the gaps.

Caroline Freund, Director of Trade, Regional Integration and Investment Climate, World Bank Group drew attention to the need for specific development provisions to level the playing field and give equal opportunities. She said inclusivity is not about the amount of total trade but about the percentage of members actively involved in the negotiations. To ensure equal distribution of the share of benefits an inclusive e-commerce agreement was needed.

Marion Jansen, Chief Economist, ITC shared opportunity costs for developing and least developed countries in not having a voice at the negotiating table: Firstly, a generation of young entrepreneurs who are well-positioned to benefit from results of the negotiations would lose out. Secondly, least developed countries would lose the opportunity to leapfrog and become standard setters in e-commerce.

Geert Muylle, Ambassador, Permanent representative of Belgium to the WTO said to make e-commerce work for all, governments must support local online marketplaces. Otherwise, those most in need will be left behind.

Serge Ahissou, Minister of Industry and Trade of Benin invited all attendees to visit Benin to study their e-commerce efforts and provide feedback so the country can improve efforts in this field. He underlined the importance of consumer and intellectual property protection in the Joint Statement initiative.

Reporter: Permanent Mission of Belgium to the WTO



SESSION 31: Side Event "Cambodia Trade Integration Strategy 2019-2023"

Organizer: Cambodia

MODERATOR:

- › **Bora Samheng**, Under-Secretary of State, Ministry of Commerce

OPENING REMARKS:

- › **Sorasak Pan**, Minister of Commerce, Cambodia
- › **Yonov Frederick Agah**, Deputy Director General of WTO
- › **Ratnakar Adhikari**, Executive Director, Enhanced Integrated Framework

STATEMENTS:

- › **Pamela Coke-Hamilton**, Director of the Division on International Trade and Commodities of UNCTAD
- › **Cyn-Young Park**, Director, Regional Cooperation and Integration of ADB

PRESENTATION ON CTIS 2019-2023

- › **Tekreth Kamrang**, Secretary of State, Ministry of Commerce

Cambodia has successfully launched the first and second DTIS respectively in 2001 and 2007. Last year (during August 2018), Cambodia has updated 3rd Process of Cambodia Trade Integration Strategy (CTIS) 2019-2023. This new generation of CTIS was updated with funding support from Enhanced Integrated Framework (EIF) and some other donors such as ADB, UNDP and the World Bank. The current update is aimed to assist the government in mainstreaming trade and competitiveness in the country's overall development strategy, provide a diagnostic and analytical tool to prioritize and sequence key reforms in the area of trade and competitiveness, and offer a platform for development partners to coordinate and align technical assistance with government priorities.

In the presence of Pan Sorasak, Minister of Commerce of the Kingdom of Cambodia, the CTIS 2019-2023 will be launched and country's version will make Cambodia the leading country for this innovative programme.



Short summary

At the session, the Cambodia Trade Integration Strategy 2019-2023 was launched. In his opening remarks, **Pan Sorasak, Minister of Commerce, Cambodia** informed members that the strategy takes a holistic approach to tackle major issues in the trade sector and focuses on strengthening the country's competitiveness to support its transition into a developed economy to benefit from new sources of growth, particularly, the 4.0 Industrial revolution. He acknowledged WTO's relentless support to the development of Cambodia as well as the support from the Enhanced Integrated Framework Secretariat right from the development of the first through the fourth CTIS. He further acknowledged support from other development partners and donors and called upon them to support Cambodia in the implementation of the CTIS 2019-2023.

Long summary

About 80% of Cambodia's exports are concentrated on only eight partner countries. Cambodia exports mostly to the EU and the United States of America. This export concentration renders Cambodia's growth vulnerable. With only about 1/5 of Cambodia's exports sold to the ASEAN countries, Cambodia had not yet fully reaped the benefits of regional integration.

Cambodia Trade Integration Strategy 2019-2023, the country's fourth CTIS, which outlines both short and medium-term trade development objectives in support of Cambodia's National Development Strategy and Vision 2030, including the attainment of the Sustainable Development Goals. It particularly focused on identifying new growth opportunities, especially harnessing the benefits from the emerging digital economy and ecommerce in the country and promoting new value-added and more advanced skills.

A highly consultative process, involving all the relevant ministries and other stakeholders, including the private sector, ensured that all priority actions in the CTIS 2019-2023 were owned by all stakeholders. Bold reform measures recently taken to enhance Cambodia's competitiveness and reduce trade costs, aiming at better economic growth and better lives for the people.

Ratnakar Adhikari, Executive Director, Enhanced Integrated Framework noted that implementation of EIF funded projects had helped Cambodia leverage

further resources for development, for example; the cassava project with more than US\$150 million from impact investors. Cambodia's high level of credibility with the third highest FDI to GDP ratio in Asia, second to Singapore.

In terms of the next steps, the session discussed the possibility to model Cambodia's strategy for other LDCs and strengthen South-South cooperation. The EIF pledged continued support to Cambodia in the implementation of the CTIS 2019-2023 action matrix.

Asian Development Bank pledged continued support to infrastructural development in Cambodia in terms of upgrading the country's transport system and the power sector which is critical for the further development and diversification of both the manufacturing and services sectors.

"In keeping with the Cambodian government's vision of becoming a digital economy, the Asian Development Bank will continue to mainstream the use of information and Communication Technology and other technologies including in government service delivery and in addition, promote SME development and gender equity, delivering specific and tangible benefits to women," said

Dr. Cyn-Young Park, Director Regional Cooperation and Integration of Asian Development Bank.

Yonov Frederick Agah, Deputy Director General, WTO encouraged donors present to continue aligning their ongoing and planned support to Cambodia's trade development agenda, and together with the Royal Government of Cambodia, mobilize resources for the implementation of the CTIS 2019-2023 action matrix. "The example of Cambodia proves that an open trade policy combined with careful domestic policies and a pro-business approach can have a lasting impact on economic development. We will continue, as the WTO and with the EIF, to accompany Cambodia towards reaching its development aspirations to become an upper middle-income country by 2030," said **Mr. Yonov Frederick Agah, Deputy Director General, WTO.**



The session highlighted three key messages:

1. Economic diversification is crucial in unleashing a country's full economic potential;
2. The importance of ownership in the development process cannot be underestimated; and
3. An open trade policy combined with careful domestic policies and a pro-business approach can have a lasting impact on economic development."

The EIF was keen to continue to accompany Cambodia to realize its Vision 2030, particularly preparing a smooth LDC graduation and exploring new sources of growth, such as services, digital economy, fintech, e-commerce as elaborated in CTIS 2019-2023," said **Ratnakar Adhikari, Executive Director, Enhanced Integrated Framework Secretariat.**

Reporter: WTO



SESSION 32: Side Event "Diversifying exports in fragile LDCs: Action for peace and poverty reduction"

Organizers: Enhanced Integrated Framework, United Nations Development Programme

PANELISTS

- › **Mohammed Alkaitani**, Minister, Ministry of Industry and Trade, Yemen
- › **Patterson W. Brown**, Trade, Investment and Governance Advisor, Bureau for Food Security, USAID
- › **Ben Mellor, Director**, Economic Development, Department for International Development, United Kingdom
- › **Noella Muhamiriza**, Girl Ambassador for Peace, Global Network of Women Peacebuilders
- › **Geetha Tharmaratnam**, Partner - Africa & Head of Impact at LGT Impact and a member of the Investment Committee at Aleyo Capital

According to the OECD, 80% of the world's poor will be living in fragile contexts by 2030. For the world's least developed countries (LDCs) that are also struggling with fragile situations, their challenges are greater - and action is necessary, now.

Trade flows are vital for LDC economies, and this is even more true for those in fragile contexts. For such countries, their exports are highly concentrated and volatile. Three products represent at least 40% of merchandise exports, and most exports are of primary commodities. It is evident that economic diversification in LDCs is urgently needed - to create jobs, to contribute to growth and stability, and to reduce the impact of external shocks.

Through the Aid-for-Trade Initiative, the international development community since 2006 has supported LDCs to set the necessary economic foundations and build the needed infrastructure, as well as to strengthen key productive sectors. But, Aid-for-Trade flows remain limited to a small number of LDCs and commitments have not substantially increased since 2009. Redoubling global Aid for Trade efforts is essential, and for LDCs in fragile situations, a priority.

This session will gather a diverse panel from LDC Ministers, impact investors, development partners and a Girl Ambassador for Peace to explore what is working and what more needs to be done to ensure stability, to boost economic diversification, to reduce poverty, and to deliver on the SDG commitment of "leaving no one behind."



Short summary

The session offered a range of perspectives on the question of trade helping LDCs move out of fragile contexts. The solution of economic diversification was mentioned across the board, amid country-level examples of conflict and how it impacts trade, as well as what countries, the private sector and the donor community are doing to progress. The example from Yemen highlighted how conflict can destroy a country's economy and its prospects, and Togo offered an example of planning and steps being taken to spur growth.

The importance of women and youth for economic diversification and peacebuilding was another point of discussion, as well as the important role of entrepreneurship, to bring both individual empowerment and sustainability to trade prospects, as well as being a focus for increasing investments. Regional trade was another theme that ran throughout the discussion, and was highlighted as something that is progressing well but that also requires more action, especially in the realms of connectivity, alleviating logistics costs, and financing.

Long summary

Moderator **Patterson W. Brown Trade, Investment and Governance Advisor, Bureau of Food Security, USAID** started off the session by mentioning the current momentum in global development that was looking at fragility and the issues driving it. He added that LDCs are acknowledging the role of trade in combating fragility, and noted that economic diversification is accepted as a way to improve the situation for fragile countries.

Mohammed Almaitami Minister for Industry and Trade, Yemen presented a summary of the current situation in Yemen, which is in the midst of a four-year-long conflict. He started by noting that Yemen is a fragile LDC, and that economic diversification is urgently needed. He mentioned that the country depends on oil and gas, which make up more than 90% of exports, and that the current conflict (which began only three months after Yemen's accession to the WTO) has destroyed or impacted all sectors of the economy and society. Over the last four years, GDP has shrunk by more than one-third, trade activities have halted, and agriculture had been destroyed, with material losses estimated at US\$1 billion. Trade had been badly affected, with supplies of food and medicine difficult

to obtain; entry points by land, sea and air closed or inaccessible; and foreign banks refusing to work with the Yemeni banking system (which he noted has been recently resolved). He concluded by stressing the urgency of ending the conflict and called on the international community to act.

The second speaker was **Kodjo Adedze Minister of Trade and Private Sector Promotion, Togo**, who discussed the many structural reforms his country was implementing, all based on its National Development Plan 2018-2022, in order to strengthen the country's economy and make it more resilient. He noted three main areas of action: (i) Strengthening national and regional infrastructure like roads and airports, and especially the Port of Lomé, which is the first container port in the region. This work aims at greater connectivity in the country and region in order to spur exports and facilitate trade; (ii) Creating value chains within the country and working to process goods rather than export raw materials, targeting cashew, soya and textiles; and (iii) Encouraging banks to provide financing to the agricultural sector, with also a mechanism in place to remove some of the risk and bring development to the agricultural sector. He concluded by noting that there is still a lot of work to do when it comes to spurring exports, for example with government standards and quality issues in order to be competitive in global markets.

Noella Muhamiriza, Girl Ambassador for Peace, Democratic Republic of Congo, Global Network of Women Peacebuilders offered a video message that focused on the role of youth in trade in fragile countries. She noted that she is from the DRC, which had experienced war and continues to have conflict. She stressed that in order to achieve strong economies, we have to build strong individuals and strong communities. The group is working to empower women, focusing on literacy, leadership and independence, recognizing that young women need to understand that their voice matters and what they have to contribute is valuable. She described the importance of supporting women-led small businesses, and witnessing how empowering that can be. She concluded that to be able to trade brings people dignity.

Andrew McCoubrey, Head, Trade for Development, DFID, UK stated that we knew trade can reduce conflict, but we also need to recognize that where there is a lack of accountability or poor governance, that can increase conflict, using the illegal timber trade as an example. He noted that trade is an immense engine



and force for good, but where we are not getting it right, we need to plug those gaps. His main point was that at the country level there cannot be a homogenous approach, and noted a few areas where DFID is working, including increasing regional trade linkages with TradeMark East Africa and ensuring integration in the international systems through a partner approach with governments.

Geetha Tharmaratnam, Partner - Africa & Head of Impact, at LGT Impact and a member of the Investment Committee at Aleyo Capital offered an investor perspective to investing in LDCs. She noted that greater amounts of disposable income attract investors, and for that to happen there needs to be jobs. To support job creation, she mentioned the number of women working in the informal sector, and that effort is needed to bring formality to their work. She has seen the most growth in local businesses providing goods and services to locals and those in the region, and urged that this is a sector that should attract investment. She concluded that investment opportunities lie with entrepreneurs and those who have businesses that can be scaled, and referenced the need for those businesspeople to have access to new finance and new customers. In the African context, she also noted that capital in local markets is often flowing outward, and that it should instead go to finance local markets and local businesses.

A participant from the **Permanent Mission of Chad** spoke about agriculture being an LDC priority because of the real weight that it carries in economies, employment and food security. He stated that LDCs must diversify exports in order to undertake real structural change, but that LDCs have made limited progress. He noted some progress, and called on donors to continue to support and to ensure that projects can actually be undertaken. As to the fragility question, he said that poverty is a threat to global peace and security, and supporting LDCs emerge from vulnerability contributes to world peace.

Reporter: Enhanced Integrated Framework



SESSION 33: Side Event "Economic integration in the Maghreb: An untapped source of Aid for Trade and growth"

Organizer: International Monetary Fund

MODERATOR

› **Alexei Kireyev**, Senior economist and Lead Author, International Monetary Fund

PANELLISTS

› **Walid Doudech**, Ambassador, Permanent Mission of Tunisia to the UN

› **Tan Hung Seng**, Ambassador, Permanent Mission of the Republic of Singapore to the WTO

› **Omar Zniber**, Ambassador, Permanent Mission of Morocco to the UN

The session will discuss economic integration and trade among Maghreb countries (Algeria, Libya, Mauritania, Morocco, and Tunisia) as an additional source of their growth and job creation. Maghreb economies, while diverse, all face the common challenge of addressing large unemployment and providing opportunities for everyone but remain one of the least integrated regions in the world. Experts from the region and international institutions will discuss an important question of how to leverage the potential for regional integration as an additional source of growth and jobs. The recent IMF Paper (Economic Integration in the Maghreb: An Untapped Source of Growth, also available in French and Arabic) shows that greater integration could create a regional market of almost 100 million people with an average income of about \$12,000 in purchasing-power-parity terms. Integration could contribute to raising growth in each Maghreb country by one percentage point on average in the long term. The paper will be available at the event.



Short summary

The session was an opportunity to present the conclusions of the IMF Paper (Economic Integration in the Maghreb: An Untapped Source of Growth) which highlights the need to rethink the Maghreb economic model and to enter into a new model of economic integration. Panellists discussed economic integration and trade among Maghreb countries (Algeria, Libya, Mauritania, Morocco, Tunisia), obstacles and opportunities. It was also an opportunity to present ASEAN as an example of regional integration for the Maghreb.

The IMF Paper conveyed three main messages: the Maghreb has the lowest level of integration in the world; by integrating, the region can raise growth by one percentage point and joint policy objectives could help integration.

Speakers gave their assessment of trade integration in the Maghreb and provided advice on how to better integrate their economies, tackle obstacles and put forward the political agenda. The example of ASEAN, was presented as a model for the Maghreb.

Loing summary

Alexei Kireyev, Senior economist and Lead Author, International Monetary Fund, presented the conclusions of the IMF study (Economic Integration in the Maghreb: An Untapped Source of Growth) and highlighted the main messages of the study: the Maghreb has the lowest level of integration in the world; by integrating, the region can raise growth by one percentage point; and joint policy objectives could help integration. He explained that several regional initiatives have been explored, but with little success. According to the data, intra-regional trade is concentrated in few flows (gas, oil, irons, machinery). The reasons behind the low level of integration include geopolitical considerations, restrictive trade and investment policies, non-tariff trade barriers and insufficient regional infrastructure.

Greater integration would make sense given the common borders among the countries. Furthermore, the Maghreb is a strategic hub between Europe and Sub-Saharan Africa. A regional initiative should be complementary to global integration. He concluded the Maghreb policy objectives should focus on jobs, openness, inclusiveness, negotiations and trade (JOINT).

Walid Doudech, Ambassador, Permanent Mission of Tunisia to the UN, highlighted that the countries of

the Maghreb have several characteristics in common, including language and culture. However, they also have specificities with regard to economic integration. He also noted the low level of intra-regional trade and the high level of non-tariff barriers in the region as impediments to further integration. He presented some measures taken by Tunisia to be more integrated in the world economy and to attract investments, which included the adhesion to COMESA in 2018. He noted that in spite of the critical importance of the Arab Maghreb Union, Tunisia is dependant on the EU market. Actions will also be needed to convince the private sector to focus on the regional market.

Omar Zniber, Ambassador, Permanent Mission of Morocco to the UN, said that economic integration of the Maghreb is a strategic choice for Morocco. He mentioned some solutions to overcome geopolitical obstacles, which include the revival of the Arab Maghreb Union Secretariat (located in Morocco), the development of regional infrastructure, the production of affordable renewable energies, global value chains (auto and aeronautical sectors), unity for extra-regional cooperation and a common approach on migration. He also noted the importance of the AfCFTA for the Maghreb. He concluded by stressing the need to reinforce complementarity in order to attract investors and to pursue the analytical thinking about ways to pursue regional integration.

Tamim Baiou, Chargé d'affaires a.i, Permanent Mission of Lybia, highlighted that security and migration are the major threats for the Arab Maghreb Union and should be addressed regionally and internationally. He reiterated the need for complementarity with each country of the Arab Maghreb Union.

Tan Hung Seng, Ambassador, Permanent Mission of the Republic of Singapore to the WTO, presented the successful experience of ASEAN as an example for the Arab Maghreb Union. He explained that the EU model was not an option for the ASEAN. He encouraged the proponents to be realistic and pragmatic, to take a building block approach, to interact frequently and understand each other needs, notably in terms of flexibility (ASEAN Minus X formula) and to find creative solutions.

As a conclusion, it was decided to do further research and to organize a regional workshop for the stakeholders, notably the private sector.

Reporter: WTO



SESSION 34: Side Event "From Aid to Investment: Supporting economic diversification and industrialization in Africa"

Organizers: Permanent Mission of Japan to the International Organizations in Geneva, United Nations Industrial Development Organization

MODERATOR

› **Uzoamaka Madu**, Communications and Public Affairs Specialist, What's in it for Africa?

PANELLISTS

- › **Souleymane Diarrassouba**, Minister of Commerce, Industry and SME Promotion, Côte d'Ivoire
- › **Toshiro Iijima**, Deputy Assistant Minister, Economic Affairs Bureau, Ministry of Foreign Affairs, Japan
- › **Zenebe Kebede Korcho**, Ambassador Extraordinary and Plenipotentiary, Permanent Representative of Ethiopia to the UN
- › **Hiroshi Kuniyoshi**, [Managing Director for External Relations and Field Representation and Deputy to the Director General, United Nations Industrial Development Organization](#)
- › **Axel Pougin de la Maisonneuve**, Deputy Head of Unit, Directorate-General for International Cooperation and Development, European Commission
- › **Désiré N'zi**, Project Director, Centre de Formation et d'Innovation Agroalimentaire, Bühler AG

Limited industrial or manufacturing capacity is seen as the main constraint to economic diversification by African countries - as revealed by the Aid for Trade 2019 Monitoring exercise. Furthermore, African respondents rank inadequate infrastructure and diverging priorities between partners and donors as the top two factors limiting the success of the Aid-for-Trade support received thus far. In light of the above, and with a view to identifying a constructive way forward, this session will discuss innovative approaches to leveraging official development assistance (ODA) for increased investment in economic infrastructure and manufacturing industries in Africa.

The session will bring together leading Aid for Trade donors as well regional and country-level representatives from Africa, and private investors to discuss how best ODA can address key bottlenecks in mobilizing public and private investment in support of manufacturing capacity in Africa, in an overall context of rising debt levels and rapidly increasing automation in industry. Identifying best practices and promising schemes would be the objective of the session.



Short summary

The third Industrial Development Decade for Africa (IDDA III) - with its road map and coordination mechanisms- provides the blueprint for action for the international community to support Africa's industrialization objectives. Aid for Trade has the potential to address supply-side constraints, building productive capacities, supporting industrialization, building trade-related capacities and linking domestic products to international markets.

UNIDO's Programme for Country Partnership was the most appropriate model for using ODA to mobilize investment and build productive capacity at scale. Industrial parks are essential in promoting foreign direct investment and industrial development through concentrating infrastructure, manufacturing, logistics and other services in one place.

Competencies and skills are lagging behind in Africa which affect the value creation potential- sector-specific approaches to industrial skills development are needed. Multilateral banks and development cooperation agencies need to adopt a sector-specific approach to identify constraints and tackle them through policies, initiatives and public-private partnerships while providing support to initiatives led by the private sector.

Human resource and infrastructure development play an important role in attracting business opportunities. AfT is not only about promoting trade. It is also about industrialization and infrastructure. AfT priorities with partners are set through consultations with governments, civil society and the private sector, including through public-private dialogues.

Long summary

Hiroshi Kuniyoshi, Deputy to the Director General, United Nations Industrial Development Organization (UNIDO), highlighted the importance of Aid for Trade in building productive capacity and the need for the initiative to address the limited industrial or manufacturing capacity in partner countries, which was identified by partner countries as the key constraint to economic diversification in the AfT M&E exercise 2019. He elaborated on UNIDO's approaches to leverage ODA for increased investment in economic infrastructure and manufacturing industries in Africa at the continental, regional and national levels. At the continental level, UNIDO is supporting the African

Union in the Third Industrial Development Decade for Africa. At the country-level, Programme for Country Partnership is the most appropriate model for using ODA to mobilize investment and build productive capacity at scale.

The side event deliberated upon the opportunities, challenges and solutions related to attracting investment and industrial development, which is high on the agenda in the continent.

Zenebe Kebede Korcho, Ambassador Extraordinary and Plenipotentiary, Permanent Representative of Ethiopia to the United Nations stressed that Aid for Trade can contribute to addressing supply-side constraints, supporting industrialization, building productive and trade-related capacities and linking domestic products to international markets. Referring to the PCP in Ethiopia, he further noted that industrial parks are essential in promoting foreign direct investment and industrial development through concentrating infrastructure, manufacturing, logistics and other services in one place. The country plans to build 30 industrial parks by 2025, 8 of which have been already completed. By fostering collaboration between the public and private sector, UNIDO supports the government to develop the country's priority sectors, such as the textile and leather industries, through the PCP.

Désiré N'zi, Project Director, Centre de Formation et d'Innovation Agroalimentaire at the Bühler AG, emphasized that Africa has good potential to attract significant investment in the manufacturing sector. However, one of the key difficulties to overcome is the need for a more skilled workforce. Competencies and skills are lagging behind which affect the value creation potential. He concluded by suggesting that multilateral banks and development cooperation agencies need to adopt a sector-specific approach to identify constraints and tackle them through policies, initiatives and public-private partnerships while providing support to initiatives led by the private sector. Cocoa processing in Côte d'Ivoire by Buhler is one of the examples.

The participants discussed experiences, success stories, initiatives and lessons learned in encouraging investment in Africa.

Toshiro Iijima, Deputy Assistant Minister, Economic Affairs Bureau, Ministry of Foreign Affairs of Japan, discussed the role of human resources and infrastructure development in attracting business opportunities. He reflected on Japan's experience in



the area of industrialization in Africa. In particular, the focus was made on the Tokyo International Conference on African Development (TICAD). During the TICAD 7 meeting scheduled to take place from 28th to 30th August 2019, in Yokohama, Japan will convene "Public-Private Business Dialogue" session, which aims to enhance cooperation among government officials, business leaders and stakeholders both of Japan and African countries.

Axel Pougin de La Maisonneuve from the Directorate General for Development and International Cooperation of the European Commission, stressed that Aid for Trade is not only about trade. It is also about industrialization and infrastructure. In this context, the objective of the EU's development and Aid-for-Trade policies is industrialization and value addition. He addressed the question on diverging priorities by partners and donors as one of the top factors limiting the success of the aid-for-trade support revealed by the AfT Monitoring and Evaluation Exercise 2019. He underlined that the priorities with partners are set through consultations with governments, civil society and the private sector, including through public-private dialogues.

Reporter: UNIDO



SESSION 35: Development Hub "Harnessing a joint public-private approach to facilitate trade in LDCs"

Organizers: Global Alliance for Trade Facilitation, Enhanced Integrated Framework

MODERATOR

› **Graham Zebedee**, Director, Wider Europe Negotiations and Development, UK Department of International Trade

PANELLISTS

› **Axel Addy**, Chief Executive Officer, Ecocap Investment Group

› **Clea Kaske-Kuck**, Director of Global Public Policy and Issues, Cargill

› **Alice Manuake**, Owner and Manager, Tauranga Farm Vanuatu

For countries looking to diversify and boost their exports, trade facilitation is key. Making trade simpler, faster and more cost-effective creates new business opportunities, enabling greater economic and social development and reducing poverty.

As trade facilitation challenges directly impact businesses, it is essential to fully involve them in designing solutions. The most effective solutions are those developed and implemented through joint, equal public-private collaboration. In least developed countries, linking the public and private sectors can be a challenge in itself.

This session brings together partners of two global initiatives with complementary experience on this issue. On the one hand, the Global Alliance for Trade Facilitation has successfully "co-created" projects with public and private sector in eight developing countries. The Enhanced Integrated Framework (EIF) has extensive expertise providing tailored support to LDC governments and small businesses.

At this session, Alliance and EIF donors, beneficiaries and private sector partners will exchange on how a multi-stakeholder approach to trade facilitation can be fostered in LDCs.



Summary

Speakers discussed the role of the private sector in implementing trade facilitation reforms in LDCs and underlined key challenges related to linking the public and private sectors. They highlighted the need to leverage already existing platforms for effective joint public-private collaboration for trade facilitation in LDCs, such as Global Alliance for Trade Facilitation (GATF) and Enhanced Integrated Framework (EIF).

Clea Kaske-Kuck, Director of Global Public Policy and Issues, Cargill stressed the role of innovation and shared their experience in establishing active partnerships in areas such as health, nutrition and sustainable economic development. Openness for cooperation with private sector was vital, along with the conducive enabling environment that would ensure predictability and good governance.

Alice Manuake, Owner and Manager, Tauranga Farm Vanuatu expressed willingness to work with the public sector, but noted the lack of clear guidance from the government as one of the key challenges for private sector in LDCs. This in turn made public-private engagement for small businesses a rare opportunity.

Axel Addy, Chief Executive Officer, Ecocap Investment Group stressed that well-established and predictable systems across Africa were necessary for engaging in public-private partnerships. Most governments were still struggling to foster inclusion regardless of the scale of investment. Conducive enabling environment and transparent regulatory framework were key to driving inclusion and poverty reduction.

Graham Zebedee, Director, Wider Europe Negotiations and Development, UK Department of International Trade noted the importance of multi-stakeholder consultation and the involvement of the private sector in early decision-making phases. He concluded that the willingness to engage in an open dialogue was key to successful public-private partnerships.

Reporter: Global Alliance for Trade Facilitation



SESSION 36: Side Event “Women’s sport, trade, and economic empowerment”

Organizers: World Trade Organization

MODERATOR

› **Michael Roberts**, Head, Aid for Trade Unit, Development Division, World Trade Organization

PANELLISTS

- › **Mayi Cruz Blanco**, Global Head of Athlete Programmes, Adecco Group
- › **Bob Margevicius**, Executive Vice President, Specialized Bicycle Components
- › **Emma P. Mason**, Vice President for Strategic and External Affairs, World Federation of Sporting Goods Industries
- › **Despina Mavromati**, Attorney-at-law, International Sports Law & Arbitration, SportLegis, Founder and board member, Women in Sports Law
- › **Navalayo Osembo-Ombati**, Co-founder and CEO, Enda
- › **Wang Weidong**, Chairman and President, China Sports Industry Group Co., Ltd

WHY HAVE ONE WORLD CUP WHEN YOU CAN HAVE TWO?

A growing number of soccer fans all over the world will be eagerly anticipating the second semi-final of the [FIFA Women’s World Cup](#) on 3 July 2019. To mark the occasion, a side event is being organized by WTO to look at the trade dimension to women’s sport, and the opportunities it offers for economic empowerment.

Much media commentary can be expected about whether or not the tournament will be a “break-through moment” for women’s soccer, and female sports more generally. From the standpoint of sporting goods industries though, women’s sport is not something waiting to happen. It’s here and now. Association football is one example, but there are many sport disciplines in which women are already prominent. Sportswear company [Enda](#) will highlight the example of athletics and discuss how the success of Kenya’s distance runners defines its brand.

Another example comes from the cycling world. E-bikes are a new chapter in an enduring relationship between [women and the bicycle](#) – and point to how sports intersect with other social issues like health or mobility. To trace the bicycle back to its origins in the late 19th Century is to understand how it opened a chapter of mobility and independence for women. Fast-forward to the governing body of world cycling sport, the UCI, and its Agenda 2022 policy statement and one commitment found therein is to promote the “gradual phasing-in of equal prize money for women and men”.

The on-going Caster Semenya case raises hard questions about regulating “women’s” and “men’s” sport. It also highlights the legal foundations on which sports are governed and how disputes are settled. Sports law is an established field, with a growing case load involving female athletes, but one in which only a small minority of practitioners are themselves women.

This aim of this session is to test a simple hypothesis: more women playing sport means more opportunities to supply sporting goods and services, including legal services. Alternatively, phrased, not only is women’s sport empowering in itself, it can be a driver of economic and trade growth, including for athletes and firms from developing countries.



Short Summary

Taking place during the 2019 Women's World Cup in France, this session looked at the nexus between trade, sport and women economic empowerment. The panellists included representatives from large businesses, MSMEs, sports-related organisations and support institutions. The session recalled that despite performing at the highest levels and attracting increasingly large crowds of viewers worldwide, women sportswomen did not enjoy the same renown or remuneration as their male counterparts. Women also faced specific challenges, both social and economic, that inhibited their sports careers.

The panel discussed measures that the private sector and official institutions were taking to encourage female participation in sport – and the tremendous economic opportunity that increased levels of participation would bring, including for developing country suppliers. There were opportunities in many areas, including large segments of the footwear and apparel market that remained virtually untapped. Examples from China were given of the tremendous potential of the so-called "She Economy" for the sports market. The forthcoming 2022 Winter Olympics in Beijing would further give a further boost to this market.

A business case was made for more attention to women's sports when designing sports footwear and apparel, when drafting sport regulations to ensure equality between genders, and in providing opportunities to exercise. Exercise contributed positively to health, effectively reduced costs for healthcare systems and created jobs.

Long Summary

Michael Roberts, Aid for Trade Coordinator, World Trade Organization introduced the session by highlighting the scope for growth in women's football and in women's sports more generally. Whereas male professional football players, and more particularly those at the top and national level, enjoyed considerable fame, elite female footballers still lived in relative anonymity.

Mayi Cruz Blanco, Global Head of Athletes Programme, Adecco Group quoted a FIFA survey which estimated that the total number of women and girls playing football around the world had reached 30 million. This figure only represented 1% of the global

population of women, thereby suggesting a large potential for growth. At the end of 2019, it was projected that the total number of female footballers would reach 45 million. Adecco had launched a new fund and new strategy in time for the 2019 FIFA Women's World Cup in France.

Within this target population, 4.5 thousand women were professional football players. In order to empower more girls and allow them to follow in the footsteps of the professionals, Adecco had worked to improve working condition of female sportswomen. Adecco had also developed campaigns to encourage girls to play football now reaching 195 countries (as of 2017), compared to only 27 countries some twelve years prior.

The Women World Cup was generating increasing numbers of viewers. The opening game between France and Korea had started a million viewers in France. Subsequent games were averaging some 10 million viewers per game. In 2011, 407 million people had watched the women's World Cup in Germany. Some 700 million had watched the 2015 edition which took place in Canada. FIFA projected that when the final whistle was blown, one billion people across the world would have watched the women's 2019 World Cup in France. To support this trend, the global community needed to continue working on developing support structures for girls in sports from grassroots to elite. It was time to realize the commercial value of women's football and women's sports more generally.

Ms Blanco quoted a 2017 FIFA survey that had found that 90% of women football considered retiring early in order to find a professional career that they could live on. About 46% of women in football combined football and other type of jobs. Forty-seven women footballers today did not have a contract. Adecco along with the International Olympic Committee and International Paralympic Committee supported athletes in their career development beyond competitive sports with advice and peer to peer coaching. Many girls and women around the world wanted to play sports but did not have the opportunities that top players (such as the ones in the Women's World Cup) enjoyed.

Important investments on women's sports were happening in Europe which needed to be replicated across the world to benefit women and girls. Organizations had to investigate how women could be economically empowered and enjoy proper working conditions in sports. This related to the UN Sustainable Development Goals on Gender Equality. The Adecco



company had just launched a football boot designed specifically for women as, for years, all the sports research to design material had done on the anatomy and physiology of male athletes.

Mr Wang Weidong, Chairman and President, China Sports Industry Group Limited stated that he was a strong supporter of women empowerment. His commitment was reflected in the career positions and potential of women in his company. China's population of 1.4 billion, which represented a fifth of the world's population, were an opportunity for growth in women's sports. Of the 227 gold medals won by China at previous Olympic games, 125 had been won by women accounting for 55% of the total. The percentage of China's medals won by women at the previous winter Olympic games was even higher (83% or 10 out of 12 gold medals). Famous Chinese women footballers and basketballers had started to gain fame.

Sports were an instrument for women empowerment. Women's football had help overcome past traditions which confined women to family roles. Secondly, sports were a way to increase the income of females when they were in activity or after retirement. Thirdly, sports were an important economic segment of the economy. Many products were being targeted at sports people including women (the "She Economy"). He noted that the conflict between social roles prevent the further participation of women in sports.

Mr Weidong recalled the 2008 Olympic games successfully organised in China and was looking forward to the 2022 Winter Olympics. The successful bid for the 2022 Games had led to a series of development plans including the target to involve some 300 million people in snow sports. In 2018, there was 742 ski resorts and 334 indoor ice rinks in China growing at a rate of 30%. Over 50% of participants to these sports would be female. Most materials needed for ice and snow sports were provided by companies around the world. Because of this demand and for the demand for infrastructure, many jobs had been created for women.

Since the 1950s, China had provided foreign aid including the establishment of sport venues and facilities. Since 2013, China had introduced a new mode of foreign aid in sport which included three elements: (i) Inviting athletes from recipients' countries to China for training; (ii) Sending Chinese coaches to recipient coaches; and (iii) to send sport equipment to those countries. Following this mode, China had trained some 3,300 sportspeople, coaches from across the

developing world. Over 60% of beneficiaries were women athletes and the sports performance of these countries has drastically improved. He added that a total of 30,000 sportspeople, of which 60% were women, had benefitted from China's sport training programmes.

Emma P. Mason, Vice-President for Strategic and External Affairs, World Federation of Sporting Goods

said that the footwear market was worth approximately US\$63 billion and the apparel market about US\$80-85 billion in 2017. Both markets were dominated by two brands: one European (Adidas) and the other one American (Nike). The two global brands were now taking on women's sports. Adidas had declared that it was refocusing its interests on women's sport, an area where their business had grown 20% compared to 17% overall for both sexes. Nike was also very interested in the area. Mike Parker, Nike's Chief Executive Officer, believed that 2019 would be the year of the woman. Because of the real opportunity that women's sports represented Nike would continue to invest and to target its marketing. An example of this was the "dream crazier" campaign, narrated by Serena Williams and in which several other prominent athletes featured. The two dominant market players had started to take interest, not just in marketing or investing in women's sport, but in research and development of the products themselves.

Ms Mason highlighted that at the global level, an insufficient number of people globally fulfilled the recommended levels of physical activity, with an average of 28% of adults not exercising enough. For women, the percentage was 30% globally, and for adolescents 80%. Physical inactivity was one of the four leading causes of non-communicable diseases causing 71% of deaths globally (41 million a year, with approximately 15 million of them premature).

With this in mind, not only were the healthcare costs of countries going up, but also, the potential economic benefits were not being realized as a huge percentage of the population was missing out on its weekly physical activity, let alone being involved in elite sport. Another issue was the lack of economic data on the pure economic benefits of sports and physical activity. A European Commission study had found the gross domestic product across the European Union (EU) in sport-related activities to be EUR 279.7 billion (or 2.72% GDP across the EU) and that sport-related activities counted to 5.67 million employees across the EU. She added that sports and investing in sport was



an employment intensive economic activity which could play a substantial role in addressing unemployment. One key issue facing the industry was trade policy, in the form of tariff and trade defence measures. The sporting goods industry had to deal with the highest tariff and trade defensive measures worldwide.

Despina Mavromati, Attorney at Law, International Sports Law & Arbitration, Sports Legis, Founder and Board Member, Women in Sports Law stated that discrimination had always affected women in the sports field. Most commercial or disciplinary disputes were related to football (about 90% of cases). And the sports industry more generally revolved around football. She recalled that it was only in the 90s after the Bozeman ruling that football had really become a professional activity for men. Back then, a Belgian footballer had taken his case to the European Court of Justice and challenged FIFA's transfer regulations.

Beyond straightforward discrimination against women another constraint was access to professional structures and infrastructure to allow women to play a sport enough to become successful. This raised the question of equal prize money, another aspect of inequity. Professional associations such as FIFA could promote equality through regulations and diminish discrimination by applying to women the same regulations they apply to men.

Navalayo Oasembo-Ombati, Co-founder and Chief Executive Officer, Enda briefly discussed the reasons why Kenyans were particularly gifted runners. What interested her company, Enda, was to build on this sporting success and to provide runners with the possible best running shoe. In doing so, Enda surveyed women athletes. They were surprised to see that their opinion on sports shoes could have value. Even though they were competent runners, no one seemed to have paid attention to their needs in the past.

In Kenya, women were as gifted as the men at running, but their stories did not make big news). In addition, there was a lot of areas in which women were held back. For example, many challenges lay between women and a professional running career: lack of media attention, limited ability to communicate in English, the need to leave their family home and join a sports camp as well as other factors of a cultural nature. Raising awareness was necessary, including in teaching them that they had an image which, as sportspeople, they could protect and market.

Reporter: WTO



SESSION 37: Social event

The Social Event was offered by the Kingdom of Cambodia in collaboration with the Enhanced Integrated Framework and World Trade Organization. It was held in the presence of Samdech Akka Moha Sena Padei Techo HUN Sen, Prime Minister. The Social Event featured traditional Cambodian dances and national cuisine. The first dance, called "Robam Joun Por" (blessing dance), was a Khmer traditional to wish for good health, happiness, prosperity and success. A second dance, named "Robam Kngork" (Peacock dance), was one in which performers dress in traditional costumes to bless participants with happiness, sufficient rainwater and good fortune. You will also enjoy few Cambodia dishes and dessert. The event was open to all Global Review participants.



DAY 2. 4 JULY 2019



SESSION 38: Breakfast Briefing Side Event "Aid for inclusive trade: Extending the benefits of trade to reduce poverty" Organizer: World Vision Australia

OPENING REMARKS

› **Ratnakar Adhikari**, Executive Director, Enhanced Integrated Framework

MODERATOR

› **Mark Harwood**, Manager, Social Entrepreneurship and Economic Development Unit, World Vision Australia

PANELLISTS

› **Ratnakar Adhikari**, Executive Director, Enhanced Integrated Framework

› **Andrew Lloyd**, Aid for Trade Policy Manager, Office of Trade Negotiations, Department of Foreign Affairs and Trade, Australia

› **Dane Moores**, Policy Manager, World Vision Australia

› **Sunema Pie Simati**, First Secretary, Embassy of Tuvalu

Trade has been instrumental to global growth, but its benefits have not always been shared equitably. The fundamental principle of the Sustainable Development Goals is to leave no one behind - but what does this mean for Aid for Trade? How can international trade be made more inclusive to benefit and empower those who need it most, especially people living in poverty?

This side event will explore how to maximize the inclusiveness and poverty reduction potential of trade through integrating micro, small and medium-sized enterprises into markets and economically empowering women and people with a disability.

A panel discussion will bring together insights from non-governmental organizations, the private sector, governments and multilateral organizations on practical opportunities to make Aid for Trade more inclusive.

› **Ratnakar Adhikari**, Executive Director, Enhanced Integrated Framework

› **Dane Moores**, Policy Manager, World Vision Australia



Short summary

The session discussed ways in which aid for trade can promote inclusive trade including for the poorest communities. Developing countries, particularly the LDCs, face barriers that prevent them from taking full advantage of global trade benefits. The session showcased examples of programmes and projects implemented in different countries to identify what works and draw lessons for future interventions. Looking ahead, more inclusive approaches will be vital to ensure that the benefits of economic development enabled by an open international trading system are maximised as a pathway out of poverty for developing countries and marginalised communities.

Long summary

Ratnakar Adhikari, Executive Director, Enhanced Integrated Framework discussed the EIF strategic plan which aims at building inclusive trade for better lives, with particular focus of LDCs and how aid for trade can ensure that marginalized communities are not left out of trade. The EIF is aimed at helping LDCs to take advantage of market access opportunities. Inclusive trade requires addressing gaps in the area of finance, lack of information and connection, lack of capacity or training. Evidence on the ground has shown that enterprises in Burkina Faso struggle in following good agricultural or manufacturing practices due to the lack of knowledge. EIF promotes inclusive trade at the macro and micro level by following a policy of leaving no LDC behind and implementing programmes that support women's, youth, and MSMEs' economic empowerment.

Sunema Pie Simati, First Secretary, Embassy of Tuvalu discussed some of the challenges in harnessing the benefits from trade in Tuvalu. Tuvalu is highly isolated, sea-locked and resource-dependent nation which is vulnerable to external shocks. It has a history of high trade deficits. Aid for trade aimed at helping developing countries, including Tuvalu, to benefit from trade opening. Infrastructure and capacities delivered through aid for trade are fundamental for development. High transportation of cost and connectivity are main barriers to trade. The approval of US\$29 million grant by the World Bank in January 2019 will help to promote affordable and faster connectivity in Tuvalu using submarine cable. Connectivity remains central to development.

Mark Harwood, Manager, Social Entrepreneurship and Economic Development Unit, World Vision Australia discussed some of the activities World Vision is engaged in for inclusive market system development, working across a continuum based on the market readiness. The programmes are targeted at lifting the poor community to engage in high value markets and helping private sector partners to reach down and engage with the poor households. The PRISMA project implemented in Indonesia has shown that the poorest households lack the ability to meet SPS requirement and market linkages with private sector partners.

Andrew Lloyd, Aid for Trade Policy Manager, Office of Trade Negotiations, Department of Foreign Affairs and Trade, Australia discussed how aid for trade can promote inclusive development. Digital connectivity is a mechanism to promote inclusive trade and the rise of digitalization provide opportunities by offering easier access to domestic and international markets, access finance, low start-up cost, and flexible employment conditions. Digitalization makes trade more accessible to disadvantaged groups. When mechanism of trade is expensive or complicated, it poses barriers to trade. From a gender perspective, digitalization helps women overcome some of the barriers to trade. Digital trade also plays a role in diversification, including in services. In terms of inclusivity, many digitally traded services require high level of skills, which may not be available in developing countries. He also highlighted examples in which digital trade can drive inclusion including projects in the Pacific. There is a baseline to be able to engage in digital economy including ICT access.

Reporter: World Vision Australia



SESSION 39: Breakfast Briefing Side Event "Inclusive Trade Matters: How Canada advances Aid for Trade related priorities in the context of its Feminist International Assistance Policy" Organizer: Global Affairs Canada

PANELLISTS

- › **Stephen de Boer**, Ambassador and Permanent Representative, Permanent Mission of Canada to the WTO
- › **Elissa Golberg**, Assistant Deputy Minister, Strategic Policy, Global Affairs Canada
- › **Steve Tipman**, Executive Director, Trade Facilitation Office, Canada

This session will highlight Canada's long-standing efforts to promote economic diversification and empowerment through equal access to markets and trade as a critical enabler of growth, creating more and better jobs for the poor. Canada's Feminist International Assistance Policy guides development assistance to help increase women's access to economic opportunities, resources and access to markets. By showcasing two of its projects funded by Canada, Trade Facilitation office (TFO) Canada will address practical issues including:

1. Challenges women exporters face when engaging in Canadian markets and how to ensure long lasting impact and sustainability when working in developing and least developed countries, in particular Madagascar, Uganda, Lesotho, Ethiopia, Haiti, Bangladesh, Nepal and Cambodia; and
2. The need for Pacific Alliance (Chile, Colombia, Peru and Mexico) trade support institutions to provide tools, advice and training to exporter companies in areas related to aspects of international trade related to the agribusiness/agro food sector, in order to access Canadian markets.



Short summary

Gender equality is the key in building lasting solutions to global challenges. Reducing poverty in developing countries and building economies that work for everyone, preparing for jobs of the future and advancing peace and security.

Long Summary

Elissa Golberg, Assistant Deputy Minister, Strategic Policy, Global Affairs Canada said that inclusive trade includes trade policies that benefits to many, instead of few. It is how trade can contribute in reducing poverty.

According to Ms Golberg, there are four pillars of inclusive trade and gender:

1. Inform and develop inclusive policies, including consultations and ongoing dialogue with the representative group.
2. Encourage responsible transparency and the inclusive trade agreement. The collection of data on women's participation in economic life (commitment in the Buenos Aires Declaration) is also part of this pillar.
3. Promote an initiative for responsible inclusive trade in various forums such as the WTO, the G20 or the Buenos Aires Declaration).
4. Act in our society to support diversity, including gender equality, in support of sustainable economy. It means removing the political, social and economic barriers that prevent women and girls from fully realizing their individual potential.

Ms Golberg explained how Canada's actions are focused on three main areas:

1. Reinforce and increase the government's capacity to improve its social programme so that more women can participate in economic life.
2. Expand women's access to services that help them participate in global commerce (access to the network, training, monitoring, etc.)
3. Integrate gender issues into trade agreements.

Third, Ms Golberg presented Canada's Feminist International assistance policy launched in 2017. The main objective of this policy is to reinforce resilience and financial stability by closing the gender gap and adopting inclusive policies. For example, Canada had invested US\$8 million to support women to be more competitive and innovative in accessing global markets and financial resources, among others. These actions would shape the market in a different way that gives women more opportunities.

In addition, Canada had taken actions in areas such as rural transformation and renewable technologies. For example, Canada has funded a training programme for women entrepreneur in Ethiopia. Canada has also funded a training programme in untraditional sectors for women in Senegal, such as mathematics.

Reporter: WTO



SESSION 40: Breakfast Briefing Side Event "Digital Trade in Africa: Implications for inclusion and human rights"

Organizers: United Nations Economic Commission for Africa, Office of the High Commissioner for Human Rights, Friedrich-Ebert-Stiftung

MODERATOR

› **Hajo Lanz**, Director, Friedrich-Ebert-Stiftung, Geneva office

PANELLISTS

› **Torbjörn Fredriksson**, Chief at ICT Policy Section, United Nations Conference on Trade and Development

› **Kate Gilmore**, United Nations Deputy High Commissioner for Human Rights, Office of the High Commissioner for Human Rights

› **David Luke**, Coordinator of the African Trade Policy Centre, United Nations Economic Commission for Africa

Digitalization is rapid and accelerating, with innovation changing the way we design, produce and generate value from products and related services. Digital globalization of which trade is both a component and facilitator can have serious ramifications for human rights. African countries will need to explore and develop alternative industrialization routes, through building the relevant skills sets and capacities to actively participate in and benefit from the digital transformation.

The way new digital technologies interact with the global economy in turn poses new opportunities and challenges for inclusive development. The response must be an updating of policymakers' toolkits to face the new opportunities and challenges of digital trade, and ensure inclusive outcomes that maintain human rights.

Moving into the digital trade space offers human rights practitioners a new platform to apply past successes and innovate future safeguards. The emergence of new technology systems, platforms, and ideas creates an opportunity for human rights to be a guiding framework for digital technology and development in Africa.

This session will provide human rights-based toolkits focusing on Africa which are currently developed in a joint ECA-OHCHR-FES publication which will be officially launched at this event.



Summary

"African policymakers need to update their policy toolkit to respond to the challenges of the new digital era in a way that is consistent with human rights", pointed out **David Luke, Coordinator of the African Trade Policy Centre, Economic Commission of Africa (ECA)** at the launch of a joint publication of ECA, the Friedrich-Ebert-Stiftung (FES) Geneva office and the Office of the High Commissioner on Human Rights (OHCHR) event titled by "Digital Trade in Africa. Implications for Inclusion and Human Rights."

Hajo Lanz, the new director of the FES Geneva office, highlighted the significant trade and human rights connection in a game changing global society while Luke stated "a clear digital strategy is needed to fulfill the potential of growing and developing the African economy." The publication provides a human rights based toolkit on five thematic categories: regulation and governance, digital infrastructure, social and personal security, education and skills and trade and development cooperation.

Torbjorn Fredriksson, Chief of the ICT Policy Section at UNCTAD, emphasized the policy recommendations developed in the publication by adding that the issues discussed will affect all countries worldwide, not only Africa. "It is important that digitalization becomes an essential part of domestic development strategies," he said. At the same time, donors need to prioritize projects and provide funding accordingly.

"Applying human rights lenses will be crucial to ensure inclusive gains from digital trade", said **Nwanneakolam Vwede-Obahor, Regional Representative East Africa at OHCHR**. She reminded that "these must be addressed in a way that is consistent with inclusion, transparency and the achievement of human rights". Technical and social connectivity, data-protection-policies and gender empowerment would be the future priorities.

Reporter: Friedrich-Ebert-Stiftung



SESSION 41: Plenary "Economic diversification and the blue economy - what role for a WTO Fisheries Subsidies Agreement?"

Organizer: World Trade Organization

KEYNOTE SPEAKERS

- › **Roberto Azevêdo**, Director-General, World Trade Organization
- › **Peter Thomson**, Special Envoy for the Ocean, United Nations

MODERATOR

- › **Clarisse Morgan**, Director, Rules Division, World Trade Organization

PANELLISTS

- › **Caroline Freund**, Director of Trade, Regional Integration and Investment Climate, World Bank Group
- › **Marianne Hagen**, State Secretary, Ministry of Foreign Affairs, Norway
- › **Aung Htoo**, Deputy Minister of Commerce, Myanmar
- › **Audun Lem**, Deputy Director, Fisheries and Aquaculture Department, Food and Agriculture Organization
- › **Lautafi Fio Selafi Purcell**, Minister, Ministry of Commerce, Industry and Labour, Samoa
- › **Lisa Emelia Svensson**, Ambassador, Ambassador for Ocean, Seas and Freshwater, Sweden and Ambassador for Ocean, United Nations Environment Programme
- › **Wilson K. Tarpeh**, Minister, Ministry of Commerce and Industry, Liberia

A message that emerged from the 2019 Aid for Trade monitoring and evaluation exercise is the importance of the blue economy for the economic diversification. Coastal fisheries are an important source of food security, biodiversity and livelihoods.

Actions to promote sustainable fisheries and conservation are being taken by a broad range of WTO Members with support from bilateral and multilateral financing partners. Many of these actions are being undertaken in the form of regional partnerships. The aim of these initiatives is to conserve and sustainably use the oceans, seas and marine resources for sustainable development - the goal for life below water agreed as part of the UN 2030 Agenda for Sustainable Development.

This aim of this session is to survey the support being provided for sustainable fisheries management and future planned financing. The discussion will examine how financing for fisheries is supporting biodiversity, improving food security and securing livelihoods.

The session takes place against the background of intensive, ongoing negotiations by WTO Members. In Buenos Aires in 2017, WTO Members committed to reach an agreement by 2019 on comprehensive and effective disciplines to prohibit certain forms of fisheries subsidies that contribute to overcapacity and overfishing, and eliminate subsidies that contribute to illegal, unreported and unregulated fishing.

Background notes can be accessed here: [English/French/Spanish](#)



Short summary

The session was organized against the backdrop of intensive, ongoing negotiations by WTO Members on subsidies that are harmful to the sustainability of fisheries. The discussion focused on the current challenges affecting the sustainability of the fisheries sector, particularly in developing countries, and implications of these challenges on economic and social development for current and future generations. In this context, the WTO Agreement on fisheries subsidies, which seeks to prohibit subsidies contributing to overfishing and IUU fishing, was highlighted as a necessary tool to further the push towards a "sustainable blue economy" and a tool that should be finalized as soon as possible. The WTO fisheries subsidies negotiations are also identified as having broad implications on testing the strength of the multilateral system and protection of world oceans for future generations.

Representatives from Myanmar, Liberia and Samoa reiterated the importance of the Fisheries Subsidies Agreement, while ensuring that circumstances faced by developing countries are considered in finalizing the Agreement. More specifically, attention was placed on ensuring special and differential treatment for developing countries in implementing the Agreement, and there was a call for ensuring beneficial subsidies are included in the discussions, to build up fisheries sectors of developing countries. Accordingly, representatives from UNEP, World Bank, Norway and FAO identified measures that are being taken and can be taken in the future to assist developing countries to strengthen their fisheries sectors and contribute towards effective implementation of the proposed Agreement on fisheries subsidies.

This session focused on the existing concerns surrounding sustainability of the fisheries sector and the relevance of the WTO fisheries subsidies negotiations as a tool to contribute towards a sustainable blue economy. The discussion focused on two aspects: (i) the existing problem and how WTO rules can help; and (ii) how to implement future WTO rules.

Long summary

Robert Azevêdo, Director-General, World Trade Organization, delivering the first key-note address for the session noted that the WTO Agreement on Fisheries Subsidies is being negotiated in the context

of depleting global fish stocks – which had implications for development, trade and protection of oceans.

Drawing attention to the link between government subsidies and depletion of oceans, Director-General Azevêdo explained that the WTO Agreement on Fisheries Subsidies seeks to develop binding rules to prohibit certain forms of subsidies contributing to overcapacity and eliminate subsidies resulting in Illegal, Unreported and Unregulated (IUU) fishing. The legally binding nature of this Agreement would mean that Members would need to enforce these measures through national legislation. It would also be enforceable through the WTO Dispute Settlement Mechanism.

Negotiators had an immensely challenging task compounded by the fact that unlike the existing rules dealing only with trade distorting effects, current negotiations dealt with the negative effects of subsidization on the grounds of sustainability. Given that fisheries sustainability is interlinked with fisheries biology and management, these issues fall within the domain of national fisheries agencies and regional fisheries management organisations. Therefore, formulation of WTO rules needed to take account of the roles of these organizations. Further, developing countries, particularly LDCs need to be provided with adequate support to strengthen their fishing communities and fisheries sector. Accordingly, technical assistance and capacity building activities had to be included in the package and the current efforts to design and implement sustainable fisheries management, as outlined in the WTO background note on "Development Financing to Fisheries Sector" was a welcome and necessary step.

The Director-General stressed that the implications of failing in this Agreement would erode confidence in the capacity of the WTO to deliver on the multilateral track, and would increase the risk to ocean resources.

Peter Thomson, United Nations Secretary General's Special Envoy for the Ocean, explained that the WTO Fisheries subsidies Agreement is an essential step towards healthy fisheries, and healthy fisheries were an essential step for a sustainable blue economy.

Considerable steps had already been taken towards addressing harmful fisheries practices. Sustainable Development Goal (SDG) 14.6 set the stage for an agreement by political leaders to decisively tackle this issue. Four targets under SDG 14.6, including a target for dealing with harmful fisheries, had a deadline of



2020. Further the United Nations has mandated the holding of the Second Ocean Conference in Lisbon, and the Convention on Biological Diversity in China in 2020 – which would be the last great opportunity to strike a deal for our relationship with nature.

The fact that governments were using public money to subsidize illegal fishing which is criminal behaviour and were subsidizing industrial fleets to chase a diminishing fish stock to extinction – is incomprehensible and needs to be halted. Succeeding in the WTO Fisheries Subsidies negotiations was an absolute necessity. Mr Thomson noted the need to keep the Agreement simple, as the rules need to be enforced and the public needs to understand these measures. He closed by stressing the possibility of engaging at a higher level towards the end of the year to finalize the negotiations.

Lautafi Fio Selafi Purcell, Minister, Ministry of Commerce, Industry and Labour, Samoa highlighted the relevance of the fisheries sector to the livelihoods and economic development of Samoa and other Pacific Island States. Fisheries contributed almost 10% of GDP of Pacific Island States, and in 2015, almost 23,000 people were employed in fishing related industries, from which 70-90% were women. Pacific Island leaders have underscored the importance of the fisheries sector through the adoption of the “Blue Pacific” Identity in 2017, which identified fisheries as a regional priority. Minister Purcell noted that granting fisheries subsidies had significant implications for the Pacific Islands. Therefore, the Pacific Islands had a strong interest in a successful conclusion of WTO fisheries subsidies negotiations to ensure the maintenance of healthy fish stocks in the region. Currently, the Pacific Islands were working together as a region to oversee fish stocks and activities. Minister Purcell also noted that assessments conducted in 2017 revealed that commercial stocks in the Pacific waters were at a healthy level and attributed this to strong national and regional fisheries management with support from development partners. However, the Minister noted that further capacity building and assistance was required in surveillance and monitoring activities, along with special and differential treatment to provide opportunities to build up capacities of underdeveloped fisheries and benefit from resources around them.

Wilson K. Karpeh, Professor, Minister, Ministry of Commerce and Industry, Liberia highlighted that as a result of its 350-mile coastline, fishing was a major economic activity for those settled along the coastline. The Minister noted that countries with sea coasts faced similar problems, particularly in terms of the

capacity to patrol the coast line, and development of policies to strengthen the regulatory regime. Liberia's fishing sector faced issues due to encroachment of other fishing vessels in its waters, particularly industrialised countries, but had limited capacity for surveillance of its shores. Accordingly, Liberia has taken measures to protect its resources, on its own initiative and with international community support, through the establishment of a task force to deal with IUU fishing, and public-private collaborations for better management of resources. In moving forward with the Agreement on fisheries subsidies, the Minister stressed that a one-size fits all approach would not be appropriate, as countries were at different stages of development, and commitments needed to be made accordingly.

Aung Htoo, Deputy Minister of Commerce, Myanmar also highlighted the importance of fisheries as a source of livelihood in the country, especially for those settled along the 1,920km coastline. The fisheries sector was, however, struggling as its resources had declined to just 30% of the levels from 25 years ago. Concessions given to foreign companies were identified as the main cause for depletion of stocks and had since been halted to limit the number of ships fishing in the waters. While there was a sense of urgency to conclude negotiations on fisheries subsidies, Deputy Minister Htoo raised concerns as to whether negotiations were based on a level playing field. He explained that it is necessary to ensure that special and differential treatment should be available for developing countries, particularly LDCs. He stressed the need for beneficial subsidies to be included in the negotiations as a means for developing countries to build up their fisheries sectors.

Caroline Freund, Director of Trade, Regional Integration and Investment Climate, World Bank referred to a World Bank study into fish stocks, which had revealed that 90% of stocks were overexploited resulting in making it costlier for the fishing industry to obtain stocks. To bring fish stocks back to acceptable levels, it would be necessary to either place a moratorium on fishing for five years or reduce fishing by 5% for at least 30 years. The World Bank was implementing projects to address distortionary subsidies by way of (i) assistance for countries to rationalize subsidies in the context of public expenditure review; and (ii) building up capacity of governments to manage resources. The World Bank has also set up a Code Blue Programme to provide free technical assistance for countries. She identified key aspects to be considered in implementing such initiatives: (i) delinking subsidies with production – and



instead direct subsidies towards maintaining stocks; (iii) consumer benefits – prices should reflect actual costs, but savings from subsidies can be directed back to the consumer; and (iii) effective communication strategy – to explain to the public the need to address the depletion of fish stocks. In taking forward the Fisheries Subsidies Agreement, she drew parallels with the Trade Facilitation Agreement and suggested that special and differential treatment focus on providing adjustment and technical assistance for capacity building.

Lisa Emelia Svensson, Ambassador – Ambassador for Oceans, Seas and Freshwater, Sweden and former Director for Ocean, United Nations Environment Programme referred to the concept of “common but differential responsibilities”, and explained that there was a shared obligation on all states to deal with environmental issues, but the responsibilities of states for addressing these issues were differentiated based on the capacity. Ambassador Svensson highlighted the need for innovative approaches to facilitate sustainable growth in the context of ensuring food security for the 2.3 billion people dependent on fish protein and protection of culture of islands and small communities. Accordingly, she suggested approaches such as connecting small communities with distant markets by providing access to internet and connectivity; value addition in the fisheries sector, so that the communities are not entirely dependent on a specific part of the sector; and development of sustainable aquaculture with relevant technology and capacity building. In conclusion, she underscored the importance of delivering on the SDG 14 targets set to expire in 2020, and concluding the Agreement on fisheries subsidies, as it is not just about trust in the WTO, but also about trust in the whole multilateral system.

Audun Lem, Deputy Director, Policy and Resources Division, Fisheries and Aquaculture Department, Food and Agriculture Organization revealed that a review of 500 marine stocks all over the world found that two thirds of the stocks were healthy, and the remaining third (33%) was overfished. This was a serious concern as the share of overfished stocks was clearly increasing, as 40 years ago, it was only at 10%. Deputy Director Lem noted that the FAO has already taken several measures to protect fisheries resources including: (i) Port State Measures Agreement (PSMA), enforced three years ago to provide additional tools to deal with illegal fishing; (ii) catch documentation schemes, to facilitate traceability of legality within value chains; and (iii) the global record of fishing

vessels, to make it easier to identify and track fishing vessels. The WTO Agreement on fisheries subsidies would therefore, not be the only tool, but a fundamental tool, as if these subsidies did not cease, there would be no reason to believe that the other achievements and measures taken would be sufficient. He stressed the need to reverse the trend of providing subsidies as only then would it be possible to work towards a profitable and sustainable economy. To ensure effective implementation of these measures, he noted that the FAO was engaged in various programmes with Member States and regional fisheries management organizations. Further plans were also underway to facilitate assistance programmes on trade related aspects pertaining to fisheries subsidies, in collaboration with UNCTAD and UNEP. Additionally, he drew attention to the need to direct investments towards dealing with post-harvest losses which accounted for almost 30-35% of the catch in many areas.

Dagfinn Sorli, Norway's Permanent Representative to the WTO provided a brief background into the efforts taken from 1990s onwards to deal with the negative impacts of fisheries subsidies on trade, sustainability and development. Discussions had been initiated by “Friends of Fish” (FoF) in the context of the WTO Committee on Trade and Environment, followed by a mandate at the Doha Rounds in 2001 to commence negotiations, adoption of SDGs in 2015 and the decision in 2017 to establish a timeline for conclusion of negotiations by the end 2019. He explained that the motivations for handling the issue in the WTO was the same as it was in the 1990s, but the difference now was that time was running out – in terms of the political mandate and in ensuring sustainability of resources. He noted that Norway was already engaged in initiatives to support the sustainability of fisheries sectors in several countries, as was detailed in the WTO's Background Briefing Note on “Development Financing to the Fisheries Sector”. Between 1999 to 2017, Norway had provided almost US\$267 million, of which two thirds of the funding was used for fisheries management, 20% for stock assessments, 8% for IUU activities, and 8% for small-scale fisheries. In conclusion, he reiterated the need for sustainability as a fundamental criterion for development.

Clarisse Morgan, Director, Rules Division, World Trade Organisation, explained that this was a timely discussion in the context of increasing consciousness on the part of society to move towards sustainable oceans and the intensity of WTO negotiations on new rules for fisheries. She noted that the common



themes arising from the discussion dealt with the need for sustainability which was the starting point for livelihoods and food security, and the implementation of subsidies and relevant disciplines. She also pointed to the existing web of international assistance already available, which would be increasingly important as negotiations reach their conclusion and reiterated the need for adequate support to implement the rules and help benefit from the precious resources.

The issue of special and differential treatment in fisheries subsidies negotiations was highlighted by a **representative from New Zealand**. The representative explained that while capping subsidies combined with strong prohibition could help reach an Agreement, it would exclude beneficial subsidies which would help developing countries. Therefore, it was necessary to ensure that beneficial subsidies were also a part of the conversation.

A **representative from the International Institute for Sustainable Development (IISD)** explained that Aid for Trade's role in supporting negotiations on fisheries subsidies could be two-fold: (i) to assist Members implement eventual obligations in reforming legislation; and (ii) to support countries to engage in value addition activities, thus increasing incomes.

Reporter: WTO



SESSION 42: Side Event "Integrating Central Asia into the world economy through sustainable transport and trade facilitation"

Organizers: United Nations Economic Commission for Europe
- The United Nations Special Programme for the Economies of Central Asia (SPECA) United Nations Economic and Social Commission for Asia and the Pacific

The United Nations Economic Commission for Europe (UNECE) is organizing the third Geneva High-Level Seminar on regional trade, trade facilitation and sustainable development in Central Asia, Afghanistan and Azerbaijan at the WTO headquarters on 4 July 2019, with a focus on the following themes supporting the achievement of Sustainable Development Goals 17.10 and 17.11 in the region.

- Opportunities and challenges from participation in the multilateral trading system: lessons learnt;
- Trade facilitation and sustainable development: existing projects; implementing the WTO Trade Facilitation Agreement; exchange of experiences; possibilities for mutual assistance among the countries;
- Partnerships in support of trade facilitation and the Sustainable Development Goals: discussion of representatives of the countries, international organizations and development partners;
- Sustainable and inclusive trade development in the subregion: fostering dynamic economic development, while supporting sustainable and inclusive trade growth;
- Non-tariff measures, non-tariff barriers, and their correlation with sustainable development;
- Involving the private sector in supporting trade facilitation and a regional market development.

The event will review plans and strategies for trade development and facilitation, as well as strengthening cooperation among trade diplomats of the countries participating in the UN Special Programme for the Economies of Central Asia.

The full agenda is available here ([English/Russian](#)).



Short summary

The third UN Special Programme for the Economies of Central Asia (SPECA) High-Level seminar and thirteenth session of the Working Group on Trade discussed the following topics: trade facilitation's challenges and opportunities for sustainable development; policy principles for sustainable and inclusive trade development; non-tariff barriers to trade; and partnerships for trade facilitation and sustainable development in the SPECA subregion.

Long summary

The participants recommended to use the SPECA framework as a platform to:

- Support growth of intra-regional trade and sustainable development reforms with a focus on providing input to policy decisions in SPECA countries to achieve the SDGs;
- Identification of next steps, in terms of work programmes, cooperation plans, exchange of best practices, and the use of standards and tools for sustainable trade, related to relevant areas such as water management and food security, to achieve the SDGs in the SPECA subregion;
- Definition of areas, in which sub-regional projects on sustainable trade would be likely to attract funding for the next steps;
- Strengthen the regional network of trade policy-makers to consult and cooperate in defining trade policies and negotiating positions, notably in the areas of WTO accession and implementing trade facilitation;
- Further review of the SPECA regional Trade Facilitation Strategy for approval by the SPECA Governing Council on 21 November 2019, in Ashgabat, Turkmenistan;
- Upon adoption of the Trade Facilitation Strategy, further develop the Roadmap of Activities to Implement the SPECA Trade Facilitation Strategy as a separate document with timelines and responsibilities.

streamlining documentary formalities; border agency cooperation; governance and information availability; enhancing the stability of ICT infrastructure; limitations in financing and human resource capacity. Address these challenges by closer cross-border collaboration through existing sub-regional mechanisms, exchange of best practices, and joint capacity building to:

- strengthen sub-regional cooperation to support progress in regional trade development and sustainable development; enhance the diversification of production and trade as well as economic, environmental and social innovations related to sustainable development to create more trade opportunities and generate larger-scale efficiency, while creating new "green" jobs;
- review the draft principles for sustainable trade in the SPECA region for approval by the SPECA Governing Council on 21 November 2019 in Ashgabat;
- consider the suggestion that UNECE prepares a regional study on non-tariff barriers to trade in the SPECA sub-region;
- undertake activities on strengthening the transit regime in the SPECA subregion, including strengthening the implementation of the TIR Convention;
- reinforce collaborative efforts with relevant international organizations and development partners working towards the achievement of trade facilitation and sustainable trade in the sub-region; and
- request that UNECE and UNESCAP include projects involving bilateral and multilateral cooperation among SPECA countries in their programme of support for the SPECA Programme.
- use the results in preparations of the SPECA 2019 Forum on *Connectivity: Sustainable Transport and Trade Facilitation in the SPECA Subregion*, scheduled in Ashgabat.

Reporter: United Nations Economic Commission for Europe



Using the results of the 2019 survey on trade facilitation and paperless trade, further work would be needed on:

SESSION 43: Side Event "Driving competitiveness and economic inclusion of the landlocked developing countries in global trade through trade facilitation"

Organizers: United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLLS), Paraguay

MODERATOR

- › **Fekitamoeloa Katoa 'Utoikamanu**, Under-Secretary-General and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, United Nations

PANELLISTS

- › **Yann Duval**, Chief, Trade Policy and Facilitation Section, Trade, Investment and Innovation Division, United Nations Economic and Social Commission for Asia and the Pacific
- › **David Luke**, Coordinator of the African Trade Policy Centre, United Nations Economic Commission for Africa
- › **Evdokia Moïsé**, Senior Trade Policy Analyst, Trade and Agriculture Directorate, Organisation for Economic Co-operation and Development
- › **Julio César Peralta Rodas**, Ambassador, Chargé d'affaires a.i., Deputy Permanent Representative, Permanent Mission of Paraguay to the UN
- › **Sheri Rosenow**, Senior Counsellor, Trade Facilitation Agreement Facility, World Trade Organization
- › **Fekitamoeloa Katoa 'Utoikamanu**, Under-Secretary-General and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, United Nations

Due to their geographical location, LLDCs remain marginalized from global trade. They face high trade costs largely due to long distances from the nearest seaports, multiple border crossings, complex administrative transit and border procedures, inadequate institutional and human capacities. High trade costs adversely affect the competitiveness of LLDCs in international trade and their ability to attract and retain FDI. These challenges undermine LLDCs' ability to use trade for growth and diversifying their economies as well as achieving structural economic transformation and sustainable development.

The implementation of the WTO-TFA can contribute to addressing LLDCs high trade costs. Addressing high trade costs also requires addressing transit system, including the physical infrastructure, soft infrastructure that includes the legal framework and institutions, and the procedures serving transit corridors. LLDCs lag behind developing countries in the implementation of the TFA and transport infrastructure development. This demonstrates the urgent need to enhance investment towards transport infrastructure development and trade facilitation reforms in LLDCs. In view of the limited capacity of LLDCs to undertake the necessary infrastructure development and trade facilitation reforms, Aid for Trade is vital to support these countries' efforts to integrate into global trade, achieve structural economic transformation and sustainable development.



Summary

The meeting emphasized the need to address the high trade costs faced by landlocked developing countries (LLDCs) to enhance their competitiveness, inclusion and sustainable development. The session reviewed progress, discussed challenges faced by the LLDCs to implement trade facilitation initiatives including the WTO Trade facilitation Agreement and made recommendations on measures or initiatives requiring more attention and which have potential to significantly reducing LLDCs high trade costs.

The session was organized by the UN-OHRLLS and the Government of Paraguay. Speakers included, Mr. Pedro Mancuello, Paraguay Vice Minister for Trade, and Dr. Kunio Mikuriya, WCO Secretary General who gave a keynote address. The panel of speakers comprised experts from UN-ESCAP, UNECA, WTO, and OECD. The session was attended by about 50 participants from LLDCs, development partners and international organization.

Some of the areas identified as needing special attention included: transit, risk management, regional cooperation, boarder agency cooperation, use of ICT (including Single window) and transport infrastructure. It was however noted that trade facilitation on its own was not the panacea for achieving integration of the LLDCs into global trade. Building productive capacities was emphasized. The importance of building infrastructure, in particular transport, energy and ICT as well as building institutional capacities were also emphasized. It was also stressed that more focus should be given to supporting LLDCs to integrate into value chains.

It was highlighted that the Africa region and the Asia-Pacific lagged behind in the implementation of the Trade Facilitation Agreement and therefore enhanced support was necessary.

Reporter: WTO



SESSION 44: Side Event "2nd Phase of the Aid-for-Trade Initiative for the Arab States programme: How to empower the participation of Arab countries through strategic value chains"

Organizer: Islamic Trade Finance Corporation

OPENING REMARKS

- › **Yonov Frederick Agah**, Deputy Director General, World Trade Organization
- › **Hani Salem Sonbol**, Chief Executive Officer, Islamic Trade Finance Corporation

MODERATOR

- › **Steve Tipman**, Executive Director, Trade Facilitation Office, Canada

PANELLISTS

- › **Saleh Bin Eid Al-Hussaini**, Ambassador, Permanent Mission of the Kingdom of Saudi Arabia to the WTO
- › **Bernardo Calzadilla-Sarmiento**, Director, Department of Trade, Investment and Innovation, United Nations Industrial Development Organization
- › **Lassaad Ben Hassine**, Manager AfTIAS Programme, Islamic Trade Finance Corporation
- › **Annette Mutaawe Ssemuwemba**, Deputy Executive Director, Enhanced Integrated Framework
- › **Dorothy Tembo**, Deputy Executive Director, International Trade Centre
- › **Daniela Zehentner-Capell**, Head of Division Trade Policy, Federal Ministry for Economic Cooperation and Development, Germany

The level of the intra-Arab trade, which remains the lowest in the world, was the focus of the AfTIAS Programme conducted by ITFC to bolster the trade in the Arab region.

The 1st phase of AfTIAS programme (2014-2018) had a US\$10.5 million budget availed by seven donors. Five UN agencies along with other four executing institutions contributed to implementing a total of 28 projects in 19 countries.

The last AfTIAS Board meeting held in January 2019, expressed its satisfaction on the outcomes of the AfTIAS programme evaluation carried out in 2018, and which emphasized on the lessons learned, as well as the recommendations to be applied to the Programme in its 2nd Phase.

The AfTIAS Board also appreciated and endorsed the decision of the Arab Economic Summit held in Beirut (20/01/2019), calling upon ITFC to prepare the 2nd phase of AfTIAS in cooperation with the LAS and the Arab countries.

In this context, ITFC will organize a round table on the expected general orientations of the 2nd phase of AfTIAS Programme, mainly on how to empower the participation of the Arab Countries, through strategic value chains, to enhance value-added production, trade flows, poverty alleviation and job creation?

The full agenda is available [here](#).



Short summary

This session, organized by the Islamic Trade Finance Corporation (ITFC), presented the results and evaluation of Phase I of the Aid-for-Trade Initiative for the Arab States (AfTIAS) programme and emphasized the importance of the launch of Phase II of the programme. Participants praised the achievements of AfTIAS programme and stressed the importance to continue the programme with a focus on improving market access, participation in strategic value chains and export diversification of Arab countries.

There was an emphasis on the need for a mechanism for continuous learning using lessons from phase 1 and country ownership when launching AfTIAS 2 as well as the participation of the private sector. The perspective of donors for aid for trade was presented by the representative of the German Federal Ministry for Economic Cooperation. In the future, donor funding will focus on SDGs and the specific goals related to trade facilitation, e-commerce, and Quality Infrastructure.

The main key takeaways of the Round Table were: (i) Importance of job creation; (ii) leveraging the partnership and learning from other programmes; and (iii) flexibility and innovative tools. It was agreed compared to the 1st phase, AfTIAS 2 should apply a more focused approach, based on a clear theory of change and results framework, and clear objectives and targets.

In addition, the following priorities were identified: promotion of intra-Arab trade and with the rest of the world; Arab States' insertion into regional and global value chains; facilitating digital trade; vulnerable targeted groups (youth, women, migrants, MSMEs) to ensure job creation and socially inclusive trade in general. An effective division of labour between AfTIAS 2 and other donors on the interventions would also be necessary to avoid overlap, leverage funding and create synergies.

Long summary

Hani Salem Sonbol, CEO, ITFC, presented the mandate of the ITFC and its mission to foster intra-Arab trade as well as the trade of Arab countries with the rest of the world. He summarized the achievements of the 28 projects implemented under AfTIAS 1, the outcomes of the independent evaluation carried out in 2018, and the decision taken at the Arab Economic Summit

held in Beirut in January 2019 to design and launch a 2nd phase of the programme (AfTIAS 2). He also mentioned that a German firm (BKP Economic Advisors GmbH) had been contracted to prepare the design of AfTIAS 2.

Saleh Bin Eid Al Hussaini, Ambassador and Permanent Representative of the Kingdom of Saudi Arabia to the World Trade Organization thanked donors and partners both for their cooperation during AfTIAS 1 and their active participation in this important meeting. The last AfTIAS Board meeting held in January 2019, expressed its satisfaction on the outcomes of the AfTIAS programme evaluation carried out in 2018, and which emphasized on the lessons learned, as well as the recommendations to be applied to the Programme in Phase II. The AfTIAS Board also appreciated and endorsed the decision of the Arab Economic Summit held in Beirut (20/01/2019), calling upon ITFC to prepare Phase II of AfTIAS in cooperation with the League of Arab States and the Arab countries.

Yonov Frederick Agah, Deputy Director-General, WTO, welcomed the AfTIAS programme and emphasized the importance for Arab countries' participation in strategic value chains and economic diversification. He mentioned the rise of Global Value Chains and that 80% of world trade was driven by supply chains run by multinational corporations. His remarks focused on the benefits of integration in GVCs and that they tended to be more on a regional rather than global level. He also highlighted the important contribution of GVCs to employment. For example, in Saudi Arabia (the only Arab country for which there is data), GVCs supported 8% of all jobs. However, there were policy-related trade costs that remained an important barrier to trade such as tariffs and non-tariff measures. Finally, the DDG stressed on the importance of technological progress and how according to the WTO new technologies could reduce trade costs by a further 10%. While new technologies and digital commerce bring new opportunities for countries, they also require the corresponding skills as well as regional and multilateral cooperation – all areas that could be addressed by AfTIAS 2.

Lassaad Ben Hassine, Manager AfTIAS Programme, ITFC, provided an overview of the AfTIAS 1 Programme independent evaluation, focusing on the lessons learned and the way forward to AfTIAS 2. He emphasized the importance of the programme to help integrate Arab countries in the global economy, highlighting the importance of GVCs and export promotion. The evaluation had been carried out in 2018 by Ghubril



Ltd and Trade Facilitation Office (TFO)-Canada and overall found that, while the design could benefit from improvements, AfTIAS was perceived by most key informants as highly relevant and needed for the region. The 22 members of the League of Arab States (LAS) were quite different, but they shared the will and the need to bolster intra-regional trade, streamline their trade installations, alleviate trade barriers and ease the exchange of merchandise across borders.

The main lessons learned from the evaluation were: (i) Stakeholder mapping and consultative process were critical; (ii) Sustained commitment, ownership and shared responsibilities of Member States was crucial for success; (iii) Adequate financial and human resources are critical for effective, efficient and impactful programme management; (iv) Institutionalized focal points helped sustained engagement of Arab States in the programme; and (v) Neither a high number of projects nor the implementation of a few large projects lead, by themselves, to a high level of effectiveness. Each project to be funded will have to be selected based on its own merits.

Saleh Bin Eid Al Hussaini, Ambassador and Permanent Representative of KSA to the United Nations Office and Specialized Institutions in Geneva, speaking on behalf of the Arab Group to the WTO, then presented the views and expectations of the Arab Missions in Geneva from AfTIAS 2, as a tool to support Arab countries enhancing value-added production, trade flows, poverty alleviation and job creation. He recalled that of the 22 Arab League countries, nine of which are in the process of acceding to the WTO. The key expectations of Arab countries from AfTIAS 2 would be to: (i) Improve Arab countries' participation in global trade, as well as to increase regional trade flows; (ii) Increase the quality of production and competitiveness of Arab countries; (iii) Scale-up value-added production and participation in global and regional value chains; and (iv) Create employment opportunities.

Annette Mutaawe Ssemuwemba, Deputy Executive Director of the Enhanced Integrated Framework (EIF), presented the different projects that EIF was undertaking in Arab LDCs, namely in Comoros, Mauritania and Yemen. She mentioned that the EIF contributes to technical and financial assistance as part of the AfTIAS programme. She stated that the EIF had undergone a similar formulation stage to the one facing AfTIAS now at the transition from the first phase of the EIF to the second one in 2015/16, and a follow-up review in 2018. As a result of these deliberations, the

EIF now focused on specific themes and target groups – fragile states, youth, women, and Micro, Small and Medium-Sized Enterprises (MSMEs) – targeted by specific EIF programmes, and with clear targets set for each of the groups; all this under the umbrella of the overarching goal of SDG 8, considering that many people in LDCs live in extreme poverty.

Ms. Mutaawe then presented some EIF lessons which should be of benefit for AfTIAS as well: (i) some results took a long time to be achieved (e.g. those related to gender and environment), and this should be considered in the programme design; (ii) specific resources should be assigned to each goal; (iii) resources should be leveraged through cooperation with other donors and interventions; (iv) a clear theory of change should be developed; (v) there was a need for continuous learning within the programme to increase both efficiency and effectiveness – in this context, AfTIAS 2 should capitalize on the lessons learned during phase 1; (vi) country ownership was important; (vii) involvement of the private sector was important, including matching private sector resources; and (viii) specific targeted programmes were needed for vulnerable groups such as youth, with matching activities, to ensure that increased trade also results in increased employment. Ms. Mutaawe also provided examples of EIF work in Arab LDCs and offered to continue cooperation with AfTIAS 2 in these countries.

Dorothy Tembo, Deputy Executive Director of the International Trade Centre (ITC), welcomed the AfTIAS programme and presented ITC's role in supporting the programme. She recalled that ITC and AfTIAS had cooperated extensively in phase 1, with ITC implementing 10 projects focusing on SME competitiveness, working with 2,700 firms and 2,000 entrepreneurs, of which 300, many of them women, were trained. Based on the experience in Phase 1 but also considering the changing global trade environment, Ms. Tembo concluded that the case for a continuation of AfTIAS was clear, given the high-untapped export potential in the Arab States, estimated at between US\$9.2 billion and US\$21.3 billion.

The heterogeneity of Arab countries, which are confronting different challenges, called for a flexible and customizable design of AfTIAS. Inclusiveness was important and needed to be addressed specifically. Arab regional integration needed to be consolidated and deepened – this would benefit particularly SMEs. Synergies and complementarity among donors and support programmes need to be capitalized. For Phase II, ITC proposed several areas of focus. At the regional



level, new approaches needed to be put in place to deepen value chains, integrate strategic alliances, and continue to eliminate NTMs. At the national level, operationalizing free trade arrangement among Arab countries would help SMEs. Strengthening trade and investment support institutions was needed. At the SME level, focus on innovation, market diversification and women economic empowerment was needed. Trade facilitation remained an important driver for businesses and ecommerce.

Bernardo Calzadilla, Director of the Department of Trade, Investment and Innovation, UNIDO, highlighted the support that UNIDO gave to standards institutions and projects in the Arab region. He addressed how AfTIAS could support national and pan-Arabic institutions dealing with Quality Infrastructure to facilitate compliance with regional and international standards and market access requirements (TBT and Sanitary and Phytosanitary "SPS") and increase Arab countries' share in the international trade. He started by calling AfTIAS a "flagship of collaboration" among International Organizations, considering the role played by various UN agencies during the first phase. To facilitate compliance with regional and international standards and market access requirements (TBT and SPS) and increase Arab countries' share in international trade, UNIDO has focused on improving quality infrastructure. In this context, and with the support of UNIDO, the Arab Accreditation Agency was established with 15 Arab countries and a mutual recognition scheme has been developed among its members.

He also emphasized that Phase II of the programme must focus on demand driven quality infrastructure for sustainability. Going forward, he suggested two issues to be addressed in the design of AfTIAS 2. The need to provide support for the development of digital value chains in order to address the current megatrend towards digital trade; and the need to continue with the good cooperation with other international agencies.

Daniela Zehentner-Capell, Head of Division, Trade Policy, at the German Federal Ministry for Economic gave a donor perspective. Germany was the second largest bilateral donor and funded around 14% of all projects in the region, amounting to 620 million euros. She also called for a conceptual make-over of Aid for Trade (also to be reflected in the design of AfTIAS 2) in view of the global changes that have occurred since the beginnings in 2005. In particular, she referred to the Agenda for Sustainable Development, the conclusion of the WTO Trade Facilitation Agreement,

the developments in relation to Climate Change politics, and change in the economic global structure, such as the rapid increase of business-to-consumer e-commerce to US\$2.4 trillion 2018. Germany had taken steps to reflect these changes in its AfT, including through a stronger involvement of the private sector, and a dual focus on the reduction of trade costs and development of the quality infrastructure to ensure that producers can meet the standards applied by importing markets. She emphasized that future funding should focus more on LDCs (who currently receive less than 10% of total donor funding globally) and ICT projects. She expressed that clear strategies with private sector involvement will be key for future funding. She also highlighted the SDGs and the specific goals related to trade and the importance of trade facilitation, e-commerce and quality infrastructure as the three focus areas for donor funding in the future.

The sessions were following by a short Q&A session where the Minister of Trade and Industry of Yemen took the floor to thank the panellists and the positive outcomes of the AfTIAS project with the hopes that more projects would be available for Yemen in the future. The Ambassador of Oman followed by thanking the panellists and emphasizing on the importance of country ownership in the Phase II of the programme. The session was concluded with remarks from Mr. Hani Salem Sonbol, Chief Executive Officer, International Islamic Trade Finance Corporation

Reporter: Islamic Trade Finance Corporation



SESSION 45: Side Event "Women in LDCs who rock international trade: Building gender-based trade"

Organizers: Enhanced Integrated Framework, Global Trade Professionals Alliance

MODERATOR

› **Lisa McAuley**, CEO, Global Trade Professionals Alliance

PANELLISTS

- › **Mona Shrestha Adhikari**, Development Consultant, World Trade Organization
- › **Anoush der Boghossian**, Trade and Gender Focal Point, World Trade Organization
- › **Frances Lisson**, Ambassador, Permanent Mission of Australia to the WTO
- › **Annette Mutaawe Ssemuwemba**, Deputy Executive Director, Enhanced Integrated Framework
- › **Niels Strazdins**, Head of Trade Policy, Global Trade Professionals Alliance

SMEs are the backbone of most economies and women business owners are also crucial to economic growth.

According to research by consultancy, McKinsey, advancing women's equality could add US\$28 trillion to global GDP by 2025 - equivalent to adding a new United States and China. Drawing upon the GTPA's recent campaign to highlight the importance of Women in Trade this session will feature prominent leaders in trade who are not only lifting the awareness of women already leading the way in supporting this cause but to also discuss initiatives to support and drive greater engagement by women as business leaders and encourage their participation in global markets.

This panel will discuss the following topics and draw on practical case studies and initiatives to support LDCs:

- Educational initiatives to support building the capacity and capability of women entrepreneurs in LDCs;
- The role of eCommerce and digital technologies as a mechanism to empower and engage women entrepreneurs to trade globally;
- The importance of mentoring programmes to support women entrepreneurs in LDCs;
- The importance of building Gender policy as part of trade policy initiatives in LDCs;
- Supporting the development of women trade professionals in LDCs into careers such as trade policy, trade regulation and compliance, trade and supply chain finance. Including pathways for professional ISO certification and executive leadership programmes;
- Improving the role of gender policy as part of the Trade Facilitation Agreement and what initiatives could governments consider as part of improving gender policy in Trade Facilitation and Digitization;
- The importance of building sound research to ensure governments implement research from the business community that incorporates the voice of women in trade on trade facilitation barriers and challenges;

At this session the GTPA will also introduce the Seven Summits Challenge for Global Trade and Supply Chain Professionals. A new initiative to support the empowerment and ongoing professional development of trade professionals around the world.



Short summary

This session emphasized the importance of women entrepreneurs in international trade. The title of the session "Women who rock the international trade" was initially started as a social media campaign coinciding with the international women's day to celebrate the contribution of women entrepreneurs in the world. The focus of the discussion was why women were not able to contribute to the world economy despite their huge potential. Discussion also centred around gender equality in trade, sustainable initiatives to encourage women to trade globally, the constraints faced by women. The participants also discussed the need to integrate gender aspect into trade policy. The session was organized by GTPA and EIF

The discussion provided views on the potentials of women entrepreneurs, constraints faced by them, donor support and assistance required for them. The panel discussed capacity building versus capability building, having knowledge versus knowing how to make use of the knowledge, Mentoring, Ecommerce etc.

Long summary

Frances Lisson, Ambassador, Permanent Mission of Australia to the WTO stressed the importance of the women in trade. She also emphasized the importance of assisting women to progress in trade and appreciated the support rendered by EIF particularly to women run SMEs in LDCs. She noted that as trade was complex, it was important to empower women through e-commerce and digital trade. She highlighted the roles played by Australia in empowering women in business.

Anoush der Boghossian, Trade and Gender Focal Point, World Trade Organization discussed the importance of having gender policy integrated in trade policy of the countries. She reiterated women's important role in world economy by stressing that the half of world's population is women. She stressed that women remain an untapped economic force in most LDCs, but due to work force shortage in many LDCs due to migration to urban areas and abroad, women were now absorbed in the economy, for example mining sector of Zambia. She highlighted that excluding women from the economy would result in losing out on job creation, on diversification of economy, innovation development and poverty reduction. Ninety per cent of income earned by women are reinvested in the family,

community, business. She highlighted that investing in women was a risk free venture. She also reported that of the 111 TPRs reviewed in last four years, 70% of the policies had gender responsive policy, 12% of LDC had a gender aspect in their trade policies.

Mona Shrestha Adhikari, Development Consultant, World Trade Organization discussed some of the constraints faced by women to connect to the global trade. She noted that lack of opportunity and resources were main constraints faced by women entrepreneurs in LDCs, thereby emphasizing the importance of support from donor agencies, and women support institutions. She categorized the constraints faced by women as: Capacity, Connections, Clarity, and Creativity. She reported that women entrepreneurs also faced numerous non-tariff measures that are discouraging them to connect to the global trade. She underscored the need to change people's mindsets regarding women's capability to be successful in business.

Lisa McAuley, CEO, Global Trade Professionals Alliance emphasized the importance of having sustainable initiatives for long term growth of women by encouraging women to lead in various fields of trade, finance, trade policy, customs etc. She emphasized the importance of capacity building and having a strong support system. She also said that it is important for women to celebrate success and shine the light on women leaders.

Jim Redden, emphasized the importance of gender equity for economic growth and expressed his belief in partnership and joint commitment to gender equity and social justice. He also presented on the various capacity building workshops in Asia, Pacific and Africa. He reported on the challenges while discussing gender equality with various social, religious and culture opposites, and reported that various strategies were used while dealing with them.

Hang Tran, EIF discussed the importance on the education for women. She stressed that education in the form of confidence building for women, having a strong support system mentor, role model or being part of women association would go a long way in letting women take the risk to integrate into formal trading sector. She cited examples of successful stories of women entrepreneurs from Burkina Faso assisted by EIF.



She expressed that although women are born entrepreneur, education, capacity building and support to adapt to new changes like e-commerce etc., can make them even greater.

The discussion with participants revolved around making trade less stressful for women for which capacity and capability building, support network among women to swap ideas, mentorship and growing ecosystem where women can grow, enabling environment , strategic business thinking on balance work and family were highlighted.

Reporter: WTO



SESSION 46: Thematic Focus Session "Trade Facilitation: Interconnection of the corridor networks for inclusive trade and economic diversification"

Organizers: United Kingdom, Canada, Trademark East Africa

OPENING REMARKS

› **Kunio Mikuriya**, Secretary General, World Customs Organization

MODERATOR

› **Frank Matsuert**, Chief Executive Officer, TradeMark East Africa

PANELLISTS

- › **Florence Atieno**, Chairperson, Busia Women Cross Border Traders Association
- › **Elissa Golberg**, Assistant Deputy Minister, Strategic Policy, Global Affairs Canada
- › **Dicksons Collins Kateshumbwa**, Commissioner of Customs, Uganda Revenue Authority
- › **Ben Mellor**, Director, Economic Development, Department for International Development, United Kingdom

The session will demonstrate how different stakeholders and networks form a transnational trade corridor.

It will first showcase Regional Electronic Cargo Tracking Systems (RECTS) and complementary TMEA supported interventions along the Northern Corridor (NC) that have helped reduce the time and cost of trade from 18-21 days to 6-8 days to transit cargo from port of Mombasa to Kigali and from 16-18 days from Mombasa to Kampala, increased revenue to governments through reduced diversion in transit and enhanced risk management practices by border controls as well as afford private sector to keep real time monitoring of their transit cargo. The session will also highlight several other benefits to private sector around reduction in vehicle accidents and associated losses, system transparency, removal of costly and duplicate systems, just in time delivery, trust and confidence with border control officials and ability to diversify investments into other economic activities.

The session will then engage with women traders from the EAC region to see how, in line with Canada's Feminist International Assistance Policy, TMEA implements activities that aim to improve women's representation in decision making and influence policies and regulations for safe, rights-based and gender responsive trading environment. This part of the session will highlight the following TMEA interventions and their impact/likely impact: on (i) technology - TMEA is developing an IT enabled platform to enable women traders to receive information they need using channels they access; (ii) infrastructure - TMEA is developing cross border market infrastructure with lockable storages, creches, cold storage for perishables etc. to allow women traders a structured environment to trade; and (iii) policy and regulatory - TMEA is working with government agencies and border officials to develop and implement an inclusive and gender responsive trading regime.

The session will establish a live screening of the Regional Electronic Cargo Tracking System in the EAC, showcasing how such a system can facilitate trade and engender substantial reductions in time and costs of trade.



Short summary

The session highlighted progress in trade facilitation East Africa. Customs commissioners from Kenya, Rwanda and Uganda discussed the positive impact that Trade Mark East Africa had had on trade facilitation in the region and listed some of the spill over effects that ensued including increased government revenue, formalization of trade, women economic empowerment, lower business cost, better integration, improved safety and security, etc. Among examples of best practices presented was the Electronic Cargo Tracking System (ECTAS) which had delivered other results including the prevention of illegal wildlife trafficking.

Women's empowerment effects were also highlighted through a presentation by a female business leader and entrepreneur who presented examples of how Aid for Trade facilitation interventions at the Busia border had curbed harassment, had facilitated the passage traders and had increased the incomes of women traders. The session also linked the audience with the three TMEA ECTS command centres and show the system live.

Long Summary

Frank Matsaert, Chief Executive Officer, TradeMark East Africa moderated the session. According to him, the principal theme of the session was showcasing the Electronic Cargo Tracking System which was in operation across three East African countries (Kenya, Uganda, Rwanda), and would soon be in operation in the Democratic Republic of Congo. In his eyes, the system had the power to unlock the potential of trade for the region and reduce its trade barriers. A second theme would see panellists strategically think about trade connectivity across a corridor spanning over 2,000 kilometres and present how travel times could be further reduced. The third theme would discuss the impact of such efforts on women and MSMEs.

A 50% reduction in the time it takes to move goods throughout the three East African countries had already been achieved, coupled with a 70% reduction in the time it takes to process them across their borders. These important gains supported both regional integration and customs revenue. TMEA's planned to further extend its reach and deliver a further 10% reduction in the time to move goods across borders, thereby contributing to increased connectivity in East Africa.

Ben Mellor, Director Economic Development, Department for International Development (DFID), United Kingdom said TMEA's philosophy had been inclusive from the inception of the initiative and not only in the context of the ECTS. Although technology such as this would help improve the flow of goods shipped by formal traders, he insisted on the important role played by informal traders. A focus on informal traders, who were overwhelmingly women and girls, was critical in this regard. A focus also had to be placed on small businesses by, for example, building cross border markets, equipping borders with many labs for standards testing and setting up trade information desks for women. Mr. Mellor added that beyond the appeal of the technology it was important to analyse the impact that Aid for Trade had on populations, in particular the most fragile.

Alysa Goldberg, Assistant Deputy Minister, Strategic Policy, Global Affairs Canada said that Canada had shifted its modes of operation to ensure that actions delivered maximum impact on the poorest and most vulnerable layers of society. Failing to ensure that women can trade effectively was a *de facto* economic impediment to sustainable growth. Canada's feminist international assistance policy was an attempt at addressing issues needing investment.

Dickson Collison Kateshumwa, Commissioner, Uganda Revenue Authority, Uganda, presented some of the challenges faced when transporting goods across the region including the dumping of goods, unnecessary delays and the increasing costs of doing business. An innovative solution, the ECTS, had permitted the tracking of these goods. The ECTS had been implemented across Kenya, Rwanda and Uganda in 2014. Its operation began with the arrival of goods at the port of Mombasa where their tracking began. Electronic seals were put on lorries allowing them to be followed as they moved along transport corridors. Teams scattered in strategic areas could intervene as and when necessary. The measure had reduced the incidence of theft, of time taken to transport the goods as well as the cost of doing business. From seven days a few years ago, it now took only three days for trucks to travel from Mombasa to the Ugandan border. The system had also reduced the cost for governments, as costs had become less burdensome. Finally, he indicated that both the private sector and governments had benefitted from increased efficiency, including by collecting US\$8 billion in revenue that could have escaped their coffers otherwise.



Mr Kateshumwa highlighted an example of another benefit that the ECTS had delivered to law enforcement authorities in their fight to prevent trafficking and illegal trade. They had initiated the dismantling of an ivory smuggling network. Customs were able to intercept a container full of ivory and other wild animal products. Five hundred tons of ivory and 400 tons of pangolin scales had been captured from wildlife traffickers. The system was also useful in the fight against human trafficking.

Quoting travel times from port to border, **Kunio Mikuriya, Secretary General, World Customs Organization** praised TMEA for the gains in time and costs it had managed to deliver. The WCO had also assisted the region supporting the East African Community with a time-release study and incorporating it into the WTO Trade Facilitation Agreement and its implementation. In terms of transit, the WTO had developed some guidelines in 2017. To do so, it had collected many examples of best practice and was now publicising them. The ECTS was definitely included in the list. Therefore, the WCO was then developing guidelines based on that experience, which had been a game changer for Africa particularly as the African Union had recently entered the African Continental Free Trade Area (AfCFTA) which pivoted around connectivity both physical and digital.

Rozena Maria, Commissioner of Customs, Rwanda Revenue Authority, Rwanda saw the ECTS as a driving force for the implementation of a single customs territory and/or customs union. In her eyes, this was the spirit that had guided ECTS implementation at the regional level. The pillars underpinning such action were trade facilitation, security and the fact that the system had created a platform on which authorities could exchange information seamlessly in real time.

Kevin Safari, Commissioner of Customs and Border Control, Kenya Revenue Authority, Kenya stated that the single custom system that came into place in 2015 would not have been possible without the regional electronic cargo system. Uganda and Rwanda had set up customs facilities at the port of Mombasa, Kenya, to remotely monitor goods as they travelled towards their landlocked countries. The system enabled the tracking of a lorry and eased business across borders through a set of parameters that are monitored through a computer.

Florence Atieno, Chairperson, Busia Women Cross Border Traders Association described the impact that TMEA Aid for Trade facilitation actions had had

on her life and on that of fellow women traders. She described her life as a female trader operating across the Kenya-Uganda border. From a once precarious situation, TMEA-led improvements on the border had allowed her to formalize her business, increase her income and expand her fruit business.

By providing an official and seamless route, the Busia One Stop Border Post had reduced harassment experienced by women at the border. The passage had also been simplified by the authorized operator certification for those whose trade was under US\$2,000 a year. It had also provided a forum where women could discuss issues faced at the border with the customs on both sides. To date, 10,000 women had joined the ranks of the official traders and had quit smuggling through the goat's passes. With increased trade and business security, her income had grown. This had enabled her to provide for her family and to educate her children to university level. In her opinion, such benefits also affected other families and, would help youth in securing quality jobs.

Reporter: WTO



SESSION 47: Side Event "Moving beyond SPS and TBT: Challenges of the green market"

Organizers: United Nations Conference on Trade and Development, Permanent Mission of Ecuador to the WTO, Fair Trade Advocacy Office

MODERATOR

› **Isabelle Durant**, Deputy Secretary-General, United Nations Conference on Trade and Development

PANELLISTS

› **Diego Aulestia**, Ambassador, Permanent Mission of Ecuador to the WTO

› **Eric Beantanana**, Economic and Trade Counsellor, Permanent Mission of Madagascar to the UN

› **Sergi Corbalán**, Executive Director, Fair Trade Advocacy Office

› **Bertrand Jolas**, Policy Officer, European Commission

› **Roy Mickey Joy**, Director General, Ministry of Tourism, Trade, Industry, Commerce and Ni-Vanuatu Business, Vanuatu

› **Christian Robin**, Deputy Head of Trade Promotion, Swiss State Secretariat for Economic Affairs

The market for "green" goods and services, i.e. those that are produced sustainably by addressing their social and environmental dimensions, has been growing rapidly in developed countries and in emerging economies. This presents an opportunity for developing countries to strengthen synergies between export growth and sustainable development. This is particularly true for the biodiversity-rich countries, where a bio-based economy can be a powerful engine for an economic and inclusive growth.

Entering into growing and potentially lucrative green markets can be challenging, as producers and exporters are increasingly requested to meet voluntary sustainability standards (VSS) in addition to meeting SPS and TBT requirements. Drawing upon country experiences, this session will discuss the type of global partnerships and Aid for Trade that are needed to support developing countries in capturing green market opportunities, in a manner that contributes to the achievement of the SDGs, particularly SDGs 12, 15 and 17.



Short summary

This session discussed how Aid for Trade can contribute to making the best out of green market opportunities for developing countries. The market for sustainably-produced goods – the “green market” – is growing rapidly. This provides an opportunity for biodiversity-rich developing countries to achieve export growth and improve conditions for sustainable development. But challenges associated with entering the green market can be prohibitive to small producers. With very few exceptions, small producers and MSMEs cannot afford the costs of certification of voluntary sustainability standards (VSS), a scheme that attests goods are produced sustainably. Speakers identified the challenges in accessing green markets that Aid for Trade can help address and discussed the potential the green market has for inclusive growth. It was stressed that the green market should not be about consumers dictating standards, but about value chains that are more equitable. The panellists represented different relevant stakeholders in this discussion: producing countries (Ecuador and Madagascar, both extremely rich in biodiversity), a civil society organization (Fair Trade Advocacy Office) and development partners (Swiss State Secretariat for Economic Affairs SECO, and European Commission DEVCO).

Long summary

Isabelle Durant, Deputy Secretary-General of UNCTAD and moderator of the session noted that today's green market is very much dominated by large-scale farms and multinational corporations, while small producers only sell to lower-priced bulk commodity markets. Key donors are looking into increasing their support to build the capacity of small producers and MSMEs to enter the green market.

Sharing his country's experience, **Ambassador Diego Aulestia of the Permanent Mission of Ecuador to the WTO** stated that their collaboration since 2001 with the BioTrade initiative run by UNCTAD had contributed to public policy and to help SMEs and community-based associations receive equitable benefits from natural ingredients for pharmaceutical and beauty products without destroying the natural environment. He also highlighted that local producers had limited access to financial services to enable such initiatives, something that could be alleviated through Aid for Trade. He identified principles that guide Ecuador's transition to a stronger green economy: stronger public policy, increased access to markets for bio-trade, creating

brand identity, protecting intellectual property, research into development programmes, greater integration into global value chains, funding.

Eric Beantanana, Permanent Mission of Madagascar to the UN expressed that people in Madagascar do not yet consider biodiversity a strategic resource and view sustainability standards as a stumbling block rather than as a tool to enter the green market. He mentioned a barrier that, in his opinion, was shared by most developing nations: the costs associated with certification. He noted that many people recognized the need to develop the green economy but the financial barriers to get certifications and meet public health standards (like SPS) were quite substantial. He underscored the need for market information, knowledge and quality infrastructure, which Aid for Trade could address.

Sergi Corbalán, Fair Trade Advocacy Office stressed that the green market should not be about consumers and big businesses dictating standards and imposing them upon producers. It should instead be about value chains that are more equitable, where small producers and workers can bargain and receive better and fairer terms-of-trade. In this line is that the Fair Trade Advocacy Office had partnered with UNCTAD through its projects to transform value chains to become greener in a true sense for small producers, workers and MSMEs. Mr Corbalán also commented that aid for trade should focus on interventions that give greater value share to producers. He also noted that social enterprises are three times more likely to be led by women than shareholder-model companies. As a result, women were better partners for governments to invest in if they want to have a measurable impact on community welfare.

SECO has partnered with UNCTAD on BioTrade since 2003 to enhance the linkages between sustainable trade and biodiversity. **Christian Robin, Deputy Head of Trade Promotion, Swiss State Secretariat for Economic Affairs** commented on the encouraging trends observed in sustainable sourcing, with the business of BioTrade verified companies having reached a value of EUR 4.3 billion already. In order for this trend to become a transformative movement, Aid for Trade can help make the regulatory framework for production and trade more conducive to BioTrade, both in producing and importing countries.

Bertrand Jolas, European Commission (DEVCO) identified scaling up of successful sustainable production and trade initiatives as the main current



challenge to leverage green market opportunities. The European Commission mobilized different policy instruments to facilitate developing-country producers entry to the EU market. Policy instruments ranged from preferential market access to support for productive capacity building, including investment support to MSMEs and sustainable agriculture. He also mentioned that increasing demand and consumer awareness were really important to support biotrade. The ITC in particular, worked specifically with local groups and companies to empower producers. He noted that local engagement and capacity building is essential alongside financing initiatives.

An over-arching trend across speakers were the logistical challenges of scaling up. It seems this continues to be a challenge for producers of good products, especially for small holder farmers. The discussion underlined the need for UNCTAD to continue working with developing countries through National Green Export Reviews, Fostering Green Exports through VSS project, and the BioTrade Initiative in close partnership with the Aid for Trade donor community.

Reporter: UNCTAD



SESSION 48: Side Event "Pacific Aid-for-Trade Strategy 2020-2025"

Organizer: Pacific Islands Forum Secretariat

MODERATOR

› **Zarak Khan**, Director Programme and Initiatives, Pacific Islands Forum Secretariat

PANELLISTS

› **Shaheen Ali**, Permanent Secretary, Ministry of Industry, Trade and Tourism, Fiji

› **Matthew Harding**, Director, Economic Growth Section, Pacific Division, Department of Foreign Affairs and Trade, Australia

› **Shamika Sirimanne**, Director, Division of Technology and Logistics, United Nations Conference on Trade and Development

› **Svenja Weyrauch**, Project Coordinator, International Cooperation in Asia, PTB

During the 48th Pacific Islands Forum meeting held in Apia in September 2017, Leaders endorsed the Blue Pacific as a new narrative for how Forum members work together, and how the Forum engages with the world under the Framework for Pacific Regionalism.

In order to promote regional development, Pacific Island Countries have united in order to develop a Pacific Aid for Trade Strategy to guide regional Aid-for-Trade interventions in the Pacific.

The specific purpose of adopting Pacific Aid for Trade Strategy is to identify regional Aid-for-Trade priorities and ensure that they are properly resourced. Regional Aid for Trade priorities are defined as those priorities that can usefully be addressed through forms of regionalism included in the Framework for Pacific Regionalism.

Consultations of the Pacific Aid for Trade Strategy started in 2017, at the former Aid for Trade Global Review. On the occasion of the current Global Review, PIFS will look to share its experience of how it went about developing a regional Aid for Trade Strategy, what the priority issues are and what are the benefits of pursuing Aid for Trade as a region, rather than at the national level. PIFS will also seek feedback from development partners (and other regions) on the best way to operationalize the strategy.



Short summary

This session discussed priorities for the Pacific Islands Forum's Pacific Aid-for-Trade Strategy 2020-2025, which was expected to be adopted later in the year. Panellists highlighted the benefits of regional integration and taking regional approach in priority areas such as services (tourism), physical as well as digital connectivity, e-commerce and quality infrastructure.

Regional cooperation was considered to be of particular importance in the context of developing regulatory frameworks for telecommunications, energy and e-commerce. Ongoing efforts to implement UNCTAD's customs management system ASYCUDA in the region would facilitate trade and the development of e-commerce.

The discussion also highlighted the importance of regional collaboration on improving the resilience of infrastructure to reduce the region's vulnerability to natural disasters and climate change. The panellist from Fiji highlighted the need to build productive capacity by saying "give us trade and not aid".

Long summary

The moderator **Zarak Khan, Director Programme and Initiatives, Pacific Islands Forum Secretariat (PIFS)**, highlighted that the PIFS was in the process of finalizing the Pacific Aid-for-Trade Strategy 2020-2025, which was expected to be adopted by Ministers in October 2019. The focus of the strategy would include four issues, i.e. services, connectivity, e-commerce and deepening of regional markets (quality infrastructure and trade facilitation). He also noted the importance of trade for building resilience and recovery with regard to natural disasters.

Matthew Harding, Director, Economic Growth Section, Pacific Division, Department of Foreign Affairs and Trade, Australia, highlighted the economic importance of services for the Pacific Islands. Australia's support was focused on regional programmes in services, particularly tourism. For example, Australia was collaborating with the cruise company Carnival to enhance the benefits from cruise tourism for Papua New Guinea, Solomon Islands and Vanuatu, by getting local products (water, chocolate) on cruise ships, improving transparency on handicrafts, and increase employment opportunities for Pacific Islands nationals to work for Carnival. Australia also

worked with Pacific Trade and Invest to promote sustainable tourism. He further highlighted that support towards the ratification and implementation of the Pacific Agreement on Closer Economic Relations (PACER) Plus constituted a key part of Australia's AfT agenda. In this respect, Australia would collaborate with UNCTAD to roll-out the customs management system ASYCUDA in the region. He also noted that Australia would enhance opportunities for short-term labour opportunities in Australia and would continue to support regional cooperation on regulatory reform (telecommunications, energy) based on lessons learned in Vanuatu.

Karishma Narayan, Ministry of Industry, Trade and Tourism, Fiji, highlighted that international connectivity was vital for Fiji. Fiji improved its air connectivity by upgrading the terminal of its airport to international level, through code-sharing agreements with airlines and a new direct flight to Japan. Connectivity was further enhanced through improvements in Fiji's port infrastructure and in terms of digital connectivity, a public e-governance system had been introduced. Priority areas were MSMEs, sugar, regional tourism, ICT sector, regional connectivity and regional integration. Welcoming collaboration with Australia, she highlighted that aid should focus more on connectivity, private sector and technology. Highlighting the need to build productive capacity, she concluded by saying "give us trade and not aid".

Shamika Sirimanne, Director, Division of Technology and Logistics, UNCTAD said that the Pacific region was lagging behind other regions with regard to e-commerce and should exploit untapped potential of digital technology, in particular with respect to tourism. UNCTAD had carried out e-trade readiness assessments in the region, which identified opportunities in ICT-related outsourcing such as legal and accounting, and functioned as a good instrument for creating stakeholder discussions on e-commerce priorities. She emphasized the need of building legal and regulatory frameworks for e-commerce and financial transactions, for which a regional approach would be more efficient than a country-level approach. Another area in need of improvement was logistics. Here, the UNCTAD's ASYCUDA system could facilitate the development of e-commerce. She also suggested that Australia and New Zealand should consider implementing regional programmes under PACER Plus to foster e-commerce and the digital economy.



Svenja Weyrauch, Project Coordinator, International Cooperation in Asia, Physikalisch-Technische Bundesanstalt (PTB), Germany, highlighted that quality infrastructure was one of the six pillars in Germany's AfT strategy. She said that quality infrastructure was important for a region's export competitiveness as well as for the protection of the environment and food safety. It was important to know the quality requirements in export markets and improve transparency for MSMEs on the quality infrastructure services being offered. A regional approach towards quality infrastructure would provide opportunities for experience sharing and learning, and allow for synergies in offering services at the regional level rather than duplicating them at the national level. At the same time, the harmonization and development of regional guidelines could be challenging if countries are at different development levels. PTB could provide support to develop quality infrastructure in the region.

As part of the discussion, vulnerability of infrastructure and fish stocks to natural disasters and climate change was highlighted as key challenges. Regarding infrastructure, it was highlighted that there was a need for countries to reach a common understanding of a definition for resilient infrastructure. It would be more efficient to build a more resilient infrastructure rather than rebuilding infrastructure every few years. Renewable energy was also highlighted as another priority for the Pacific region.

Reporter: WTO



SESSION 49: Development Hub "The Economy According to Her"

Organizers: International Trade Centre, Center for Economic and Policy Research, European University Institute

OPENING REMARKS

› **Ann Linde**, Minister for Foreign Trade, Sweden

MODERATOR

› **Arancha González**, Executive Director, International Trade Centre

PANELLISTS

› **María Teresa Quintero Godínez**, Member of the Legal Advice Team, TradeTankMx

› **Anabel González**, Senior fellow, Peterson Institute for International Economics

› **Gabrielle Marceau**, Senior Counsellor, World Trade Organization

› **Nuria Oliver**, Data Director, Vodafone

Women are shaping every aspect of the global economy, including as leaders in finance, investment or trade.

This event celebrates the launch of a new publication that collects the views and ideas on economic governance from over 20 female leaders in policymaking, academia, private business and journalism.

Built around four sections, the book gathers insights and forward-looking suggestions regarding current challenges in finance, trade, investment and the global labour market in a context marked by rapid technological, political, environmental and social change.

Authored entirely by female contributors, this publication stands for gender equality not by discussing issues that matter for women in the economy but rather by having women proposing solutions to economic and financial issues that matter for all.

Join us for a lively discussion with the knowledgeable authors to hear their views on the key economic issues facing our time.



Short summary

This session marked the launch of a new publication titled "Women Shaping Global Economic Governance". In a period of turbulence, amid rising trade tensions, rapid technological change and environmental degradation, informed analysis and expertise was needed more than ever before.

"Women Shaping Global Economic Governance" brought together insights from 28 experienced women leaders in the fields of finance, trade and investment, labour policy, political science, environment, and digital technologies.

With a foreword by German Chancellor Angela Merkel, the book explored the challenges confronting the governance of trade, capital movement, and labour markets as well as digital regulation. However, the book went beyond analysis and offered solution-oriented proposals on how to navigate this ongoing period of turbulence.

Written entirely by women, the publication stood for gender equality not by discussing issues that matter for women in the economy but rather by having women discuss pertinent issues related to global economic governance. This panel session introduced four contributors to the book. The session also featured additional women leaders who were not contributors to the book.

Long summary

Arancha González, Executive Director of the International Trade Centre (ITC) opened the session by introducing the book, "Women Shaping Global Economic Governance" to the audience. In providing a brief overview, Ms. González highlighted the breadth of global economic governance issues the book covers that include the governance of trade and investment. The book also seeks to answer pressing concerns such as how do we build more resilience into our financial systems, how do we manage migration, and how we can best address challenges posed by climate change. It was noted that this is not a book about women, but rather a book by women.

Ann Linde, Minister for Foreign Trade, Ministry for Foreign Affairs of Sweden, in her opening remarks, highlighted that women's economic empowerment and participation in the labour force in Sweden, was made possible in the 1970s because of three reforms.

The reforms were the abolition of the joint taxation system, the expansion of affordable child and elderly care, and the reform of parental insurance, which allowed mothers and fathers to take parental leave on equal terms. The Minister noted that while these were important first steps, more has to be done to achieve gender equality, as inequalities still exist. Minister Linde concluded by calling upon all organizations in the trade community to systemically collect gender-disaggregated data and incorporate gender into all analysis.

Isatou Touray, Vice President of The Gambia, in her remarks, congratulated the authors and recognized the importance of providing a platform to amplify the voices of diverse women leaders who have expertise on various aspects of the global economy. She noted that micro small and medium-sized enterprises (MSMEs) accounted for almost 80% of jobs around the world, and employed over 70% of the labour force in most developing countries. With women owning approximately ten million of the world's MSMEs, sustainable economic growth and the achievement of development goals could only be achieved through the active participation of women. In this regard, Vice President Touray thanked the International Trade Centre for its close collaboration between the Government of the Gambia and ITC in delivering quality projects aimed at MSME development, women's economic empowerment, and youth entrepreneurship.

Anabel González, Non-resident Senior Fellow, Peterson Institute for International Economics, former trade minister of Costa Rica, discussed four possible scenarios concerning the future of trade and investment. The first scenario was one of "open international rules" where countries cooperate through a revitalized World Trade Organization and international frameworks. The second was "competing coalitions" where countries collaborated but were often drawn into competing spheres with blocs outside the WTO. The third was "technological disruption", in which countries cannot cooperate and technology raced ahead of regulation to create a borderless world, as well as greater insecurity and uncertainty. The fourth scenario was labelled "sovereignty first" in which, in the absence of cooperation, prohibitive unilateral barriers lead to inefficiencies, high economic risks and a decline in productivity and innovation. With trade confrontations, digital technologies and geopolitical competition shaping the global economy, the trade and investment landscape is changing very rapidly making it difficult to predict which scenario is most likely to occur. Ms. González concluded by highlighting three



emerging features, which were the revival of managed trade, greater fragmentation of trade rules and the weakening of trade global governance.

Nuria Oliver, Fellow, the Spanish Royal Academy of Engineering; Chief Data Scientist, Data-Pop Alliance, discussed the challenges in governance at a time when data driven decision-making algorithms were affecting the lives of millions of people. These algorithms could decide whether one received credit from the bank, or which medical treatment one should pursue. Due to these enormous implications, it is important that the algorithms are created and governed ethically to ensure that they have a positive impact on society. In this context, Ms. Oliver proposed the use of a guideline with the acronym F.A.I.T.E. to ensure decision-making is used for social good: F stood for fairness, A stood for autonomy, augmentation and accountability, I stood for intelligent information, T for trust and transparency and E for education and efficiency.

Gabrielle Marceau, Senior Counsellor, World Trade Organization (WTO) made a presentation on her area of work, the topic of trade and labour. She highlighted that the relationship between trade and non-trade concerns, for example trade and health or trade and human rights, was one that had evolved in a very positive manner under the WTO, due to case law and jurisprudence. Ms. Marceau highlighted three elements that led to this positive evolution. First, governments had the right to give priority to non-trade concerns since the WTO mentioned in its preamble that one of its goals was sustainable development. Second, governments could make distinctions between products so long as these regulatory distinctions were based on legitimate objectives. Third, when case law was recognized in a dispute, the donor of preferences could condition those preferences toward non-trade concerns as long as these concerns were objective, aimed at development and, if similarly situated, countries were treated similarly.

Leila Baghdadi, Associate Professor of Economics Tunis Business School discussed the significant role that migration has in driving globalization in terms of both trade and investment. She highlighted the importance of remittances coming from migrants, which in many cases were higher than official development aid. It was also noted that migrants are agents of trade and investment and are well positioned to reduce information asymmetries, connect exporters from host countries with home countries and promote ethnic groups. In addition, as migrants would like to see structural transformations in their countries,

many of them have created funds, accelerators and crowd-funding platforms that have invested in SMEs. In conclusion, Ms. Baghdadi recommended that policy must be redesigned to account for diaspora-led trade and investment.

Maria Teresa Quintero Godinez, Member of the Legal team, TradeTankMx, explained the three objectives of her organization and how it seeks to contribute to economic governance in Mexico. TradeTank analyses international trade matters in order to create specific policies to foster inclusive growth in Mexico. It also aimed to be a facilitator and support actors who have not been as involved in international trade, particularly MSMEs and women. Through comprehensive research, Trade Tank developed policy solutions tailored to specific circumstances. She noted that TradeTank is the only think tank in Mexico that specialized in international trade with more than half of the members being women.

Reporter: WTO



SESSION 50: Side Event "Women's enhanced participation in trade through technological upgrading in agriculture" Organizers: Finland, United Nations Conference on Trade and Development, Food and Agriculture Organization

MODERATOR

› **Simonetta Zarrilli**, Chief, Trade, Gender and Development Programme, United Nations Conference on Trade and Development

PANELLISTS

- › **Carolyn Rodrigues Birkett**, Director, Liaison Office in Geneva, Food and Agriculture Organization
- › **Isabelle Durant**, Deputy Secretary-General, United Nations Conference on Trade and Development
- › **Francesca Brenda Opoku**, Chief Executive Officer, Solution Oasis Ltd, Ghana
- › **Kari Puurunen**, Deputy Permanent Representative, Permanent Mission of Finland to the WTO

Women make essential contributions to agriculture and are the backbone of rural economies, especially in developing countries. Their productivity and ability to benefit from trade opportunities, however, is undermined by their inadequate access to key services and resources, among which agro-technologies. These, in fact, are still too often developed without consideration of women's needs and without their participation. Moreover, service providers and rural organizations, which are a key channel for technology dissemination, often fail to recognize women's key role in agriculture and target them effectively.

The event will discuss challenges and opportunities linked to technology development and adoption from a gender perspective. Agro-technologies have the potential to improve women's ability to benefit from trade opportunities, but their introduction can also bear negative side effects, such as reduction of women's employment resulting for example from automation or loss of traditional knowledge.

The event will therefore share lessons learned and promising solutions from different perspectives. It will also highlight how to foster a policy and regulatory environment that is enabling for women's participation in agricultural trade. The event will explore the role that Aid for Trade plays in this field.



Short summary

The session addressed the challenges and opportunities linked to the adoption of agro-technologies from a gender perspective through sharing of experiences and lessons learned. It recognized that lack of financing, education and ownership of technology and production means are major issues that need to be addressed to allow women's adoption of new technologies. It explored how such technologies can improve women's ability to benefit from international trade, as well as the barriers women face to have access to them. It also tackled the issue of how new agro-technologies are developed and how much they currently respond to women's specific needs. Suitable interventions within the framework of Aid for Trade were also discussed.

Long summary

Simonetta Zarrilli, Chief, Trade, Gender and Development Programme, United Nations Conference on Trade and Development, explained that that technology can help women increase production and be more active in international trade, yet there are many barriers preventing them from accessing to it. Complementary, she pointed out that technology is often developed without women's participation hence it does not respond to their specific needs. Evidence suggests that men adopt new agriculture technology at higher rates and faster than women; indeed gender-based constraints interact to shape these differences in technology access and use. Moreover, service providers and rural organizations, which are a key channel for technology dissemination, often fail to recognize women's key role in agriculture and target them effectively.

On the first point, speakers noticed that women's limited presence at all levels of research, but particularly in managerial and upper-level research positions, means that it is less likely that the particular needs of women are prioritized and addressed through agricultural research and development. On the second issue, the example was given of Bolivia where women are mainly responsible for sorting and selecting potatoes. Equipment to save time by mechanizing this task was introduced but ultimately was not used since it was not suited to the physical requirement of women, being too high and heavy to operate.

Kari Puurunen, Deputy Permanent Representative, Permanent Mission of Finland to the WTO, stressed that rights and status of women and girls are a priority

to Finland's development policy. He explained that international trade could empower women, however the reality reflects that they are often held back from this, especially in agriculture. The event stressed that international trade facilitates the diffusion of technologies which greatly modify the agricultural sector. Not only technology can change the way a specific crop is produced, there may be positive spillover effects on other crops. He stressed that women's ability to benefit from trade is undermined by inadequate access to education, advisory services, credits, market technology and productive resources (land and water). He finally mentioned that the session would discuss on challenges and opportunities that technological development brings to women in agriculture and how to create policies and a regulatory framework to facilitate women's participation in agricultural trade.

Isabelle Durant, Deputy Secretary-General, United Nations Conference on Trade and Development, explained that trade contributes to the spread of technology. However, she also stressed that technology is often conceived by a sector that is not gender balanced. Technology is often developed without women's participation and may not respond to women's needs. She provided the example of Bolivia, where women are not able to incorporate technology in the potatoes sector since it was not properly developed for their needs. She also mentioned airbags as another example of technology that was not developed for woman morphology. She concluded that a participative and sex-specific approach is needed for the development of technology. She added that this technology should help to diversify agriculture and to incorporate small producers who have been left out from agricultural value chains. While women farmers need training to have access to and be able to use new technologies, their own traditional knowledge is also precious and should be preserved and valued. Finally, she added that coordination among organizations in charge of trade is required, and the inclusion of not only a gender perspective but also an environmental and climate change perspectives.

Carolyn Rodrigues Birkett, Director, Liaison Office in Geneva, Food and Agriculture Organization, delivered key examples of agricultural technologies that can enhance women's economic role. She presented these examples in three groups. The first group was related to adding value to traditional activities such as organic and green agriculture. She stressed that organic and other forms of green agriculture provide opportunities to disadvantaged women to participate in high-value



agriculture value chains and get organic certification, therefore turning the disadvantage of not having access to pesticides and other chemicals into a strength. The second group was related to undertaking new roles and breaking into value chains. She mentioned successful case stories of women breaking into horticulture value chains, cocoa in Ghana and beekeeping in Ethiopia. Finally, the third group was related to creating new value chains. She used Bangladesh as an example, where a new aquaculture value chain was introduced by women-headed poor houses. She ended up highlighting that through these examples, women have been able to take a seat at the table and gain leadership roles within their communities. This has given them a voice in local governments.

Francesca Brenda Opoku, Chief Executive Officer, Solution Oasis Ltd, Ghana, highlighted that women play a leading role in agriculture and trade in Africa. She also highlighted that Ghana has the highest percentage of women entrepreneurs in Africa. She explained that they often engage in laborious processes and low-income businesses. International demand represents an opportunity for them to scale-up their business, however this needs to be accompanied by the incorporation of technology in their practices. She described that even basic technology can make a significant advancement in their production processes. Unfortunately, complex technology is not easily accessible for women. They face barriers such as lack of financing and ownership, since most of this technology is owned by men. She identified the lack of familiarity as another important issue. To address this issue, she proposed that technology needs to be culturally sensitive and benefits from it need to be communicated very clearly to potential users. She sees a lot of opportunities coming for emerging technologies.

Wilkes James, Chief Executive Officer and Chief Science and Technology Officer, Hive Tracks, shared his experience in the beekeeping sector and how the intersection between trade and technology can be used to empower women in this sector. He explained that he has developed an application for beekeepers worldwide to collect data of their operations. He stressed the advantages of using technology such as blockchain for transability purposes in beekeeping. More sophisticated technologies can play a key role in singling out trustworthy agricultural and food products and distinguish them from adulterated products. He finally explained that this represents an opportunity for women to participate actively in the sector and mentioned the relationship he has been

developing with women in Tanzania, so they can adopt this technology.

The event provided the opportunity for speakers to identify areas in which Aid for Trade can provide support, which include skill-development and training in the field of agricultural technology for women and MSMEs to improve the quantity and quality of their production and be better able to engage in international trade; facilitate women's participation in technology development; promote partnerships to align public sector, private sector and civil society investments and programmes around agreed priorities within the framework of country-led plans for agricultural development; support coordination among the national agencies responsible for Aid for Trade in line with national priorities in the field of agriculture, technology and trade.

Reporter: UNCTAD



SESSION 51: Side Event "EU-ACP Trade and development cooperation - Revolutionizing economic diversification and empowerment"

Organizers: TradeCom II Programme, ColeACP, CTA - Technical Centre for Agricultural and Rural Cooperation, European Commission

MODERATOR

- › **Axel Pougin de la Maisonneuve**, Deputy Head of Unit, Directorate-General for International Cooperation and Development, European Commission

PANELLISTS

- › **Aaron Adu**, Managing Director, Global Shea Alliance
- › **Hary Andriamboavonjy**, Directrice de l'économie et du numérique, Organisation internationale de la Francophonie
- › **Patrick I. Gomes**, Secretary General, African, Caribbean and Pacific Group of States Secretariat
- › **Hermogene Nsengimana**, Secretary General, African Organisation for standardization
- › **Leontine Nzeyimana**, Former Minister for EAC, Member of EAC Parliament, East African Community
- › **Deryck Oumar**, Executive Director, Caribbean Regional Organisation for Standards and Quality
- › **Arjoon Suddhoo**, Deputy Secretary General, Commonwealth Secretariat

The European Union and the ACP have, over decades, promoted a unique trade and development cooperation model that inspires global North-South cooperation. Recent global developments have contributed to structural improvement in their cooperation model that further bridges the economic divide between partners, by:

- Strengthening trade regimes to develop inclusive and sustainable development; Enhancing the Productive Agenda for trade and value chain expansion, diversification and competitiveness; Mainstreaming women and youth into trade instruments;
- Disseminating trade and investment knowledge and cooperation instruments among economic stakeholders; and Harnessing the blue economy.

Trade cooperation through EPAs remain central to this cooperation model. It should provide the ACP countries the impetus for sustained export diversification, competitiveness and expansion, effective penetration into regional and global value chains, effective support for negotiation and support for implementation of multilateral and regional trade agreements.

Evidently from the post-2020 EU-ACP trade cooperation, the objective of maintaining inclusiveness while seeking to achieve greater integration into the global economy and promoting sustainable development remains central going forward. ACP countries can, with a continued structured partnership with the EU and the underlying political commitment, endeavour to accelerate the pace of inclusive integration into the regional and global economies.



Short summary

The event was organized by EU-ACP TradeCom II Programme and brought together representatives of the European Union Commission, the ACP Secretariat, the Commonwealth Secretariat, the Organisation Internationale de la Francophonie, ARSO, CROSO, the Eastern Africa Farmers' Federation and the Global Shea Alliance, to discuss ways and means of translating Aid For Trade into real economic gains on the ground in ACP countries, including for youth and for women. The organizations all showcased their activities promoting the inclusiveness of their trade policies, including through capacity building, and the digitalization of trade and policy processes.

Much attention was paid to the role of women and youth, but more markedly, to the challenges they face in accessing trade capital and markets, and the solutions that can sustainably bring about inclusiveness and transformation, such as greater donor involvement in encouraging South-South/ intra-regional trade.

Long summary

Elisabeth Nsimadala from the Eastern Africa Farmers' Federation, representing 20 million farmers (and organisations) in East Africa, highlighted that more than 70% of farmers in Sub Saharan Africa are involved in cross border trade with a high number in the informal sector. The analysis done by her organization led to the development of an agribusiness toolkit mapping all actors along the value chain within the East African region, that includes training manuals, documents cross border requirements with guidelines, and facilitates cross-border trade and sharing of best practices. "E-GRANARY" is an innovation of the Federation, allowing for virtual aggregation of farmers (in terms of input, service and output markets), creating critical mass and influencing national policy in favour of women and youth. Specific problems encountered by women and youth are related to capacity and access to finance. Solutions could be the creation of a special fund to de-risk agriculture and support financial inclusion of women and youth.

Aaron Adu, Managing Director, Global Shea Alliance expounded on the importance of shea butter and kernels in East and West Africa benefitting 16 million women (collectors and processors). Its exports have boomed over the past 20 years (from 30 mt in 2000 to 500 000 mt in 2017). Barriers, however, to women's empowerment include norms and resources. The

GSA sustainability programme seeks to provide infrastructure and market linkages to women, leading to increase in income, increased productivity, new technology and the development of leadership roles in communities and cooperatives. Over 300,000 women have been trained by the GSA and have been organized into cooperatives. This has encouraged the private sector outreach to the cooperatives to further their enhancement and growth. All donor support, including the form of Aid for Trade, is used to support trade and export of shea products by women.

Under the sub-session on Trade Partnerships for mutual benefit, quality infrastructure was discussed as central to economic empowerment of the private sector. **Hermogene Nsengimana, Secretary General, African Organisation for standardization**, took the opportunity to address the EU representative and to communicate the message that beyond supporting certain value chains only because the EU has an interest in these, there was need to support inter-African trade on products that are consumed across the African regions. In his assessment, key issues will impact trade in Africa at the outset of the signing of the CFTA - technical regulation equivalence issues and difficult acceptance of conformity assessment results (as there is not one standard, one test, one certificate recognized in Africa as is in Europe). He insisted on the harmonization of norms as being essential for trade. Respecting and upholding institutional frameworks should also be the subject of aid for trade.

Deryck Oumar, Executive Director, Caribbean Regional Organisation for Standards and Quality reiterated that the future of QI is in conformity assessment, which basically means proving that the quality of a product is approved (through, *inter alia*, better market surveillance, laboratories, certification systems). The representative supported the idea that EU AfT programmes should focus on intra-regional trade. Trade-related investments are also important to help the quality infrastructure in a new and pertinent way, coupled with capacity building.

The final sub-session focused on innovation in North-South and South-South connectivity, led by the **Hary Andriamboavonjy, Directrice de l'économie et du numérique, Organisation internationale de la Francophonie** and the Commonwealth Secretariat. Going beyond quantitative considerations in the area of trade, the Francophonie has elaborated a three-pronged approach: (a) it focuses on local investment in local products to assist their export and creation of wealth; (b) secondly, it is important to focus on



South-South connectivity which require concrete and operational solutions; and (c) finally the OIF focuses on sharing of best practices among South regions.

Arjoon Suddhoo, Deputy Secretary General, Commonwealth Secretariat focused on the Hub and Spokes initiative, which has deployed over 30 trade advisors over the past years and as with similar programmes worked well because of partnership and collaboration. With respect to digital trade, development advisors have developed digital strategies for Member States. The recent Commonwealth connectivity agenda aims at promoting economic growth and development by digitalization. Its aim is to close the digital divide between developed and developing countries. It has six components, namely: physical connectivity (trade facilitation and infrastructure development); digital connectivity (supporting development of national digital economies, regulatory framework and best practices); regulatory connectivity (improving legal frameworks and promoting good practices); business to business connectivity (greater interface between public and private sectors, with focus on MSMEs); supply-side connectivity (participation of members in global value chains) and inclusive and sustainable trade (ensuring that women and youth are mainstreamed in all pillars). This is part of a strategy to increase intra-Commonwealth trade. These two programmes mentioned above, encourage cross fertilization of actions across all ACP regions and foster inclusive, gender responsive approach to the development of trade policy.

Reporter: EU-ACP TradeCom II Programme



SESSION 52: Side Event "Stepping-up in the Pacific: Australian approaches to aid for trade"

Organizer: Australia

MODERATOR

› **Roreti Eritai**, Director, Ministry of Commerce, Industry and Cooperatives, Kiribati

PANELLISTS

- › **Terry Adlington**, Managing Director, Tanna Coffee, Vanuatu
- › **Robyn Ekstrom**, Trade Promotion Adviser, Pacific Trade and Invest, Europe
- › **Frances Lisson**, [Ambassador, Permanent Mission of Australia to the WTO](#)
- › **Lautafi Fio Selafi Purcell**, [Minister, Ministry of Commerce, Industry and Labour, Samoa](#)
- › **Representative TBC**, TBC, Vanuatu
- › **Lisa Vaai**, Board Director and Creative Director, Eveni Carruthers, Samoa

A number of countries in the Pacific region face acute development challenges. Economic growth is hampered by small formal economies, geographic fragmentation and large distances from major markets, high costs in doing business, narrow production/export base, vulnerability to environmental and other shocks and rapidly growing populations.

New approaches are required to promote sustainable development. Australia's step-up in the Pacific is promoting economic cooperation and greater integration within the Pacific, including through trade and labour mobility. The aim is to support raising standards of living, shared prosperity and inclusive and sustainable growth and development.

This session will explore how Australia's Aid for Trade is supporting economic diversification, empowerment and sustainable development in the Pacific. The session will also address what PACER Plus is and how Australia's Aid for Trade is supporting the Pacific to maximize the benefits of the agreement.



Short summary

The event explored how Australia's aid for trade is supporting economic diversification, empowerment and sustainable development in the Pacific. It also explained the Pacific Agreement on Closer Economic Relations (PACER) Plus' trade agreement, and how Australia's aid for trade is supporting the Pacific to maximise benefits.

Long summary

The **Honourable Lautafi Fio Selafi Joseph Purcell, Samoa Minister of Commerce, Industry and Labour**, highlighted the range of Australian aid for trade support to Samoa. He described how the Pacific Horticultural and Agricultural Market Access (PHAMA) programme is helping to meet biosecurity and quality requirements for Samoan exports of taro. He highlighted how Australia's labour mobility scheme is supporting low and semi-skilled workers from Samoa to work in regional Australia.

Frances Lisson, Australian Ambassador and Permanent Representative to the WTO, outlined the breadth of Australia's aid for trade to the region. She explained how the PACER Plus agreement, a regional trade and development agreement covering goods services and investment, is tailored to the development needs of the region, with flexibilities and provisions to help with implementation at a suitable pace.

PACER Plus includes an aid for trade 'readiness package' to help countries ratify the agreement and benefit from day one of entry into force. It also has an additional economic cooperation work programme, which will further deliver aid for trade once the agreement has entered into force.

Robyn Ekstrom, trade promotion adviser with Pacific Trade and Invest, provided examples of aid for trade support to increase the private sector's ability to engage in trade, including through e-commerce. She described a partnership with Airbnb to support inclusive digital tourism. Workshops in the Cook Islands, Samoa and Vanuatu have assisted participants to navigate the Airbnb platform and create attractive advertisements. They have empowered more locals – especially women, who make up 60% of Airbnb hosts – to establish micro-enterprises without the need to find new capital.

Terry Adlington, Managing Director of Tanna Coffee, Vanuatu, described the damage to his plantation caused by tropical cyclone Pam in 2015, and the steps taken to rehabilitate, including with aid for trade and other support.

Lisa Vaai, Creative Director of the 'EveniPacific' fashion label, described the aid for trade support she received through Australia's "Women Trading Globally" programme, to assist her to grow her business. She highlighted practical strengths of the programme, including: providing access to mentors; improving market research; training to negotiate agreements; and supporting IP registration.

Reporter: Department of Foreign Affairs and Trade, Australia



SESSION 53: Side Event "Advancing digital and sustainable trade facilitation for trade diversification and inclusive development"

Organizer: United Nations Regional Commissions

MODERATOR

› **Olga Algayerova**, Executive Secretary, United Nations Economic Commission for Europe

PANELLISTS

› **Maria Ceccarelli**, Officer-in-Charge, Economic Cooperation and Trade Division, United Nations Economic Commission for Europe

› **Mohamed Chemingui**, Chief, Regional Integration Section, United Nations Economic and Social Commission for Western Asia

› **Yann Duval**, Chief, Trade Policy and Facilitation Section, Trade, Investment and Innovation Division, United Nations Economic and Social Commission for Asia and the Pacific

› **Sebastian Herreros**, Economic Affairs Officer, Division of International Trade and Integration, United Nations Economic Commission for Latin America and the Caribbean

› **David Luke**, [Coordinator of the African Trade Policy Centre, United Nations Economic Commission for Africa](#)

There is strong evidence that trade facilitation and digitalization can effectively support trade diversification and empowerment. The UN Regional Commissions (UNRC), under the Joint Approach to Trade Facilitation launched back in 2010, have been pursuing sustainable and digital trade facilitation reforms in their respective regions.

In early 2019, the UNRCs, including ECA, ECE, ECLAC, ESCAP and ESCWA, have launched the Third Global Survey on Digital and Sustainable Trade Facilitation (formerly the Global Survey on Trade Facilitation and Paperless Trade Implementation) to review progress in their Member States. The Survey allows monitoring the implementation of the World Trade Organization's (WTO) Trade Facilitation Agreement, as well as emerging regional and global initiatives on paperless trade or e-trade.

Furthermore, the 2019 Survey strengthens the focus on Trade Facilitation for SMEs, Agricultural Trade Facilitation, Women in Trade Facilitation and Trade Finance for Trade Facilitation.

This event will share preliminary results of the 2019 Survey, which will be available on the newly established Survey Online Platform. It is expected to highlight key achievements in the five regions as well as the policy-areas that need further effort for advancing trade facilitation to contribute towards the 2030 Sustainable Development Agenda.



Short summary

The United Nations Regional Commissions presented preliminary results of the Third United Nations Global Survey on Digital and Sustainable Trade Facilitation 2019. The objective is to provide monitor progress on trade facilitation (TF), including paperless trade and other forward-looking measures, towards SDGs as well as enabling evidence-based policy making, and highlight capacity building a technical assistance needs.

The survey collected data for 126 countries in 2019, not only covering provisions under the WTO Trade Facilitation Agreement (TFA) but also more-advanced digital and sustainable measures. Since the last Survey in 2017, the global average of trade facilitation implementation increased 57% in 2017 to 63% in 2019.

Furthermore, this Survey results show a “catch-up” in the implementation of trade facilitation between the poorer countries and more developed countries. Overall, there was good progress on the implementation of TF measures, in particular WTO TF measures, and this progress particularly accelerated in Asia-Pacific region between 2015-2017 and 2017-2019. Within all regions Transparency and Institutional Cooperation had the higher levels of implementation. However, the implementation of cross-border paperless trade facilitation measures remained very challenging, and greater political ambition was key to ensure greater progress on the implementation of TF measures.

For African countries, TF measures concerning formalities and institutional arrangement and cooperation experienced the highest implementation rate, while inclusivity through trade facilitation measures recorded the lowest implementation rate.

Long summary

At the outset, Maria Ceccarelli, Officer-in-Charge, Economic Cooperation and Trade Division, United Nations Economic Commission for Europe said that the United Nations Survey on Digital and Sustainable Trade Facilitation aimed at better understanding the progress made in the area of trade facilitation (TF). The 2019 survey measures the implementation of WTO TFA measures but also other trade facilitation dispositions such as sustainable trade, trade facilitation for SMEs, Agricultural trade facilitation, Women in trade facilitation and paperless trade. The survey collected data for 126 countries in 2019, making it the biggest

facet of the TFA agreement implementation so far. The implementation rate varied across countries.

It has been shown that implementation of binding and non-binding TF measures would reduce trade costs by 11%, while the implementation of only binding measures would result in 6% reduction of trade costs. UNECE region stands way above the global average of implementation of trade facilitation measures with a 72% rate of implementation of the trade facilitation provisions. More developed European countries with higher income stand out with regards to their European less developed partners in scores of the TF survey. Among various categories, transparency and formalities are the most implemented. ECA region stands with an average implementation rate of 49%. In the area of transit facilitation, the initiatives of regional economic communities and corridor management institutions is reflected through higher implementation rates. Clear challenges can be observed in the area of trade facilitation for ecommerce as well as business mobility for trade facilitation, pointing to an area where more support is required.

ESCAP region, like other regional commissions stands with an implementation rate higher in 2019. Well implemented provisions include Transparency and formalities (such as risk management or automated customs system), when least implemented provisions include for example the advance ruling on tariff classification and origin of imported goods and the single window to access finance. Within the Latin American region, Mexico and other South American countries such as Costa Rica, Colombia, Brazil, Chile perform really well in the implementation of the TFA agreement. The overall implementation score in ECWA region stands out to 59%. The country of Saudi Arabia stands out with the highest rate of implementation of the trade facilitation measures, with a rate or 88%. This year signs the official launching of an online platform to access results of the Survey results of 2017 and 2019.

Yann Duval, Chief, Trade Policy and Facilitation Section, Trade, Investment and Innovation Division, United Nations Economic and Social Commission for Asia and the Pacific, said that the survey aimed to help monitor progress on the implementation of trade facilitation measures towards sustainable development goals (SDGs), and to serve for evidence-based policymaking and capacity-building and technical assistance. In terms of scope, the survey covered WTO Trade Facilitation Agreement (TFA) related measures and paperless trade (digital TF measures); as well as sustainable TF measures (trade facilitation measures



for SMEs, agriculture trade facilitation measures). Data was collected from 126 countries in 2019. The TF implementation rate was 79% for developed economies, 48.7% for sub-Saharan African countries and 71.2% for South-East and East Asian countries. The overall implementation had rate moved from 57% in 2017 to 63% in 2019.

Regions that improved the most were Asia and LDCs. The best performers among developed economies, including in 2019 was Netherlands. Among developing economies, best performers included Singapore, most of the South-East countries; South Korea; and China. In conclusion, he said that there was a good progress on the implementation of TF measures, in particular WTO TF measures, and this progress particularly accelerated in Asia-Pacific region between 2015-2017 and 2017-2019. However, the implementation of cross-border paperless trade facilitation remained very challenging, and more effort was needed to design and implement TF measures for disadvantaged groups (SMEs, women, etc). Political ambition was key to ensure greater progress on the implementation of TF measures.

David Luke, Coordinator of the African Trade Policy Centre, United Nations Economic Commission for Africa took the audience through the implementation rate of TF measures in African countries. He noted that on the 2019 database, there were 29 responses from Africa. The overall implementation rate among African countries was high on TF measures concerning formalities and institutional arrangement and cooperation. North Africa was the region that had performed well, followed by Southern Africa, and West Africa. Inclusivity through trade facilitation (trade facilitation for e-commerce; and trade facilitation for business mobility) were areas where the implementation rates were very low.

Maria-Teresa Pisani, Chief of Unit Trade Facilitation Section United Nations Economic Commission for Europe focused on developed countries. She indicated that North America had the highest implementation rate. EU countries were also among the top, with Netherlands experiencing among EU countries, the highest implementation rate. Interestingly, she noted that the implementation rate increased with the real per capita income. Finally, among TF measures implemented, transparency measures were the most implemented, while cross-border paperless trade facilitation measures were the least implemented measures.

Reporter: WTO



SESSION 54: Side Event "E-commerce + Accessibility - Experiences in bridging the missing link"

Organizer: Chinese Taipei

MODERATOR

› **Cherise Valles**, Deputy Director, Advisory Centre on WTO Law

PANELLISTS

› **Roy Chun Lee**, Deputy Executive Director, WTO & RTA Center, CIER

› **Shih-Hung Liu**, Deputy Director, International Cooperation Development Fund

› **Paul Wu**, Chief Executive Officer, General Mobile Corporation

The potential of digital technologies in facilitating inclusive trade for MSMEs, women and other groups is well recognized. While developing countries still face many challenges, the leapfrog and dynamic development in the availability of mobile broadband and smart devices support the proliferation of mobile e-commerce. There are however several underpinning factors to be in place. In addition to network and devices availability and connectivity, the capacity of MSMEs and female entrepreneurs to understand and utilize the benefits of mobile e-commerce is another key issue. Consumer confidence, data security and payment solutions are equally important elements as well.

As such, this session, titled E-commerce + Accessibility: experiences in bridging the missing link, shares practical experiences in mobile e-commerce capacity-building and business solutions designed specifically for developing countries. Associated policy and regulatory issues will also be discussed. The programme includes case study on the capacity-building programmes provided by the International Cooperation and Development Fund (ICDF) in bridging MSMEs with mobile e-commerce, experience of Gmobi, a top mobile e-commerce solution provider offering integrated mobile e-commerce tools designed to accommodate the need of MSMEs from developing countries such as India and Russia, and discussion on enabling policy and regulatory factors.



Summary report

This side-event shared views on the important issue of "E-commerce and accessibility". In order to contribute to finding solutions to the challenges of the "digital divide", practical experiences were showcased in mobile e-commerce business solutions and capacity building designed specifically for developing countries in the hope of providing concrete ideas to bridge the missing link.

The aim was to make sure that the new opportunities brought by digital trade could be engaged in effectively by women, SMEs, and in the rural communities in developing and least developed countries alike.

Case studies of successful cooperative development programmes in Latin America and the Caribbean region were presented, which include examples of wifi zone set-ups, boosting the funding for ICT infrastructure, and vocational training for SMEs and MSMEs.

While the potential of digital technologies in facilitating inclusive trade was widely recognized, as far as the future work of the WTO's Aid-for-Trade was concerned, it was certain that "connectivity and accessibility to the world of E-commerce" was one of the most important challenges that had to be overcome.

Free and fair access to digital trade had to be ensured for developing country Members and LDCs in particular, so everyone could enjoy the benefits of the digital economy through global cooperation.

Reporter: Permanent Mission of the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu to the WTO



SESSION 55: Thematic Focus Session "Quality infrastructure for trade: Better quality, better trade"

Organizers: World Bank, World Trade Organization

MODERATOR

› **Aik Hoe Lim**, Director, Trade and Environment Division, World Trade Organization

PANELLISTS

- › **Mikael Anzén**, Ambassador, Permanent Mission of Sweden to the WTO
- › **Paul Fekete**, Senior International Trade Advisor, Bureau for Economic Growth, Education and Environment, USAID
- › **Catherine Kadennyeka Masinde**, Practice Manager, Global Business Regulation Unit, Macroeconomics, Trade & Investment, World Bank Group
- › **Andrew McCoubrey**, Head, Trade for Development, Department for International Development, United Kingdom
- › **Merih Malmqvist Nilsson**, Chair, International Network on Quality Infrastructure (INetQI)
- › **Celestine O. Okanya**, Chief Executive Officer, Nigeria National Accreditation Service
- › **Alan Wm. Wolff**, Deputy Director-General, World Trade Organization

A national Quality Infrastructure (QI) is essential to access market opportunities through international trade. Better implementation and recognition of the QI helps reduce technical barriers to trade (TBT) for exports and imports. A QI system comprises of the institutions and legal and regulatory frameworks for standardization, accreditation, metrology, and conformity assessment. QI is vital for trade by: building trust for products, demonstrating compliance to quality and safety requirements to access foreign markets, improving the functioning of the domestic market and enhancing competitiveness and productivity.

This session will discuss potential collaboration on Quality Infrastructure for Trade. This collaboration aims to build on existing tools to improve QI ecosystems in beneficiary countries for accessing trade opportunities and enhancing implementation of the WTO TBT Agreement. The possible options for the collaboration include: project funding, disseminating knowledge and good practices and promoting coherence in QI and TBT-related technical assistance.

This event will initiate a conversation between donors, beneficiaries, and other interested stakeholders on how enhanced collaboration could help overcome QI gaps, improve implementation of the TBT Agreement, and enhance the ability of countries to trade.



Summary report

Aik Hoe Lim, Director, Trade and Environment Division, World Trade Organization explained that a national Quality Infrastructure (QI) was essential for accessing global markets by building trust and confidence in exports, increasing incomes in developing countries, fostering productivity and competitiveness, and contributing to the achievement of the SDGs. QI includes the institutions and the legal and regulatory frameworks for standardization, accreditation, metrology, conformity assessment, market surveillance and technical regulations.

Alan Wm. Wolff, Deputy Director-General, World Trade Organization said lack of QI was a formidable obstacle to least developed and developing country efforts to diversify to new markets, but the concept of QI was poorly understood. Moreover, QI was a challenge that cannot be solved by one approach, instrument, or organization alone, so the question is how we can up our game through collaboration and coordination, giving QI a bigger profile in the trade policy agenda.

Catherine Kadennyeka Masinde, Practice Manager, Global Business Regulation Unit, Macroeconomics, Trade & Investment, World Bank Group explained that many developing countries face various constraints including organization, technical performance and recognition of bodies involved in their QI ecosystem. A large share of global exports is subject to technical regulations, and many least developed and developing countries are unable to meet these requirements due to gaps in their QI, which prevent integration into global markets and supply chains. Different countries face different challenges, while some have no QI in place; others have a multiplicity of institutions and need support to better coordinate nationally. High costs and lack of knowledge about its benefits prevent countries from investing in QI. Building up a body of knowledge and analytics on QI that countries can use to benchmark performance is a priority.

Celestine O. Okanya, Chief Executive Officer, Nigeria National Accreditation Service highlighted gaps in Nigeria's QI system as one of the main obstacles to improving the country's manufacturing and agriculture export performance. These gaps were identified in a World Bank QI diagnostic study, which helped policymakers understand the impact of a well-functioning QI ecosystem on trade performance. As of 2014, Nigeria lacked a National Metrology Institute (NMI), an accreditation body, and indigenous certification/inspection bodies (expect for regulators).

This situation has since improved, and there is now an accreditation body in place, the NMI is being developed, and there are emerging indigenous certification bodies. The possible collaboration being discussed between the World Bank Group and the WTO could make a difference by undertaking QI diagnostics in more developing countries, thereby helping find solutions to problems which require long term support.

Merih Malmqvist Nilsson, Chair, International Network on Quality Infrastructure (INetQI) said QI provides the tools needed so citizens can take things for granted in their day-to-day life – for instance, that the elevator won't fall, or that consumers receive the quantities of fuel or apples for which they paid. However, QI is not always a priority for policymakers. The key challenge in QI is creating and maintaining trust, which allows international trade to take place. It is vital to take account of the perspectives of all stakeholders involved, and to increase the participation of developing countries in these discussions.

Mikael Anzén, Ambassador, Permanent Mission of Sweden to the WTO emphasized that supporting QI improvements in developing countries is in line with efforts to reach the SDGs and promote economic growth, and it deserves more attention. Sweden supports a range of technical assistance initiatives including in the area of QI. From Sweden's perspective, it is important to take a systematic approach to QI development. Coordination amongst donors is also a priority, as demonstrated by the 20 June 2019 side-event to the WTO TBT Committee organized by Sweden.

Paul Fekete, Senior International Trade Advisor, Bureau for Economic Growth, Education and Environment, USAID said standards pose significant market access challenges for developing countries. In response, the United States created the Standards Alliance in 2012, a joint venture between USAID and ANSI, to increase understanding of TBT Agreement obligations and improve their implementation. The experience of the Standards Alliance demonstrated the importance of involving the private sector in projects, and the existence of multiple approaches and pathways to QI development. A new phase of the Standards Alliance is expected to be launched before the end of 2019.

Andrew McCoubrey, Head, Trade for Development, Department for International Development, United Kingdom underscored the essential role of QI in allowing exporters to access markets. The Commonwealth Standards Network, supported by



DFID and the British Standards Institution, provides training and technical assistance to developing countries to help reduce technical barriers to trade and promote trade opportunities. There is a need to avoid fragmentation to fulfil opportunities to promote international trade in the complex and vital area of QI.

DDG Wolff said the World Bank and the WTO are exploring whether they can enhance existing collaboration, to complement the successful STDF in the SPS area. Such possible collaboration could help in various ways: (i) identifying bankable QI-related projects and delivering project seed funding; (ii) supporting developing countries to enhance their QI performance; (iii) providing a platform for enhanced policy coordination across the global QI ecosystem and; (iv) disseminating good practices. The objective is to enhance the trade and development prospects of producers and consumers globally by increasing confidence in the safety and quality of products. Improving collaboration on QI represents a great opportunity to show how the WTO and partners can deliver for trade and development.

Reporter: WTO



SESSION 56: Side Event "Harnessing trade facilitation for deeper regional integration - experience from Asia and Africa"

Organizer: United Nations Conference on Trade and Development

MODERATOR

- › **Shamika Sirimanne**, Director, Division of Technology and Logistics, United Nations Conference on Trade and Development

PANELLISTS

- › **Hermance De La Bastide**, Head of Multilateral and Public Affairs, Pernod-Ricard
- › **David Luke**, Coordinator of the African Trade Policy Centre, United Nations Economic Commission for Africa
- › **Cyn-Young Park**, Director, Regional Cooperation and Integration, Economic Research and Regional Cooperation Department, Asian Development Bank
- › **Thierry Kalonji**, Director of Investment Promotion & Private Sector Development Division COMESA Secretariat
- › **Pan Sorasak**, Minister of Commerce, Cambodia
- › **Dorothy Tembo**, Deputy Executive Director, International Trade Centre

While regional integration is increasingly viewed as a critical springboard towards economic diversification, yet significant trade costs and trade facilitation bottlenecks continue to dampen the viability of regional value chains. As tariffs are gradually reduced, non-tariff measures play an important role in shaping the outcome of regional trade agreements and contributing to determine their commercial value and rate of utilization.

Against this background, the side event brings together experts working in Asia and Africa, sharing their experiences on how trade facilitation (and the flexibilities of the Trade Facilitation Agreement - TFA) can be best harnessed to deepen regional integration. Concrete examples of regional value chains in both commodity-related and manufacturing sectors will be discussed in a comparative perspective, shedding light on how a strategic approach to trade facilitation could support regional integration and foster economic diversification.

With a view to sharing inter-regional experiences and lessons learnt on the implementation of regional integration agenda, the event will particularly focus on trade facilitation and rules of origin implementation, including provisions of the TFA related to advance rulings and HS code determination.



Short Summary

While regional integration is increasingly viewed as a critical springboard towards economic diversification, significant trade costs and non-tariff barriers continue to dampen the viability of regional value chains. As tariffs are gradually reduced, non-tariff measures play an important role in shaping the outcome of regional trade agreements and contributing to determine their commercial value and rate of utilization.

Against this background, the side event brought together experts working in Asia and Africa at a national sub-regional and regional level, sharing their concrete experiences on how trade facilitation can be best harnessed to deepen regional integration. Their interventions highlighted the critical importance of transparency of rules and regulations, and the fundamental importance of strengthening the institutional framework behind trade facilitation reforms. It also underscored the importance of identifying where key bottlenecks are, and redressing them in a timely and effective manner.

Panellists discussed also concrete measures, such as ASEAN-wide single window and self-certification schemes, COMESA's NTB online reporting tool, regional custom bond guarantee and Simplified Trade Regime. These examples highlighted the wealth of experiences and lessons learnt at regional and sub-regional levels, which could be leveraged and adapted to broader contexts, including in the operationalization of the African Continental Free Trade Area.

Long summary

Moderating the session **Shamika Sirimanne, Director, Division of Technology and Logistics, United Nations Conference on Trade and Development** stressed the importance of sharing experiences across regions with very different track records in regional integration, as well as distinct performances in terms of facilitating trade and reducing trade costs: Asia and Africa. She also highlighted how UNCTAD's support to National Trade Facilitation Committees through technical assistance and capacity building, has a clear visible impact on the ground. The committees are key to maintaining the momentum behind trade facilitation reforms, and to addressing regulatory bottlenecks at country-level.

Commenting on the experience of Cambodia, **Suon Prasith, Ministry of Commerce** highlighted how – in

line with its recent DTIS – the country is leveraging trade facilitation initiatives with a view to implement the trade facilitation agreement while better integrating the regional market. Practical examples of measures geared in this direction included the roll-out of an ASEAN-wide self-certification scheme for Rules of Origin and ASEAN single window.

From the private sector perspective, **Hermance De La Bastide, Head of Multilateral and Public Affairs, Pernod-Ricard** highlighted how regional integration, trade costs and Non-Tariff Barriers are key drivers of investment decisions for a multinational company like Pernod-Ricard and shared the point of view of a multinational company which is both a producer and distributor of premium alcoholic beverages. She also emphasized that Pernod-Ricard is striving to bring its products closer to the consumers' taste, including in dynamic markets such as Africa and Asia. As shown in the case of Indian whisky, this step can open opportunities to link local producers to the value chain; however, the viability of this hinges on sufficient economies of scale.

These points were reiterated by **Dorothy Tembo, Deputy Executive Director, International Trade Centre**, who pointed to ITC's SME surveys to highlight that SMEs are greatly affected by the high cost of doing business and a lack of transparency of rules and regulations. Corroborating the findings of UNCTAD's recent Economic Development in Africa Report 2019, she also argued that "deciphering" rules and regulation, especially in the case of rules of origin is particularly complex for SMEs. She highlighted how integrating more information in a single portal can provide greater transparency.

While celebrating the historical achievement of the entry into force of the agreement establishing the African Continental Free Trade Area (AfCFTA), **David Luke, Coordinator of the African Trade Policy Centre, United Nations Economic Commission for Africa** highlighted that the important thing is for the AfCFTA to have an impact on the ground. In this respect, he stressed that the AfCFTA will help African markets to reach economies of scale capable of attracting investments, but also support efforts to spur structural transformation and create jobs. Finally, he underscored how the AfCFTA should be regarded as an opportunity to undertake trade facilitation reforms in a coordinated way, enhancing the related institutional framework, boosting customs cooperation and information-sharing.



Cyn-Young Park, Director, Regional Cooperation and Integration, Economic Research and Regional Cooperation Department, Asian Development Bank

highlighted how regional integration is a multidimensional phenomenon, involving trade and investment but also infrastructure and connectivity. She highlighted the findings of a recent report from the Asian Development Bank, suggesting that regional integration has a significantly positive effect on economic growth and poverty reduction. In this respect she underscored that it is critical to understand where the bottlenecks are, and to ensure strong buy-in by policymakers, in order to swiftly address the situation. She also pointed to the fact that time costs often matter more than monetary costs for firms, hence it is important to ensure compliance with the latest international standards in trade facilitation.

Pointing to the COMESA experience, **Thierry Kalonji, Director of Investment Promotion & Private Sector Development Division COMESA Secretariat**, emphasized the relevance of Non-Tariff Barriers (NTB) as a critical hindrance to trade. In this respect, he highlighted some successful initiatives including COMESA NTB online reporting tool, its regional custom bond guarantee and regional insurance scheme, to be incorporated in digital FTA. He also touched upon the importance of ensuring that trade facilitation benefits the whole range of businesses, not just large companies. In this respect, he highlighted the success of COMESA's Simplified Trade Regime for small-scale cross-border traders and stressed the importance of awareness raising and capacity building for SMEs.

Wrapping up the discussion, panellists emphasized how there was a wealth of lessons learnt at regional and sub-regional levels, including concrete measures which could be scaled up. In this vein, they highlighted that transparency and information-sharing were critical, as is political will to reduce trade costs.

Reporter: UNCTAD



SESSION 57: Side Event "Value Chains: Potential and commercial, economic, and technological instruments"

Organizer: African Group

MODERATOR

› **Robert Skidmore**, Chief of Sector and Enterprise Competitiveness Section, International Trade Centre

PANELLISTS

› **Paul Brenton**, Trade Practice Leader in the Africa Region, World Bank Group

› **Enselme Gouthon**, Président, l'Agence des cafés robusta d'Afrique et de Madagascar

› **Felix Kadewere**, Director of Planning and Research, Malawi

› **Jennifer Mwijukye**, Chief Executive Officer, Unifreight Cargo Handling, Uganda

› **Josephine Ndikwe**, Marketing Director, Kenya Coffee Producers Association

The thematic focus session seeks to discuss the potential and challenges of African participation in global value chains. The side event seeks to survey the state of knowledge of our existing knowledge on African participation in commodity value chains. It will examine how Aid for Trade can best support African economies to develop the commercial, economic, technological instruments to create more value with these global networks.



Short summary

This session discussed challenges and opportunities for African nations to participate in global value chains. GVCs integration is a key objective for the Aid-for-Trade Initiative, since it has been proved to be a driver of industrialization and economic development for African countries. African countries can exploit regional and global value chains to strengthen their comparative advantages and to increase their scale.

At the same time, many challenges need to be solved: the physical movement of goods is often costly due to the lack of appropriate infrastructures, the access to finance is limited and the presence of information frictions does not allow producers to immediately react to changes in prices, tariffs and regulations. Moreover, many sectors (for example agriculture) are characterized by limited value-added addition, since the exports mostly concern raw products. The panellists agreed that the role of the multilateral trading system in addressing this issue is vital, and that the only way to improve the participation of African countries to GVCs is fostering regional coordination as well as multilateral cooperation.

Long summary

Felix Kadewere, Director of Planning and Research at the Malawi Investment and Trade Centre, highlighted that African producers face three main challenges in engaging into global trade. The physical movement of goods is often problematic both because of geographical issues and because of the lack of adequate infrastructure; access to finance is limited, especially for the workers of the informal sector; information frictions do not allow producers to immediately react to changes in prices, tariffs and regulations. He also commented that women-led cooperatives have been an innovative solution but that there is a need for larger solutions.

Paul Brenton, World Bank Group, highlighted that regional trade among the African countries is still limited, and that building a more effective value chain would be desirable for achieving a higher degree of industrialization. He added that regional agreements between producers in different countries may look good on paper but are weak in reality. Deeper integration and coordination can provide a higher scale, which is helpful for strategic investments in infrastructures. Moreover, regional coordination may be useful for reducing policy uncertainty and boosting

private investments. Many sectors (in particular agriculture) are characterized by limited value-added addition, since the exports mostly concern raw products. A possible solution lies on industrial policies aimed at improving the processing capacity, which, given the significant amount of resources needed, would require a joint and coordinated effort coming from all the countries of the region. These policies were often problematic both because of the lack of information about the market demand and because of their asymmetric geographical and distributional effects. A feasible alternative would be an improvement in logistics infrastructure, that would be crucial for accelerating the delivery of agriculture products and increase value added. Examples in Ethiopia have shown that investment in infrastructure could have a major impact on accessing global value chains.

Josephine Ndikwe, Kenyan Coffee Producers Association, confirmed that lack of information is a problem in the agricultural sector, since price oscillations are frequent and there is a significant policy uncertainty about tariff and non-tariff measures. She added that the African producers acknowledge the importance of new technologies in addressing these issues, and mentioned that the investments in mobile phones have been identified as a possible strategy in this regard, even if their adoption is still limited both numerically and geographically. Lack of accessible funding in conjunction with fluctuating world coffee prices and inadequate market information make production really difficult for most farmers. As more farmers leave the industry, it makes it harder, logistically, for other farmers to export due to smaller volumes being exported. Women-led banking initiatives in Kenya were mostly informal.

Reporter: WTO



SESSION 58: Side Event "Breaking silos to support economic diversification and empowerment - developing countries and LDCs"

Organizers: Sweden, Tanzania, CUTS International Geneva

MODERATOR

› **Rashid S Kaukab**, Executive Director, CUTS International Geneva

PANELLISTS

› **Mina Aryal**, Deputy Permanent Representative, Permanent Mission of Nepal to the UN

› **Dorothy Kimuli**, Managing Director, D&M Group, Uganda

› **Cecilia Scharp**, Assistant Director General, Swedish International Development Cooperation Agency

This session aims to share the experience of and lessons from implementing several projects under the Swedish Aid for Trade programme since 2009, with the global Aid for Trade community.

CUTS International, Geneva adopted a holistic, inclusive and demand-driven approach to implement these initiatives. The approach is quite unique and a good example of internalizing the purpose of the SDG-agenda.

The session will highlight the key elements of these successful interventions by addressing the following questions:

- **Linkages:** How to establish and promote greater linkages among levels of policy-making and negotiations (i.e. national, regional and multilateral); and between Geneva Missions of developing and least developed countries and their capitals, including the private sector?
- **Inclusivity and empowerment:** How to bring together stakeholders (i.e. governments, private sector, CSOs, etc.) to enhance inclusivity and empower the marginalized including women, youth, farmers and smaller developing and least developed countries?
- **Diversification:** How to promote agro-business development that supports trade, climate and food security, and contributes to diversification?
- **Results and lessons:** What results have been achieved? What are the key lessons learnt? How can these be employed to improve the design and implementation of other Aid-for-Trade Initiatives?



Short summary

This session discussed the experience of two projects implemented by CUTS International under the Swedish Aid for Trade programme over the past decade. Reflecting on lessons learnt, project beneficiaries, implementing entity and donor shed light on the holistic approach that enabled these projects to “break silos” across policy areas, stakeholders, negotiating fora, intervention levels, and Geneva-capitals for economic diversification and empowerment. Discussions emphasized that successful initiatives are those which build and sustain partnerships based on aligning beneficiary needs, implementer’s capabilities and development partners’ priorities.

Key features of these projects that could serve as models for development agencies included the demand-driven nature of the projects; the fact that these projects took into account the linkage between trade, climate change and food security; and the significant engagement of multiple stakeholders in these projects.

Long summary

According to **Kerstin Jonsson-Cissé, Head of Sida’s Unit for Globally Sustainable Economic Development**, “The PACT EAC projects could be used as a model for replication in other regions of Africa and elsewhere, with support from other development partners.” These initiatives had imbibed the essence of Agenda 2030 and SDGs even before 2015. For instance, by gathering stakeholders under National Reference Groups, PACT EAC2 project funded by Sida was able to get agro-processors’ voices heard for more holistic national industrial policy-making. She shared key lessons drawn by development partners and Sweden from these projects. She underlined that these projects were truly demand-driven and has additionally a unique feature in that they integrated policy coherence, and broke silos. A mid-term review conducted last year showed that these projects were relevant given their specific focus on trade, climate change, and agro-processing. In addition, these projects strengthen knowledge of participants on the link between Agriculture, trade, climate change and food security. She further indicated that, at least, in the Eastern African Community (EAC), no other projects focused on national, regional, and global levels. One other important point was the impressive role played by different stakeholders in the whole process of implementation of these projects. Reflecting on

lessons learnt from these Swedish-funded projects that have been confirmed through an independent external evaluation, she summarised the uniqueness of such initiatives as follows: (i) they are truly demand-driven projects which generated local ownership; (ii) the use of National Reference Groups proved a good model for broad-based stakeholders consultations; and (iii) focusing on policy coherence and breaking silos since 2011, long before it was prominently featured in SDGs. “The PACT EAC could be used as a model for replication in other regions of Africa and elsewhere, with support from other development partners,” she said.

Illustrating the approach adopted under the “Keeping Pace with Trade Developments” initiative funded by MFA Sweden, **Mina Aryal from the mission of Nepal** explained how the forum for trade negotiators bridged the gap between Geneva-based negotiators and their respective capitals, besides providing valuable support and knowledge. According to her, sustaining such support is much needed for representations of LDCs like Nepal which are often understaffed and constrained by limited capacities. She recalled the importance for enhancing productive capacities and promote economic diversification in LDCs. Swedish projects had helped address some of the challenges faced by Nepal, including through the build-up of capacity for developing countries and LDCs negotiators in Geneva on issues discussed at the WTO. She then recommended that Sweden continued to finance these projects on a predictable way. She also urged donors, including Sweden to help developing countries and LDCs prepare and participate actively in the twelfth Ministerial Conference, including by helping capital officials to attend all important meetings (three months prior to the conference), and supporting LDC negotiators keep close contact with capitals during the negotiations’ periods, and even after. Finally, she thanked Sweden for its support and hoped that this support would be predictable, sustainable and planned over several years.

As a beneficiary of “Promoting Agriculture, Climate and Trade Linkages in the EAC” (PACT EAC) project funded by Sida since 2011, **D&M Group director Dorothy Kimuly** explained how she was empowered as a women small entrepreneur to contribute to influencing Uganda’s industrial policy revision by sensitizing policy makers about climate- and trade-related challenges faced by agro-processors like her. “It has greatly improved our mindsets as women agro-processors, from discussing micro-challenges among ourselves to engaging policy-makers nationally and



regionally," she reported. She started by noting that agriculture was the backbone of Uganda's economy as it employed 70% of the population. Unpredictability of climate change greatly affected sustainable agriculture by making supply highly unpredictable (leading to the scarcity of some inputs) and increasing prices. All these affected businesses in Uganda. It was stressed that the impacts of climate change on East Africa's agro-processing, which still relies heavily on rain-fed small-scale farming, cannot be underestimated.

"At D&M Group, we had to delay our production after raw chili prices spiked due to a one-month-long dry spell," she said. She nevertheless indicated that in this challenging scenario, trade should continue both regionally and internationally, as trade increased opportunities for women, which were the dominant feature of the whole process of production and export. In particular, agro-processing enabled significant value addition, and generate high earnings for women. She also noted that these Swedish projects promotes trade in Uganda helped beneficiaries enhance their knowledge as it involved build capacity on microeconomic and macroeconomic issues as related to Agriculture, climate change, trade and food security, notably through various meetings, courses and trainings. "It has greatly improved our mindsets as women agro-processors, from discussing micro-challenges among ourselves to engaging policy-makers nationally and regionally," reported Dorothy Kimuli. "By bringing together public, private and civil society stakeholders, the project's National Reference Group was able to provide relevant recommendations to policy makers. This helped us make several policy processes more inclusive, such as Uganda's climate change bill and the new industrial policy," Ms Kimuli explained.

"Successful Aid-for-Trade Initiatives are those which build and sustain partnerships based on aligning beneficiary needs, implementer's capabilities and development partners' priorities", according to **Rashid S Kaukab, Executive Director of CUTS International Geneva**. Panellists noted that while the multi-stakeholders' approach was definitely important and the projects should be demand-driven, governments should also be anchored to the projects. They also stressed the need to strengthen the linkages between Geneva-based negotiators and their respective capitals (including the government, the private sector, as well as other stakeholders). It was expected that these project models would be replicated in other contexts and regions. Call was made for continued

financial support by SIDA, including on a multi-year basis and on a sustainable way.

Reporter: CUTS International



SESSION 59: Side Event "Vanuatu: Preparing for LDC graduation - risks and opportunities".

Organizers: Ministry of Tourism, Trade, Commerce and Ni-Vanuatu Business

OPENING REMARKS

› **Shishir Priyadarshi**, Director, Development Division, World Trade Organization

MODERATOR

› **Roy Mickey Joy**, Director General, Ministry of Tourism, Trade, Industry, Commerce and Ni-Vanuatu Business, Vanuatu

PANELLISTS

› **Ratnakar Adhikari**, Executive Director, Enhanced Integrated Framework

› **Dan Gay**, Inter-Regional Adviser, LDCs Committee for Development Policy

› **Nella Tavita Levy**, Assistant Chief Executive Officer Trade Division, Ministry of Foreign Affairs and Trade, Samoa

On 4 December 2020, Vanuatu will become just the sixth nation ever to graduate from LDC status. The Government of Vanuatu primarily sees this as a huge achievement for the country, and as a great opportunity to showcase the country and to develop further - for example through increased FDI. At the same time, the Government is mindful of the threats posed, particularly around loss of preferential trade access, and potential loss of development support. Whilst Vanuatu has scored very well on GNI, and the Human Assets Index, Vanuatu's economic vulnerability score of 47 was very high, and shows the threat to development.

In this session, the Government of Vanuatu will present their vision for graduation, and will facilitate a wider discussion on LDC Graduation. Contributions will be particularly valued from current LDC members who are looking to graduate, countries who have graduated and who can share their experiences, and developed countries who are looking to support Vanuatu.



Short summary

The session discussed Vanuatu's LDC graduation challenges, and the impact it could have on trade and development cooperation. It was highlighted that trade-related implications are rather limited in scope. So is the case with development assistance. Given the vulnerable nature of Vanuatu's economy, international community should continue to assist them in sustaining the country's economic progress. The EIF support would continue for a period of five years after graduation. The increased coordination among international agencies to support graduating LDCs was welcomed. The launch of the WTO-EIF Project on LDC Graduation was noted by the participants.

Long summary

Nella Tavita Levy, Assistant Chief Executive Officer, Trade Division, Ministry of Foreign Affairs and Trade, Samoa highlighted that her country benefitted from the transition period provided for the graduated LDCs in EU's EBA, i.e. until end of 2018; in the meantime they were able to accede to the EPA, and had maintained duty-free exports to the EU after the phase out of EBA preferences; deepening regional integration has been one of the priorities of the Government; continued dialogue with development partners ensured that support was not disrupted following graduation; acknowledged support from the EIF. It was also flagged that FDI flows into the country were positive following graduation, especially in view of the reforms undertaken by the country before acceding to the WTO in 2012.

Ratnakar Adhikari, Executive Director, EIF underlined that economic vulnerability, especially climate change related vulnerability, continues to be a challenge for Vanuatu; this also lends support to the broadening or sharpening of LDC criteria. EIF had been a partner of some key projects in the country, including modernization of the sea front infrastructure, establishment of national single window, e-trade readiness assessment and ongoing update of the national trade policy framework. An EIF project relating to smooth transition for graduation was approved last month. It was reiterated that Vanuatu would receive EIF support for a period of five years after graduation; at the same time, the country should leverage additional resources including from private sector as EIF support is mainly catalytic in nature.

Dan Gay, former Inter-Regional Adviser, CDP, New York: reassured that actual material impact from graduation would be rather limited; beef exports might face higher tariffs in the Japanese market. Bilateral donors had indicated their willingness to continue to support Vanuatu in the post-graduation period. There were potentially no risks for the country to be readmitted back to the LDC list in future – though there is scope for improvement of the country's level of human development. Graduation also helps improve perception of investor community as this represents a step forward in the country's development ladder.

Shishir Priyadarshi, Director, Development Division: welcomed the progress made by Vanuatu which demonstrated the sound economic policies pursued by the Government over the past years. The impact of graduation on trade hinged on three factors: export structure, margin of preferences and utilization of preferences. If the rates were high for utilization as well as for preference margin, then one would need to comprehensively assess the implications. This would mean that the nature and extent of impact would be country-specific requiring customized attention to individual graduating LDC.

For Vanuatu, the trade-related implications would be somewhat limited as the country had already taken a lot of commitments as part of its accession package. There would be very few implications with regard to access to WTO's technical assistance. However, despite graduation, Vanuatu would continue to remain a small and vulnerable economy and that international community should do even more to help the country sustain its development efforts. WTO had launched a project to examine the trade-related implications on graduation and to explore options for better integration in the global economy. The increased coordination among international agencies to help graduating LDCs was a positive development; WTO will be part of the mission to Sao Tome and Principe led by UNOHRLLS.

Barrett Salato, Ambassador, Solomon Islands suggested that there were some inherent weakness in the LDC criteria, and that an LDC must satisfy the Economic Vulnerability Index (EVI) to qualify for graduation. Also graduating governments should be assisted with alternative market access arrangements so that preferential market access enjoyed as an LDC is not lost following graduation.

Reporter: CUTS International



SESSION 60: Development Hub "Supporting development through trade and investment agreements: Canadian experience"

Organizers: Global Affairs Canada, Cowater Sogema

PANELLISTS

- › **Stephen de Boer**, Ambassador and Permanent Representative, Permanent Mission of Canada to the WTO
- › **Phil Rourke**, Programme Director, Canadian Trade and Investment Facility for Development and Expert Deployment Mechanism for Trade and Development, Cowater Sogema
- › **Monika Surma**, Director, Corporate Planning, Policy and Pan-Asian Regional Programming, Global Affairs Canada

This interactive session explores practical examples of how development projects can advance inclusive trade and drive global development. Learn more about Canada's largest bilateral initiative under the Aid-for-Trade Agenda, entitled the Expert Deployment Mechanism for Trade and Development (EDM). EDM builds on decades of experience in promoting trade and development. Canadian experts will be available to discuss how EDM and similar initiatives can help reduce poverty and bring more and better jobs to more people in the developing world. EDM provides technical assistance to assist ODA-eligible developing countries negotiate, implement, adapt to, and benefit from their trade and investment agreements with Canada. This US\$16.5 million project will support over 700 deployments of experts over a seven-year period (2018-2025).



Summary report

This interactive development hub session explored practical examples of how development projects could advance inclusive trade and drive global development. Participants learnt about Canada's largest bilateral initiative under the Aid-for-Trade Agenda, entitled the Expert Deployment Mechanism for Trade and Development (EDM). EDM builds on decades of Canadian experience in promoting trade and development. Canadian experts discussed how EDM and similar initiatives helped reduce poverty and brought about more and better jobs to more people in the developing world. EDM provided technical assistance to assist ODA-eligible developing countries to negotiate, implement, adapt to, and benefit from their trade and investment agreements with Canada. This US\$16.5 million project supports over 700 deployments of experts over a seven-year period (2018-2025).

Further information on EDM is available at <https://edm-mde.ca/>



SESSION 61: Plenary "LDC Graduation: Supporting inclusive and sustainable development in graduating LDCs"

Organizer: World Trade Organization

KEYNOTE SPEAKERS

- › **Fekitamoeloa Katoa 'Utoikamanu**, Under-Secretary-General and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, United Nations

MODERATOR

- › **Shishir Priyadarshi**, Director, Development Division, World Trade Organization

PANELLISTS

- › **Kedar Bahadur Adhikari**, Secretary, Ministry of Industry, Commerce & Supplies, Nepal
- › **Ratnakar Adhikari**, Executive Director, Enhanced Integrated Framework
- › **Atarake Nataara**, Minister of Commerce, Industry, and Cooperatives, Kiribati
- › **Sérgio Mendes dos Santos**, Secretary of State, Ministry of Economy, Angola
- › **Collin Tavi**, LDC Smooth Transition Coordinator, Office of the Prime Minister, Republic of Vanuatu
- › **Madelaine Tuininga**, Head of Trade and Sustainability Unit, Directorate-General for Trade, European Commission

Graduation from least developed country status is an important target as established in the UN Istanbul Programme of Action for the LDCs for 2011-2020. Only five countries have graduated from the LDC category since its inception in 1971. However, significant progress is being made as 12 LDCs (out of a total of 47 LDCs) are expected to graduate in the coming years.

The United Nations has invited the international community, including the WTO, to consider extending appropriate help to the graduating LDCs to ensure a smooth transition and that graduation does not cause disruption in the development progress that a country has achieved (General Assembly Resolution A/RES/67/221). At the Eleventh WTO Ministerial Conference, the LDC Trade Ministers called upon development and trading partners to take positive actions for LDCs on graduation (WT/MIN(17)/40).

Graduating LDCs will face certain challenges, since they may no longer be eligible for some benefits associated with LDC status. This plenary session will discuss the role of aid for trade in helping graduating LDCs to address challenges they face and further integrate into the global economy.



Short summary

This session discussed the challenges of graduation and the role of support provided by the international community, including aid for trade. It was highlighted that at the heart of concerns of graduating LDCs was the sustainability of their development progress. The keynote speaker (UN Under-Secretary General) pointed to efforts by the international community to help graduating LDCs achieve a sustainable graduation, including through better coordination of graduation-related activities in an inter-agency task force on graduation. Panellists from Kiribati, Nepal and Vanuatu expressed concern about the loss of LDC-specific international support measures such as trade preferences and development cooperation. Panellists from the European Commission and the Enhanced Integrated Framework highlighted their commitment to help graduating LDCs achieve a smooth transition and pointed to support that was being provided in this respect. The discussion revealed that graduating LDCs faced both common but also country-specific developmental challenges, which required targeted support measures by development partners.

Long summary

In his introductory remarks, moderator **Shishir Priyadarshi, Director of WTO's Development Division**, pointed to the elevated interest in graduation as 12 LDCs were in the graduation pipeline. At the heart of the concerns of graduating LDCs was the sustainability of their development progress. He also emphasized that the graduating LDCs faced country-specific challenges which required targeted policy responses.

In her keynote speech, **Fekitamoeloa Katoa 'Utoikamanu, United Nations Under-Secretary-General and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States**, highlighted that graduation was an overarching objective of the Istanbul Programme of Action for the LDCs for the Decade 2011-2020. The key challenge for the international community was to ensure that graduation would be sustainable. The UN General Assembly had adopted resolutions inviting the international community, including the WTO, to consider extending appropriate support measures to graduating LDCs to ensure their smooth transition and that graduation does not cause disruption in their development progress. She highlighted the

importance of a nationally-owned smooth transition strategy, which would address the phasing out of international support measures. The UNOHRLLS had established an inter-agency task force on graduation, which has already led to improved coordination between agencies, including the WTO, of their activities with regard to graduation. She called on development partners to provide support measures to graduating LDCs. At the same time, it was important to continue supporting the implementation of the Programme of Action for all LDCs.

Atarake Nataara, Minister of Commerce, Industry and Cooperatives of Kiribati, highlighted that Kiribati's growth potential was limited due to its small size and that its economic vulnerability hindered its economic development. Coconut and fishing licences constituted Kiribati's main sources of income, but both are vulnerable to shocks and climate change. He stated that graduation from the LDC category would be premature and should be reconsidered based on Kiribati's economic and environmental vulnerability. The new Government was still in the phase of implementing its strategy and endeavours to enhance the sustainability of Kiribati's development. He called for the creation of a development fund to develop industry and enhance value added, in particular by building capacity in the processing of juice, jam, flour, and fish canning.

Madelaine Tuininga, Head of Trade and Sustainability Unit, Directorate-General for Trade of the European Commission, said that the LDCs remained at the core of the EU's trade and development policy, and that support would continue beyond graduation. She highlighted that the EU provided graduating LDCs with a three-year transition period with regard to Everything-but-Arms (EBA) preferences to ensure a smooth transition. Thereafter, a country may become eligible to the GSP+ arrangement. For example, Cabo Verde, which graduated in 2007, benefitted from EBA preferences until the end of 2011, and started benefitting from GSP+ preferences in 2012. As the EBA and GSP+ arrangements were linked to international conventions on human and labour rights, they also constitute tools to become a more attractive investment and business location. She highlighted that the EU and its members States were the biggest provider of aid for trade, committing EUR 2.7 billion to LDCs in 2017. She also mentioned the EU's investment plan for Africa, which aimed to generate up to EUR 44 billion of new investment. As aid for trade was demand driven, graduating LDCs could request targeted measures in support of their developmental needs.



The EU remained committed to aid for trade, and to help graduating LDCs achieve a smooth transition.

Kedar Bahadur Adhikari, Secretary, Ministry of Industry, Commerce & Supplies of Nepal, said that while Nepal has met the criteria for graduation, the UN Committee for Development Policy has not recommended Nepal for graduation because of concerns about the sustainability of its development progress. He highlighted that while Nepal had met two out of three indicators, it was well below the graduation threshold in terms of income. He expressed concern about the loss of special treatment for the LDCs following graduation and called for support measures and exceptions to be taken in this respect. While the earthquake in 2015 had had a long-lasting negative impact, progress was still being made. Following successful elections in 2017, all levels of government were now functional. GDP growth has been 6% over the last three years and Nepal has the objective to become a middle-income country by 2030. Nepal recently concluded a transit agreement with China and aimed at similar agreements with other countries to link more customs points with railways and improve access to the sea.

Ratnakar Adhikari, Executive Director of the Enhanced Integrated Framework, highlighted that the EIF was supporting LDCs and graduating LDCs in five areas, including: (i) the reduction of trade costs through investment in trade facilitation measures and development of quality infrastructure; (ii) the integration into value chains and identification of new sources of growth; (iii) the exploitation of opportunities of digital technologies including through eTrade readiness assessments; (iv) market diversification towards regional markets and South-South markets; and (v) the attraction of private sector investment through partnerships with investment promotion agencies. He highlighted that the EIF continues to provide support to graduating LDCs for five years after their effective graduation.

Harold Tarosa, Director of Customs and Inland Revenue said that major challenges to Vanuatu's development included distance to markets, vulnerability to climate change, dependence on tourism and exports of kava, and the need to enhance opportunities for women and youth. Challenges from graduation include the lack of awareness and uncertainty, new tariffs for beef and coconut, and loss of LDC-specific support provided by the Global Environment Facility and the EIF. With regard to aid for trade, development partners have indicated that they would continue supporting Vanuatu

beyond graduation. To prepare for graduation, the Government has established a graduation committee, and would like to use graduation to celebrate Vanuatu's progress in development and its openness for business, investment and tourists. As part of its transition strategy, Vanuatu is engaging with key partners, including the EIF, EU, as well as with Japan on market access for beef and concessional loans.

As part of the discussion and concluding remarks, it was highlighted that while graduation may pose some challenges, it is a milestone in a country's development path and support measures can help graduating LDC achieve a sustainable graduation. Experience sharing and coordination among development partners is important for a smooth transition. Finally, it is important to update the graduation criteria, in particular with respect to economic vulnerability.

Reporter: WTO



SESSION 62: Side Event "Adding Value: Quality infrastructure for sustainable development"

Organizers: State Secretariat for Economic Affairs, United Nations Industrial Development Organization

OPENING REMARKS

› **Monica Rubiolo**, Head of Trade Promotion, Swiss State Secretariat for Economic Affairs

MODERATOR

› **Sharonmae Shirley**, Co-Chair of the ILAC-IAF Joint Development Support

PANELLISTS

- › **Bernardo Calzadilla-Sarmiento**, Director, Department of Trade, Investment and Innovation, United Nations Industrial Development Organization
- › **Ian Dunmill**, Assistant Director, International Organisation of Legal Metrology
- › **Sean MacCurtain**, CASCO Secretary, International Standardization Organization
- › **Willy Harrison Muyila**, Deputy Director General/ National Project Coordinator, Malawi Bureau of Standards
- › **Martha Janneth Neira**, Director, Laboratorios M&N y cia Ltda, Colombia
- › **Herman Wisse**, Managing Director, Global Sustainable Seafood Initiative

Trade is increasingly embedded within global value chains (GVCs) and governed by quality standards and regulatory requirements. Despite trade liberalization and globalization, many developing country exporters still face substantial challenges in meeting and proving conformity with market entry requirements, thereby affecting their ability to trade competitively. Quality infrastructure (QI) systems, which ensure quality and compliance with standards and international market requirements, enhance the competitiveness of value chains and facilitate their connectivity to local and global markets.

This session will discuss how robust QI systems better position developing economies to achieve sustainable development, safeguard the wellbeing of people, create economic prosperity, and protect the planet. In Malawi, enhanced metrology capacity brought benefits to Malawian citizens by providing improved protection of consumer rights. In Colombia, strengthened QI services improved the capacity of the cosmetic sector to comply with standards and regulatory requirements in export markets, thereby generating employment for local people and fostering socio-economic development. In Indonesia, upgraded quality infrastructure services for the seafood value chain, and skills and knowledge development of women farmers through improved farming practices contributed to sustainable utilization of oceanic resources.



Short summary

The aim of the session was to highlight the importance of quality infrastructure (QI) for the attainment of the SDGs. Within that framework, speakers outlined the contribution of various elements, including standardization, metrology, accreditation and conformity assessment. Some country-specific examples of successful implementation of QI were provided.

A holistic quality infrastructure (QI) system consists of institutions and services in standardization, metrology, accreditation, conformity assessment and market surveillance. It provides trusted measurement, proves consistent compliance, informs of accountable performance and facilitates international trade. During the session, QI practitioners from national and international organizations presented how robust QI systems add value to efforts by, and better position, developing economies to achieve sustainable development, safeguard the wellbeing of people, create economic prosperity, and protect the planet.

By showcasing the impact of quality infrastructure to sustainable development, the session highlighted the many ways in which metrology protects, for example, consumers in Malawi, thereby ensuring the needs of people are met; how the upgrading of the quality infrastructure system in Colombia enabled more exports, thereby promoting prosperity; and how standards improve sustainability in the Indonesian seafood sector, thereby protecting the planet.

It was stressed that, supporting developing countries in establishing a modern QI system could help them to overcome those substantial challenges in meeting and proving conformity with market entry requirements. Related efforts and cooperation by international development partners could contribute greatly to strengthening their ability to produce effectively, trade competitively and further to advancing their strategies, policies and actions for achieving all 17 Sustainable Development Goals.

UNIDO launched and presented its new publication "Sustainable Development & the Future of Quality Infrastructure", which emphasizes the fundamental enabling function of an appropriate quality infrastructure for the 2030 Agenda for Sustainable Development and its support for each SDG.

Long summary

Monica Rubiolo, Head of Trade Promotion, Swiss State Secretariat for Economic Affairs (SECO) opened the session by stating that global trade had been governed by safety, quality and market requirements, while many developing countries still faced difficulties to access global markets, constrained by insufficient capacity of quality infrastructure institutions and services to prove compliance with market requirements. In her speech, it was stressed that a well-functioning QI was a prerequisite for integration of developing countries and their local value chains into the global market and therefore for their sustainable trade development. SECO had been supporting quality infrastructure development for many years, emphasizing the importance of quality infrastructure services, such as testing, certification and calibration.

Drawing from various projects and practical experience in many developing countries, she further introduced the approach developed by SECO in cooperation with UNIDO, pointing out that quality infrastructure development should be demand-driven and based on market needs. It was noted that the new approach on quality infrastructure development focused on providing targeted quality infrastructure services along specific value chains and would span from governance, quality infrastructure institutions and services, to enterprises and consumers. This systematic and unique approach was reflected in the Global Quality and Standards Programme (GQSP) funded by Switzerland and implemented by UNIDO in eight countries, on four continents, which included: enhancing the capacity quality infrastructure institutions; strengthening private sector capacities to comply with market requirements and creating demand for quality.

Finally, it was emphasized that a well-established quality infrastructure system was a key driver for trade competitiveness, better health, increased safety, thereby contributing to the achievement of the Sustainable Development Goals (SDGs).

Willy Harrison Muyila, Deputy Director General/ National Project Coordinator, Malawi Bureau of Standards (MBS) recalled challenges in Malawi with respect to consumer protection and delivering the right quantity and quality of goods from businesses to consumers. He noted that MSMEs are the backbone of the economy, and that UNIDO had been providing support to develop a QI system. By giving examples, he



further presented how enhanced metrology capacity contributed to consumer protection in Malawi.

Internationally traceable and calibrated measuring vessels used by MBS for calibrating the dispensing pumps of petrol stations throughout Malawi guaranteed that the right quantity of fuel was discharged. MBS were also capable of providing modern mobile volume calibration services and identifying purity of petroleum products. Accreditation to international standards ensured that MBS capacity to test and certify so consumers were protected from substandard products and food contamination.

Ian Dunmill, Assistant Director, International Organisation of Legal Metrology (OIML) explained how metrology was essential for the enforcement of laws and regulations aimed at protecting health and safety of people and as part of a modern quality infrastructure system, and a sound metrology system was vital for the achievement of effective health and safety policies. He indicated that, in order to provide accountable measurement, the capacity of a national metrology system had to be built in terms of scientific, legal and industrial metrology.

It was further pointed out that many developing countries faced new challenges due to the increased complexity of measurements. To build a robust metrology system, developing countries needed to: (i) establish a strengthened legislative and institutional environment; (ii) develop and upgrade their National Metrology Institutions to be recognized nationally, regionally and internationally; (iii) enhance type approval, verification services to serve their local value chains, imports and exports; and (iv) provide certification of calibration services in support of legal metrology services that are accepted nationally, regionally and internationally.

Martha Janneth Neira, Director, Laboratorios M&N y cia Ltda, Colombia spoke on behalf of more than 1,000 small and medium-sized enterprises in the Colombia cosmetics sector that benefited from strengthened quality infrastructure services in particular conformity assessment. She explained that, due to heavy regulation of the international cosmetics production and trade, the cosmetics sector faced challenges, including: lack of awareness of the competitive advantage and economic implications provided by standards compliance; insufficient national capacities to assess compliance of ingredients, production processes and final products; and just a few companies in Colombia certified to international standards which limited the

sector's access to some high-end markets. Among the successes, she pointed to the 1,000 companies that had benefitted, and the 3,400 people that had been trained. Direct employment in the industry increased by 2.2%, and national cosmetics production increased by 11.7%.

She further explained how the Safe+ project strengthened in a holistic way the technical capacities of Colombia's key quality infrastructure institutions for the cosmetics value chain, in particular those conformity assessment bodies by maintaining national measurement standards and internationally traceable calibration services, the National Metrology Institute (INM) was strengthened capable of providing reliable and accurate measurement services. The National Accreditation Board (ONAC) strengthened the National Quality Subsystem (SICAL) for the cosmetics sector, and thereby conformity assessment service providers could be attested independently to satisfy the local and international markets and authorities. Testing labs had also been enhanced against best international practice and could provide internationally recognized services, demonstrating the quality of products.

As a result of the systemic approach, the cosmetics sector in Colombia had benefited considerably: more than 3,400 people had been trained and their technical competence was improved; 5 public national institutions, 16 testing laboratories, 24 companies and 2 associations of small producers were strengthened through receiving deep technical assistance; and some 1,000 companies had benefited. She further that reported that strengthening quality infrastructure along the cosmetics value chain helped reduce rejections of products at the border and therefore increased the exports and created prosperity in the cosmetics sector. From 2015 to 2017, direct employment was increased by 2.2%; sanitary risks were reduced by 17% and non-conformities by 43%; and national cosmetics production was increased in 11.7%.

Sean MacCurtain, CASCO Secretary, ISO said that conformity assessment is an equalizer, as it provides a platform for firms in developing countries to demonstrate that their products could compete with products from developed countries. He commented that compliance to standards and technical regulations enabled and drove trade flows, especially in heavily-regulated sectors such as cosmetics exports to developed markets. Enhanced conformity assessment system and its services provided trustable testing and inspection results, to verify and demonstrate compliance to foreign regulatory bodies and clients,



and therefore improved trade competitiveness, added value to local value chains and enabled exports from developing countries. He further stressed that mutual recognition of conformity assessment results, which was advocated by the WTO/TBT Agreement, could help avoid duplicative or multiple testing or inspection and to reduce or remove technical barriers to trade.

However, many developing countries still lacked capable conformity assessment institutions and services, which barred their integration into the global value chains. He further suggested that strengthening capacity of conformity assessment services against international standards (e.g. ISO/CASCO toolkit) and requirements facilitated mutual recognition or acceptance of conformity assessment results and therefore could build trust and reduce cross-border trade costs, which further contributed to private sector development and export diversification.

Herman Wisse, Managing Director, Global Sustainable Seafood Initiative (GSSI) noted that ensuring sustainability of seafood value chain was an opportunity to support the advancement of the SDGs in particular to protect the planet and its resources. Seafood sustainability should scrutinize those multiple dimensions of sustainable development, such as creating employment and income in aquaculture and fishing, improving living conditions of fisheries communities and maintaining biodiversity in oceans. He stressed that private initiatives could contribute to transforming the sector and supporting its sustainable development. An eco-system of quality infrastructure involving private schemes would allow affordable proof of sustainability (economic, social and environmental) and global harmonization and benchmarking necessary to create trust and accountability. He explained that GSSI brought together stakeholders from across the sector to address global seafood sustainability challenges. GSSI creates global alignment in seafood certification and is the one-stop-shop for credible seafood certification schemes. A strong partnership between the public and private sectors was needed to better support development of the seafood value chain.

Bernardo Calzadilla-Sarmiento, Director, Department of Trade, Investment and Innovation, UNIDO concluded that fulfilling SDGs required a radical change in economic activities, social practices, and human behaviour, moving from steady economic growth to a sustainable development paradigm. Establishing an appropriate QI system could assist nations in driving the required changes

and strengthening quality infrastructure institutions could add value to efforts by developing countries in building prosperity by promoting economic growth through trade, protecting the planet by ensuring environmental sustainability, and promoting societal wellbeing by meeting the needs of people. To sum up, UNIDO launched and presented its publication on "Sustainable Development and the Future of Quality Infrastructure" that informed the importance and the impact of quality infrastructure for sustainable development and outlined future needs especially in the context of new industrial revolution and digital economy.

Reporter: WTO



SESSION 63: Side Event "Enhancing sustainable value chains: The role of Aid for Trade"

Organizers: European Commission, Directorate-General for International Cooperation and Development, International Trade Centre, United Nations Economic Commission for Europe

MODERATOR

› **Axel Pougín de la Maisonneuve**, Deputy Head of Unit, Directorate-General for International Cooperation and Development, European Commission

PANELLISTS

- › **Chloe Allio, Head of Sector**, Investment Climate, Trade and Sustainable Value Chains, Directorate-General for International Cooperation and Development, European Commission
- › **Elizabeth Nsimadala**, President, Eastern Africa Farmers Federation
- › **Maria Teresa Pisani**, Economic Cooperation and Trade Division, United Nations Economic Commission for Europe
- › **Harm Voortman**, Managing Director, Anatrans
- › **Joseph Wozniak**, Head, Trade for Sustainable Development, International Trade Centre

Industrialization and diversification of many developing countries' economies remain limited with a strong dependency on commodities and low-end primary production where share of value added is low, limiting income generation and socioeconomic development. In this context, a priority for Aid for Trade is to support value chain development and upgrading, with a view to help developing countries integrate better into regional and global value chains, to support economic growth and job creation, economic diversification and creation of local value addition.

At the same time, another key priority for Aid for Trade is to enhance sustainability and due diligence of companies within global value chains and to support implementation and compliance with social and environmental standards within value chains, in order to ensure that economic growth goes hand in hand with decent work and environmental sustainability in developing countries. This covers tackling issues such as working conditions, protection of human rights or use of natural resources in global and regional value chains, including in sectors where risks are particularly high. As part of these efforts, increased traceability and transparency of value chains is recognized by many stakeholders as an essential step for companies in performing due diligence throughout their global supply chains. However, achieving progress in this area is a major challenge, due to the fragmented production in global value chains and sometimes to the prevalent practice of illegitimate subcontracting and undeclared informal work.

This session will debate how Aid for Trade can support value chains upgrading and creation of value addition, together with enhanced sustainability in various value chains, with view to turn challenges into new opportunities to developing reliable industries, and to create a level playing field for the actors/workers in value chains, from raw material to final products. The session will draw learnings from the experience of projects and stakeholders in specific sectors, and debate the challenges and opportunities to supporting stakeholders' efforts in this area.



Short summary

The session, co-organized by the European Commission (DG DEVCO) and by the International Trade Centre (ITC), explored the role of Aid for Trade to enhance both upgrading and sustainability in value chains with a cross-sectorial approach, and discussed how to turn challenges into opportunities. Supporting the insertion of partner countries into regional and global value chains is a key policy objective at EU level, which supports value chains upgrading through a wide range of projects, and enhanced sustainability in value chains, including in certain sectors at risk such as conflict minerals and garment.

In the agriculture sector, the President of the Eastern Africa Farmers Federation underlined that Aid for Trade had a key role to play into addressing issues such as capacity building for farmers throughout the value chain, convening farmers into cooperatives and trade associations, enhancing access to finance for smallholders. It was also key to ensure involvement of beneficiaries in the priority setting of the interventions.

In the garment and footwear sector, the improvement of transparency and traceability was a priority. Representatives from the UN Commission Economic for Europe (UNECE) and ITC presented a joint project, supported by the European Commission, aiming at developing global standards for tracking and tracing the value chain in the footwear and the garment sector (UNECE), as well as an IT platform (the Gateway) developed by ITC to enhance transparency of the value chain, relying on a common framework for social and labour audits, and connecting brands and suppliers worldwide.

Long summary

The session was co-organized by the European Commission and the ITC, and moderated by **Axel de la Maisonneuve, Deputy Head of the Private Sector and Trade Unit at DG DEVCO**. The session explored the role of Aid for trade to enhance both upgrading and sustainability in value chains with a cross-sectorial approach, and discussed how to turn challenges into opportunities, creating a level playing field for the stakeholders.

Global value chains are a catalyst for accelerating changes in international trade and investment, which reflect the process of globalization and the increasing fragmentation of production. Aid for Trade can support

the integration of developing countries into global and regional value chains, contributing to economic diversification, job creation and economic growth. However, it does not include *per se* sustainability and inclusiveness's concerns. Increases in value added are not automatically reflected by an improvement in terms of sustainability, and that targeted interventions can help developing countries to reduce poverty and boost inclusive growth through international integration. Building on the SDGs, Aid for Trade has a role to play in addressing responsible business practices, social, environmental and human rights concerns.

Chloé Allio, Head of Sector at the Private Sector and Trade Unit at DG DEVCO, gave an overview of the EU's approach to support value addition and upgrading, and to enhance sustainability in regional and global value chains. The EU was the first AfT donor in 2016, and one third of its overall Official Development Assistance funds were directed towards trade projects, mainly in Africa.

Supporting the insertion of partner countries into regional and global value chains is a key EU policy objective, anchored in the new European Consensus on Development, the new Africa-Europe Alliance Communication, the External Investment Plan and the updated EU Aid for Trade Strategy.

The EU supports value chains development and upgrading through market analysis (such as the Jobs and Growth Compacts) and through a wide range of projects aimed at strengthening value addition through enhancing the capacities of value chains actors and boosting entrepreneurship, trade facilitation, or quality infrastructure.

Projects included the: MARKUP Programme upgrading of agri-value chains in East African Community €35M (implemented by ITC, GIZ, UNIDO); Support to the Industrialization and the productive sectors in the SADC region (€18M) (targeting value chains support at regional level, leather and antiretroviral drugs) (GIZ, SADC Secretariat)

The EU supported enhanced sustainability in value chains through its overall support to Responsible Business Conduct through a mix of voluntary policy measures and complementary regulation (for instance the non-financial reporting directive, and regulations on conflict minerals and timber), its support to enforcement of international standard (such as ILO Conventions, OECD Guidelines, UN Guiding Principles on Business and Human Rights). Aid for Trade played



a role in promoting sustainability value chains, through policy dialogue and technical assistance, and a wide range of projects including multi-stakeholder partnerships.

More was done in certain sectors particularly at risk. In the garment sector for instance, the Commission Staff Working Document released in April 2017 outlined the EU response towards more sustainable garment value chains in the Union's development policy, with a focus on three priority areas: Decent work: examples of projects include the Better Work Programme (ILO-IFC) tackling child and forced labour in cotton supply chain, G7 Vision Zero Fund on occupational Health and Safety;

Women Economic Empowerment: examples of projects include the Ethical Fashion Initiative (ITC) in Burkina Faso and Mali; Smart Myanmar with the Sunday Cafes; Transparency and traceability: examples included the Gateway, an IT platform developed by ITC, and traceability standards (UNECE) projects underway.

Elizabeth Nsimadala, President of the Eastern Africa Farmers Federation, voiced the concerns smallholder farmers, national organisations, cooperatives and women from ten Eastern African countries. She highlighted the importance of trade for economic and political development, as well as the role of Aid for Trade in reducing fixed costs and entry barriers. Aid for Trade must play its part in bridging the gap and the challenges the different actors faced along the value chain when trading. A few gaps identified in supporting value chains where sustainable Aid for Trade had a key role to play included enhancing the capacity of the actors, including farmers, to enable them to do business, not only in the market but along the entire value chain. This implied enabling farmers to understand better the production aspects (agronomic information, application of fertilizer), the post-harvest management (including storage and standards), etc. Also important was providing the necessary tools to enhance decision-making in trade. Convening farmers into business associations and cooperatives to support them tackling land fragmentation, market demand on quality and quantity was another important task, as was enhancing access to finance for the agricultural sector (guarantee funds, insurance schemes etc).

From the Farmers Federation's perspective, the way forward is to structure Aid for Trade as a catalyst with a holistic approach on the value chain. She advocated for a more active participation of the stakeholders in the design, implementation and evaluation of the aid

programmes. It was key to ensure involvement of beneficiaries in priority setting. Evaluating past Aid for Trade interventions, scan them to assess their strengths/weaknesses and scale them up when successful, was key for effectiveness.

Maria-Teresa Pisani from the Economic Cooperation and Trade Division at the UN Commission Economic for Europe (UNECE) presented the UNECE strategy for addressing sustainability, with a particular emphasis on the clothing sector. She gave an overview of the challenges in the garment and footwear value chain. Fashion industry leaders and policy makers had come up with a list of priorities to make the fashion industry more responsible. A key priority was enhancing the transparency and the traceability of the garment and footwear value chain since it was paramount for all players to ground their sustainability claims on a comprehensive knowledge of their value chain from the raw materials to the final product.

UNECE found that 30% of the companies track and trace their value chain, however it was bounded to the first tier, their immediate client and supplier. The information did not flow throughout the whole chain. Enhancing the traceability and transparency of the value chain was therefore a core priority to enhance consumer trust, better manage reputational risk, support more efficient resource management (consumption of resources reduction), and enhance the communication with the partners.

In partnership with the European Commission and the ITC, UNECE had launched a project to develop global standards for tracking and tracing the value chain in the footwear and the garment sector. The goal was to have a standardized mapping of all the business processes in the value chain, of the business interactions, of all the data and information exchange to make sure that data and information could flow easily along the entire value chain.

UNECE relied on its wide experience in traceability standards, already developed in the agri-food and the fisheries sector. Furthermore, the project would also work on supporting a policy and regulatory framework for the implementation of the programme using a series of pilots. This would notably include the use of the block chain technology and engaging producing countries in the upstream part of the chain. About 100 experts representing brands, academia, business associations, NGOs, SMEs had expressed interest to join the project.



Joseph Wozniak is Head of the Trade for Sustainable Development (TS4D) programme at the ITC presented the strategy of the ITC with respect to sustainable development in a GVCs context. The macro-level is about Global Public Goods and the online Sustainability Map Platform developed by the ITC. The database stores standards types (private standards, code of conducts, users' self-assessments). It enabled a company to understand where their code of conduct stands, opening up sourcing opportunities and also creating a level playing field in regard to social and environmental criteria. The market analysis consisted on one hand in helping companies to understand how compliant they are with respect to international standards, and on the other hand to monitor the growth of the markets for sustainable products.

The Meso-level represented the advisory services at all stages of the value chain with IT-based value chain solutions in the garment and agriculture sectors, and standards benchmarking analyses. The Micro-level was mainly directed to supporting SMEs to foster their capacity building in several areas such as voluntary sustainability compliance, climate resilience, supporting them to prepare commercially viable business plans. It also provided expert coaching at all processing levels, engaging with local partners to ensure long-term commitment.

The ITC's project underway in partnership with the European Commission and UNECE was about enhancing transparency and traceability in the garment sector. A large number of garment brands had gathered to agree upon an IT platform relying on a common framework for social and labour audits, with view to connect brands and suppliers worldwide, to drive down the audit cost for brands and manufacturers, and to improve the sustainability performance.

The final discussion acknowledged the importance of addressing sustainability issues connected to Global Value Chains, as well as the effectiveness of Aid for Trade in helping developing countries to meet the UN's Sustainable Development Goals. This session was very insightful taking a cross-sectorial approach on the role of Aid for Trade to enhancing the sustainability of value chains in the developing countries. As such, the 2019 Global Review on Aid for Trade provided a great opportunity to move forward the collective understanding of these issues.

Reporter: WTO



SESSION 64: Side Event "Nigeria-KOWGO: Indigenous digital solution for achieving SDGs, trade and women's empowerment"

Organizers: Federal Ministry of Trade and Investment, Nigeria, Women Arise Development and Humanitarian Initiative

OPENING REMARKS

- › **Yonov Frederick Agah**, Deputy Director General, World Trade Organization
- › **Edet Akpan**, Permanent Secretary, Federal Ministry of Trade and Investment, Nigeria
- › **Esther Iyabosola Eghobamien-Mshelia**, Convener, Women Arise Development and Humanitarian Initiative

KEYNOTE SPEAKERS

- › **Toyin Adeniji**, Executive Director, Financial Inclusion, Bank of Industry, Nigeria
- › **Hilary Gbedemah**, CEDAW Committee Chair, UN-CEDAW
- › **Betsy Obaseki**, Wife of the Governor, Edo State, Nigeria

MODERATOR

- › **Amy Oyekunle**, Board Member and Regional Coordinator, Women Arise Development and Humanitarian Initiative

PANELLISTS

- › **Adamu Abdulhamid**, Head, Nigeria Trade Office Geneva
- › **Aliyu Abubakar**, Deputy Director WTO, Federal Ministry of Industry, Trade and Investment
- › **Steven Ambore**, Principal Manager Development Finance, Central Bank of Nigeria
- › **Nicole Ameline**, UNCEDAW SDG Working group chair, UN-CEDAW
- › **Anoush der Boghossian**, Trade and Gender Focal Point, World Trade Organization
- › **Mary Ekpere Eta**, Director General, National Center for Women Development

Women's disproportionate access to financial, trade, technology and market opportunities persists as implementation gaps in the delivery of global development frameworks, policies, and protocols. Notwithstanding a host of previous interventions geared at empowering women and the vulnerable in Nigeria and Africa, they still constitute a huge proportion of the population living in poverty.

In response, the KOWGO innovation provides a holistic, digital, gender friendly offline/online Mobile Application that addresses gender inequality, financial exclusion and opens up global opportunities for women entrepreneurs. Working with Intel and the Bank of Industry, Nigeria, KOWGO has been deployed to provide financial literacy on the go while its Business Management component (BIMMS), offers digital/technology that helps women MSMEs manage finances, keep records, generate financial reports thereby facilitating business tracking, loan access, repayment and recovery.

KOWGO contributes directly to the achievement of SDGs 1-3, 5, 8, 10, 12 and 17; national financial inclusion objectives and Nigeria's social protection scheme. Going forward, WADHI will scale partnership scope in conjunction with critical stakeholders to enable:

1. Business Incubation Services, Sustainable Trade Facilitation and Product Standardization Centres.
2. Access to Commodity Funding
3. "KOWGO" Roll-out to other African countries as model techno-solution for financial inclusion, trade and market access.



Short summary

This session highlighted the persistence of women's limited access to financial, trade, technology and market opportunities as implementation gaps in the delivery of global development frameworks, policies, and protocols. In response, the KOWGO (Women on the go) initiative provided a holistic, digital, gender friendly offline/online Mobile Application that addressed gender inequality, financial exclusion and opened up global opportunities for women entrepreneurs. Discussion and exchanges focused women's empowerment through digital solutions, and how WTO can provide assistance in terms of reaping benefits from international trade.

Long sumamry

Yonov Frederick Agah, Deputy Director General, World Trade Organization, highlighted the opportunities of technological changes to unlock opportunities deriving from e-solutions to empower women and girls. He mentioned the challenges in addressing digital exclusion which can be done through collaboration among entrepreneurs, private sector, governments and development partners. He recalled the different initiatives undertaken within the WTO, notably the WTO Work Programme on e-commerce and more recently the Buenos Aires Declaration in 2017, which is a collective initiative to increase the participation of women in trade.

The **representative of the Permanent Secretary of the Federal Ministry of Trade and Investment** highlighted solutions to tackle the challenges faced by entrepreneurs, notably the access to critical infrastructure. She called upon donors for more assistance to women entrepreneurs in Nigeria.

Hilary Gbedemah, CEDAW Committee Chair, UN-CEDAW, reiterated the role of women in rural development, and access to land and productive capacity. She mentioned difficulties in accessing land, capital and credit - which had implications for business. She highlighted the need to mobilize women for greater trade participation.

Esther Iyabosola Eghobamien-Mshelia, Convener, Women Arise Development and Humanitarian Initiative, presented the benefits of KOWGO in helping women entrepreneurs.

Toyin Adeniji, Executive Director, Financial Inclusion, Bank of Industry, Nigeria, explained the Bank's role in the largest African social intervention, with financing provided to two million entrepreneurs. Kowgo had potential to scale up.

Nicole Ameline, UNCEDAW SDG Working group chair, UN-CEDAW, said that new technologies could change women's status and eradicate discrimination. Empowerment should be an urgent strategy to achieve sustainable development. She also highlighted the importance of mobilizing the private sector and merging different initiatives.

Mary Ekpere Eta, Director General, National Center for Women Development, emphasized that capacity development and empowerment contributed to poverty reduction. To date 400 beneficiaries had benefited from training and activities in a large array of sectors.

Anoush der Boghossian, Trade and Development Gender Focal point, WTO, stated that women entrepreneurs are not reaping the benefits of international trade. The WTO was trying to fill the gap and presented the challenges faced by women, notably the affordability of financial access, who are using alternative platforms such as mobile banking. Digital banking could also reduce trade costs and open new opportunities for women. She highlighted some recent initiatives such as that of IFC/Goldman Sachs to facilitate access to trade finance for women. She concluded that digitalization was inevitable and stressed the need to educate women on digital tools.

The conclusions highlighted that empowering women was key to achieving other development objectives; and the importance of entering into partnerships with different stakeholders (private sector, ministries) to scale up.

Reporter: WTO



SESSION 65: Thematic Focus Session "Investing in SPS capacity for safe trade and sustainable development"

Organizer: Standards and Trade Development Facility

MODERATOR

› **Carolyn Rodrigues Birkett**, Director, Liaison Office in Geneva, Food and Agriculture Organization

PANELLISTS

› **Joyce Brenda Kisingiri**, Agricultural Inspector, Phytosanitary and Quarantine Inspection Services Division, Department of Crop Inspection and Certification, Ministry of Agriculture, Animal Industry and Fisheries, Uganda

› **Nadia Moreira**, Coordinator of the National Aquaculture Health Programme, Ministry of Agriculture, Livestock and Food, Guatemala

› **Sarada De Silva**, Chairman, Cinnamon Training Academy of Sri Lanka

Enhancing agricultural production and facilitating safe trade are vital for economic diversification and sustainable development. In least developed countries (LDCs) alone, agriculture accounts for up to 60% of GDP, providing employment for more people than any other sector and forming the basis for their food security, export earnings and development (FAO, 2018). Yet, most LDCs face agricultural trade deficits, with exports consisting mainly of unprocessed and primary commodities. Compliance with international sanitary and phytosanitary (SPS) standards can facilitate value addition, diversification and trade, yet this can be costly. It requires investments to address supply-side constraints including strengthening of institutions and laboratories, streamlining regulations and risk-based processes and improving accessibility of skill-based training along value chains. This STDF session will look into the impact of SPS capacity building on inclusive growth from the perspective of public and private beneficiaries in developing countries and LDCs.



Short summary

This session showcased three case stories related to sanitary and phytosanitary (SPS) capacity: the cinnamon industry in Sri Lanka, the flower sector in Uganda and the shrimp industry in Guatemala. Panellists included representatives from each country: Sarada De Silva from Sri Lanka's Cinnamon Training Academy, Joyce Brenda Kisingiri from the Phytosanitary and Quarantine Inspection Services from the Ministry of Agriculture in Uganda, and Nadia Moreira the Coordinator of the National Aquaculture Health Programme in Guatemala. The moderator was Carolyn Rodrigues Birkett, Director of the FAO liaison office in Geneva. The overarching theme of the session was on the importance of investing in SPS capacity and how to achieve sustainable results through capacity building projects.

Long summary

Carolyn Rodrigues Birkett, Director, Liaison Office in Geneva, Food and Agriculture Organization began the session by explaining how trade in food and agricultural products offers a way for farmers, processors and traders in developing countries to increase their incomes and boost economic development. However, limited capacity to comply with SPS measures continues to be an obstacle in this regard.

Sarada De Silva, Chairman, Cinnamon Training Academy of Sri Lanka provided background on the cinnamon industry in Sri Lanka and its relevance to local communities. He explained that 80% of the world's output of true Ceylon cinnamon is from Sri Lanka and that SPS measures can be a major barrier to trade when farmers and processors are not properly trained. A now completed STDF project helped set up the Cinnamon Training Academy that continues to train processors on various food safety topics.

Joyce Brenda Kisingiri, Agricultural Inspector, Phytosanitary and Quarantine Inspection Services Division, Department of Crop Inspection and Certification, Ministry of Agriculture, Animal Industry and Fisheries, Uganda noted that the flower sector employs over 10,000 workers and accounts for over US\$50 million of exports per year. She explained how the STDF project that ran from 2012-2015 helped implement phytosanitary measures to reduce consignment rejections due to pests. She further noted that the project was emblematic of the successful public-private partnerships that STDF encourages.

Nadia Moreira, Coordinator of the National Aquaculture Health Programme, Ministry of Agriculture, Livestock and Food, Guatemala explained how the Guatemalan shrimp sector employs over 13,000 workers and accounts for over US\$70 million of exports per year. Several countries that import fresh shrimp require that Guatemala comply with certain disease surveillance requirements as well as have the diagnostic tests be performed by accredited laboratories. She noted the importance of the public and private sector working together to develop disease-monitoring programmes.

A common thread throughout the session was that women play an important role in these sectors and how their engagement is key in helping to comply with SPS export requirements. The session ended on a discussion about capacity building projects and how sustainability should always be an inherent part of project design.

Reporter: WTO



SESSION 66: Side Event "From Aid for Trade to supporting ACP countries supply-side capacity: lessons from partnership"

Organizers: Organisation internationale de la Francophonie, ACP Secretariat, Commonwealth Secretariat, Organisation professionnelle des industries cotonnières et textiles de l'Afrique de l'Ouest, Agence des Cafés Robusta d'Afrique et de Madagascar

MODERATOR

- › **Hary Andriamboavonjy**, Directrice de l'économie et du numérique, Organisation internationale de la Francophonie

PANELLISTS

- › **Enselme Gouthon**, Président, l'Agence des Cafés Robusta d'Afrique et de Madagascar
- › **Mohamed Joumane**, Industriel textile, Directeur général, Groupe HIKMATEX, Maroc
- › **Abdoulaye Nabole**, Président, Organisation professionnelle des industriels cotonniers et textiles de l'Afrique de l'Ouest (Burkina Faso)
- › **Chékou Oussouman**, Spécialiste de programmes, Organisation internationale de la Francophonie
- › **Teddy Soobramanian**, Coordonnateur du programme Hub & Spokes, Secrétariat du Commonwealth, Londres, Angleterre
- › **Nguyen Minh Tuan**, Industriel textile et Chef du département, Ecole polytechnique de Hanoi

Trade performance of countries in Africa, Caribbean, and Pacific is insufficient despite its great potential and technical assistance provided in trade. Trade flows in these regions remain highly concentrated on a few primary products. The experiences gained through cooperation with the European Union, the African, Caribbean and Pacific Group of States, the International Organization of La Francophonie and the Commonwealth (Hub and Spokes programme), as well as the Enhanced Integrated Framework, have helped strengthen supply capacities, but much remains to be done, particularly in increasing competitiveness through global value chains.

In view of the new ACP-EU post-2020 partnership and the implementation of the African Continental Free Trade Area, the OIF, the Commonwealth, and the ACP Secretariat have devised new technical assistance that covers the issue of economic diversification through trade and investment. The workshop will review new programmes giving prominence to industrial cooperation through co-investment partnerships and joint ventures in sectors with high economic potential such as cotton-textile-clothing, coffee, cashew and wood within the South-South and North-South value chains.



Short summary

Organized by the OIF, the session highlighted examples of Aid for Trade in the framework of South-South and Triangular cooperation. Participants placed emphasis on the importance of value chains in key sectors of the economies of developing francophone countries (cotton, coffee, shea butter). The session presented examples of best practice and capacity building that have taken place in (mostly in West Africa).

At stake was building sustainable industries, sometimes in least developed countries, and create the much-required jobs necessary to induce growth and reduce poverty. ACP states were refocusing their strategies towards private sector financing, value chains in key sectors, and the African Union had just launched the African Continental Free Trade Area (AfCTA).

The updated EU Aid-for-Trade strategy for 2017 would support African integration and the development of trade and investment. The session went on to discuss how cooperation between Morocco, Burkina Faso, the OIF and OPICT had delivered infrastructure permitting the local transformation of locally produced cotton.

The EU, ACP States, Morocco and Cameroon had boosted the transformation capacity of the ailing Cameroonian cotton industry and obtained encouraging results that could hopefully be extended to other developing countries.

Vietnamese textile industrials had enhanced their producing power and expertise and were ready to engage in technology transfer and investment in cotton producing countries.

Coffee, another key sector, faced challenges similar to those of cotton. They included low commodity prices and low domestic consumption. Cooperation with ACP and the EU had led to the development of innovative flavours in coffee and research pointing towards a better understanding of local tastes. Additional and sustained aid-for-trade support was called to build further capacity in production, transformation and export of goods locally produced from raw material.

Long summary

In his opening remarks, **Dong Thê Quang, Director ad interim, Francophonie économique**, spoke of the session jointly organized by the Commonwealth and the OIF, two years prior, at the 2017 Global

Review of Aid for Trade. That event had dealt with the structuring of value chains in high-potential sectors of the economy. He said that the current session was intended to showcase the results and best practices encountered since then and would encourage the pursuit of efforts to build the supply capacity of Francophone countries – in particular in high potential sectors. Next, he announced the start of the 2019-2022 cycle of promotion of the Francophonie, during which measures would be taken aimed at implementing the structuring of value chains, supply capacity building, and the establishment of North-South and South-South trade cooperation (including on the basis of tripartite cooperation).

Recalling the difficulties affecting the multilateral trading system, **Chékou Oussouman, Programme Manager, Organisation internationale de la Francophonie (OIF)**, invited participants to take a fresh look at the world and imagine tomorrow. Ten billion human beings, of whom 2.5 billion Africans, would be aspiring to prosperity, inclusiveness and sustainable development. The OIF, with its 88 member States spanning five continents, was not immune to the credibility crisis. He then commented on the inequalities affecting countries as the world was experiencing its wealthiest period ever. Even within Africa, countries such as Equatorial Guinea (with a per capita GDP of US\$8-12,000) stood in stark contrast to countries such as the Central African Republic or the Democratic Republic of the Congo (with a per capita GDP of US\$500-600). He wondered how the LDCs could double, triple or multiply by ten their average revenue in order to one day reach the key threshold of US\$2,000.

To respond to that challenge, the OIF presented a connectivity programme through trade, investment and financing for Francophone regions and countries. In order to encourage capital flows, the programme sought to make the various economic systems interoperable and promote North-South, South-South and tripartite investment. Talks were underway with the ACP Secretariat, the European Commission and UNIDO to establish models of co-investment based on value chains and to learn from the regions that had been successful.

Viwanou Gnassounou, Assistant Secretary General, Sustainable Economic Development and Trade, Africa, Caribbean, Pacific Group of States, said that his organization was trying to undo what had gone wrong with the ACP-EU partnership. The 43-year-old partnership that had been founded on market access and trade had not brought significant growth to ACP



countries in terms of global trade; nor had it made significant strides on the EU market. ACP countries were largely still exporters of raw materials and therefore of jobs to the EU – a dynamic which the ACP countries wished to change. Innovative approaches could speed up progress and enable ACP countries to emerge by 2030. Discussions underway were aimed at preparing those States for such an eventuality in the framework of post-Cotonou negotiations, especially with regards to trade. That approach had changed now that the ACP-EU free trade agreement was no longer on the agenda. Instead, ACP States would use economic partnership agreements as a basis, at the level of the continental free trade area, and would examine the needs and visions with a view to turning them into reality.

For the past four to five years, the emphasis had been placed on the private sector dimension within the European Union. That would enable optimized use of public funds with maximum leverage to attract private funds and positioning in sectors with potential that had the highest processing capacities (coffee, cotton or rum in the Caribbean). Those sectors had the potential to generate sustainable jobs by having little impact on the environment.

Bertrand Jolas, Policy Officer, Trade and Private Sector, Directorate-General for International Cooperation and Development, European Commission, reminded participants of the current trade environment marked by the continent free trade area agreement and significant institutional change within the EU. A new parliament wanted to change the type of partnership that existed between the EU and the ACP.

He mentioned the EU External Investment Plan, which would lead to a significant increase in the resources needed to foster industrial development in African countries. The Plan, which in 2019 only concerned Africa and EU-neighbouring countries, would be extended to other continents as of 2021 for a duration of seven years. The EU's Aid for Trade strategy had been reviewed in 2017. It had set objectives in terms of mobilizing different political tools. Economic partnerships and partnership agreements were anchored to support the continental process. Close cooperation with the African Union had been intended to address very specific needs when the continental free trade agreement was being fleshed out. The EU's Aid for Trade strategy was like a catalyst for the real drivers of development – trade and investment – to deliver their results.

Abdoulaye Nabole, President of the Professional Organization of West African Cotton and Textile Manufacturers (OPICT), explained why his Organization had joined efforts with OIF. In West Africa in the past, the region's ambition, through its cotton-textiles agenda, had been to process at least 25% of its cotton locally. However, the funding to build up that textile industry had been missing. Things had changed since then, with the main stakeholders and multilateral institutions turning towards an economic approach based on value chains.

In the case of Burkina Faso, the country had a spinning capacity of 5,000 tonnes, which in the first quarter of 2020 would increase to 10,000 tonnes. The remaining cotton processing actors were small-scale operators. The OIF and the OPICT had managed to establish a connection with Morocco which had ordered a large quantity of cotton yarn from Burkina Faso. In a future co-investment project, the OPICT was going to start developing the next phase – industrial weaving – by strengthening know-how in processing cotton into yarn. That would ensure a future as artisanal work was a source of employment for many women and/or young people. Cooperation between the two organizations had been born out of the 2017 Global Review.

At the International Cooperation for Development Fair (SICOD) organized in Burkina Faso in late 2018, the OPICT had floated the idea of a federation able to monitor the market to understand quality requirements and move towards global markets. That was likely to create many sustainable jobs. The OIF was also hoping that such cooperation in Burkina Faso would be a pilot phase that could be extended to other countries, with a view to positioning itself on the African continental market.

Aliyoum Fadil, Deputy, Parliament of the African Community of the Economic and Monetary Union, introduced himself as an MP for the poorest region in Cameroon, with over 70% of the population living in poverty. His visit was aimed at promoting cotton processing (only 3% of cotton was processed onsite). The EU, ACP States and the Commonwealth had facilitated South-South cooperation with Morocco. In 2017, Cameroon was producing approximately 250,000 tonnes of cotton compared with 316,000 tonnes two years later. That had become possible thanks notably to the efforts of the Cameroonian Government and donors. In the region in question, two million persons lived almost exclusively off cotton cultivation. At the domestic level, the sector represented 2.5% of total GDP and 5% of agricultural GDP. Cotton therefore accounted for 4% of national exports and 15% of



agricultural product exports. Cooperation between Morocco and Cameroon enabled recovery of CICAM (Cameroon Cotton Company), a cotton processing firm founded in 1965 that had previously been in great difficulty.

CICAM was experiencing supply problems. The Parliament had pleaded with the Government to obtain cheaper cotton and to combat fraudulent imports. The cotton sector industrialization plan was very encouraging in Cameroon. Its vision was to increase cotton production to 600,000 tonnes by 2025; integrate the industrial processing of the sector to a minimum rate of 50% by 2035; and supply the main State bodies with clothing that contained at least 60% of local cotton. A merger between the cotton-producing company and the cotton-processing company (CICAM) was being studied. Establishment of a new spinning unit in Cameroon with a capacity of 300,000 tonnes was also foreseen.

Professor NGUYEN Minh Tuan, Textile manufacturer and Head of the Textiles Department, Polytechnic School of Hanoi, was of the view that the economic advantages would prompt Vietnamese manufacturers to invest in countries where the raw material was produced, which constituted 65% of the cost price. By way of example, Viet Nam had imported close to one million tonnes of cotton from the United States, with its own production and experience increasing in the area of textiles and clothing. In 2018, Viet Nam had exported cotton worth US\$40 billion.

Mr Said ELAARBAOUI, Expert Adviser, Engineering Adviser for the textile and food industries, Morocco, spoke of his experience as the director of several large textile factories. Morocco had been processing 30,000 of the 50,000 tonnes of cotton it had been producing up to 2003, when State-owned enterprises had been privatized. Following his three-year stint in Burkina Faso, he was convinced that West African cotton could replace Chinese cotton given that the raw material was onsite, and that labour was available. However, several difficulties still needed to be overcome. Along with the engineers and technicians with whom he provided technical assistance to several West African countries, Mr Elaarbaoui continued to press for the processing of raw materials, which would attract investments. Regarding shea butter, innovative solutions existed (e.g. warming the shea butter pot with solar mirrors to avoid having to take it out, preserve the smell of wood and protect the environment).

Enselme Gouthon, President, African and Malagasy Robusta Coffee Agency (ACRAM), recalled that

ACRAM was an intergovernmental organization that involved both the public and private sectors. The Agency brought together countries such as Togo, Côte d'Ivoire, Cameroon, Gabon, Congo and Liberia and would soon also include Uganda. The most frequent problem with coffee was its low price, which left producers vulnerable. In developing countries, that was also the case of cotton and other primary commodities.

There was also another problem that existed in sectors other than coffee (cotton, etc.). The most concrete example was visible in ACP countries and the EU, which were currently positioning themselves in capacity building. In a difficult market, quality was a determining factor that enabled not only control of the market, but also encouraged processing for consumption. Several measures were taken at the subregional level and especially in ACRAM member countries. Initially, there had been a project aimed at promoting domestic consumption initiated by the InterAfrican Coffee Organization (IACO) and the International Coffee Organization (ICO). Certain developing countries were producing but were having difficulty processing their production for consumption and export. In order to address some of those problems, funding had been available and had allowed some projects to get off the ground.

He mentioned another ACRAM project that was supported by the ACP Group and the EU. Funding had already been secured and studies well advanced. It was important, however, to make it a sustainable activity. That necessarily involved a much more structured processing set-up. As part of that cooperation, mixtures of coffee had already been made (Ethiopia, Cameroon, Peru, Honduras, etc.). Furthermore, as domestic consumption was not part of the local eating habits, it was necessary to identify what type of products could be processed so as to be of interest to local consumers.

He then referred to Viet Nam, the world leader in Robusta coffee production (1,500,000 tonnes). ACRAM would travel there to share its experience and study domestic processing and consumption. He added that coffee could also be consumed green and, in that form, also had many virtues. Lastly, he thanked the International Trade Centre which would spearhead implementation of those projects.

Reporter: WTO



SESSION 67: Side Event "Bangladesh, Bhutan, India, Nepal: Connectivity and trade facilitation"

Organizers: CUTS International, Asian Development Bank

KEYNOTE SPEAKERS

- › **Bambang Susantono**, Vice-President for Knowledge Management and Sustainable Development, Asian Development Bank

MODERATOR

- › **Bipul Chatterjee**, Executive Director, CUTS International

PANELLISTS

- › **Gitanjali Chaturvedi**, Senior Social Development Specialist, World Bank Group
- › **Madhu Kumar Marasini**, Joint Secretary (Division Chief), Multilateral Trade and Trade Cooperation Division, Ministry of Industry, Commerce and Supplies, Nepal
- › **Duncan Overfield**, Deputy Head, Asia Regional Team, Department for International Development, United Kingdom
- › **Cyn-Young Park**, Director, Regional Cooperation and Integration, Economic Research and Regional Cooperation Department, Asian Development Bank
- › **Ben Power**, Director, South Asia Division, Department of Foreign Affairs and Trade, Australia
- › **Onno Ruhl**, General Manager, Aga Khan Agency for Habitat

The sub-region of Bangladesh, Bhutan, India and Nepal is undergoing significant economic growth and diversification. Connectivity is increasingly surpassing land towards developing improved infrastructure for rail, air and waterways. This has resulted in increased trade among them. While this is supported by various Aid-for-Trade Initiatives, other factors for a more sustained trade along with empowerment such as impact on women and the youth, livelihood development, resilient infrastructure as well as digital connectivity and skill development remain largely unaddressed.

By focusing on the following questions, this Session will deliberate on good policies and practices to address them as well as the WTO's role in re-orienting its Aid-for-Trade Initiatives.

1. What are the challenges for BBIN countries in diversifying from land to that of rail, air and waterway connectivity?
2. What are the specific opportunities for women and the youth to participate in emerging connectivity initiatives such as the Border Haats, BBIN Motor Vehicles Agreement, Bangladesh-India Coastal Shipping Agreement, etc.?
3. What is the future for Aid-for-Trade Initiatives in BBIN sub-region to support resilient infrastructure and sustainable trade? Is there a case for regional Aid-for-Trade Initiatives? "



Short summary

This session organized by CUTS International and the Asian Development Bank focused on the impact of trade facilitation in the sub-region of Bangladesh, Bhutan, India and Nepal (BBIN). It highlighted the potential of intra-regional trade in this region, which is however faced with numerous challenges such as lack of trust and connectivity issues. Panellists remarked that intra-regional trade among these countries was surprisingly low at 5%, partly due to high costs of doing trade. Regional trade was still scarce, mainly because of non-tariff barriers and a lack of adequate infrastructures. Reducing trade costs would require building greater trust among these countries, better integrate SMES which accounted for over 60% of jobs, harnessing the potential of women, and taking a number of trade facilitation measures to promote trade and inclusive integration of the region. Many opportunities existed in this regard, such as improving existing infrastructures or building new ones. Better regional connectivity, through the construction of efficient communication infrastructure (such as roads, railways, air routes and water routes) would substantially contribute to economic growth thus leading to regional development and to poverty reduction.

Trade facilitation could help overcome the challenges of cross-border trade among BBIN economies by reducing business costs. Indeed, the cost of doing trade remained very high and that undermined potential to fully harness trade, especially given the huge population. To reduce trade costs, policy-makers from these countries needed to take a number of measures to promote trade and inclusive integration of the region.

Long summary

One key challenge for regional transport and trade is to make it inclusive for SMEs that represent 96% of South Asia's enterprises, 62% of national labour forces and 42% of the BBIN sub-region's GDP. Another substantial issue is the lack of trust among these countries. To build a more trustful cooperation it is necessary to implement tools such as platforms for different stakeholders to exchange ideas, needs, information and prospects. It is crucial to build initiative to foster trust among stakeholders including governments, civil society, and the private sector.

Duncan Overfield, Department for International Development, UK highlighted that trade was not stagnating in the region, but its growth was slow which meant that the BBIN countries had not been able to transform their geographical proximity into comparative advantage. On the other hand, energy and electricity had experienced a significant expansion with respect to the overall regional trade: according to Mr Overfield, this was mainly due to the lack of non-tariff barriers (for instance, SPS measures), to the increase in private and public investments and to the transparency of the negotiations about regulatory requirements.

Madhu Kumar Marasini, Ministry of Finance of Nepal, mentioned that trade between the BBIN countries was hindered by regulatory discrepancies as well as connectivity issues linked to the difficulties in fully exploiting the available means of transportation. Nepal considered it crucial to increase the cooperation and the investments in water transport, which would be not only essential to integrate the mountain areas into the regional value chain, but also cheap and environmentally friendly.

Cyn Young Park, Asian Development Bank, and Sabrina Varma, Australian Aid agency, focused on the broader social function of trade and its connection with gender discrimination. Trade had strong cultural effects, since it bridged national identities and reunited families that live across different countries, hence its potential for supporting regional development is terrific, as far as it is inclusive and benefits the most disadvantaged groups.

Both Ms Park and Ms Varma agreed that women's economic empowerment needed to become a key objective within the BBIN trade agenda. It was necessary not only to give more opportunities to women who wanted to participate to the regional supply chain, but also to improve the quality of infrastructure, to increase the security near the frontiers and to organize regional workshops on gender related issues. To fully optimize this potential, the economic and trade vision should be inclusive especially for women who are still suffering from discrimination in all these countries.

The session highlighted the fact that there are still too many structural issues for women empowerment and participation in cross-border trade such as the harassment of women when they try to pass through checkpoints. Economic growth and trade needed to involve disadvantaged people and minority groups in order to maximize benefits. To reach this inclusive



economic and cross-border trade development, political support is essential. Gender-dimension should be integrated in all dimensions of the project and both public and private sectors had a tremendous role to play.

Despite these challenges and barriers, the panellists expressed an optimistic vision reaffirming the substantial economic potential of this sub-region. The enhancement of existing infrastructures or the creation of new ones would permit to develop local economy and integrate the population within a regional trade system. For instance, the improvement of inland water transportation could provide many economic opportunities to the local population.

The final discussion acknowledged the importance of addressing the lack of regional trade among Bangladesh, Bhutan, India and Nepal, and advocated for a stronger and shared political awareness and support with respect to this issue.

Reporter: WTO



SESSION 68: Side Event "Realizing Guinea's economic and social transformation"

Organizer: Guinea

Room B - 15:00-16:00

KEYNOTE SPEAKERS

› **Boubacar Barry**, Minister of Trade, Guinea

Guinea's post-EBOLA economy has taken off again, characterized by the recovery of economic activities and the massive return of foreign investors.

Since then, many projects and assistance programmes offered to Guinea, particularly within the framework of Aid for Trade (ATP) through the Enhanced Integrated Framework (EIF) project, have particularly contributed to supporting this economic boom in various sectors of activity: production, processing, export promotion and development activities, ICT innovations, etc.

Some of these projects and programmes, to which significant financial efforts are being made by the Government of Guinea, such as the African Women's Financial Corporation (MUFFA) system, have achieved some economic empowerment for women, especially in rural areas.

Youth employment, a phenomenon that is currently attracting the attention of government and development partners around the world, particularly in African countries, is at the center of attention. And to achieve this, we have concluded traditional partnerships, programmes to support the socio-economic integration of young people: INTEGRA, etc.

This activity is a framework for information and exchange on the development factors of Guinea's economy and its reforms envisaged for sustainable and inclusive development.

SESSION CANCELLED



SESSION 69: Thematic Focus Session "Aid for trade: a vehicle to build climate resilience"

Organizers: United Nations Environment, European Union

OPENING REMARKS

› **Steven Stone**, Chief, Resources and Markets Branch, United Nations Environment

KEYNOTE SPEAKERS

› **Madelaine Tuininga**, Head of Trade and Sustainability Unit, Directorate-General for Trade, European Commission

MODERATOR

› **Steven Stone**, Chief, Resources and Markets Branch, United Nations Environment

PANELLISTS

- › **Mere Falemaka**, Ambassador, Permanent Delegation of the Pacific Islands Forum to the WTO
- › **Eloi Laourou**, Ambassador, Permanent Mission of the Republic of Benin to the UN and other International Organizations
- › **Aik Hoe Lim**, Director, Trade and Environment Division, World Trade Organization
- › **Eliu Luen**, EIF Manager, Ministry of Trade, Republic of Vanuatu
- › **Madelaine Tuininga**, Head of Trade and Sustainability Unit, Directorate-General for Trade, European Commission

Trade has an essential role to play in creating a more resilient system - one that can resist or adapt to environmental and economic shocks. It can do so by facilitating the exchange of goods, services and technology including environmentally sound technologies required for adaptation, mitigation and disaster preparedness and response. In this way trade contributes to the achievement of the Paris Agreement, SDGs and the Sendai Framework for Disaster Risk Reduction.

Developing countries face the challenge of "double exposure" to both economic shocks and environmental challenges such as climate change and natural hazards, which are becoming more frequent and severe. Investments in low emission, climate resilient agriculture, renewable energy generation, and climate smart infrastructure, for example, could help reduce vulnerability to extreme weather events and build economic resilience.

Aid-for-Trade investments, especially those targeted at productive capacity building and economic infrastructure, present opportunities to build resilience and promote export diversification into green sectors. But should environmental considerations be systematically integrated into Aid-for-Trade investments? How can countries better benefit from Aid for Trade in terms of building resilience and protecting the environment? How can international organizations support such efforts?

This event provides a platform to discuss this timely topic.



Summary

Trade is recognized as an essential means of implementing the 2030 Agenda and a principal driver of the transition to an inclusive green economy. Aid for Trade, which constitutes roughly 30% of total ODA plays an important role in helping countries achieve their development objectives but could better be harnessed for building climate resilience and supporting climate action. Speakers in this session discussed the potential to systematically integrate environmental considerations into AfT projects and programmes.

The speakers from **Benin, Vanuatu and the Pacific Islands Forum** stressed the grave threat posed by climate change and the need for coordinated action to assist countries to prepare, respond, recover and build resilience to the impacts of a changing climate. The EU highlighted how its updated AfT strategy pursues environmental objectives and transformational interventions and mentioned various AfT project examples.

Speakers highlighted the need to reduce barriers to trade in clean technologies (See report: <https://www.unenvironment.org/resources/report/trade-environmentally-sound-technologies-implications-developing-countries>), which can generate environmental and economic benefits and boost resilience.

AfT investments, especially those targeted at productive capacity building in green sectors and sustainable economic infrastructure, were recognized as presenting important opportunities to build resilience and promote export diversification.

The speakers emphasized the importance of the topic for future AfT reviews and the WTO called for consultation with a wide range of stakeholders to take this concept forward. Close cooperation with the private sector and the use of public-private partnerships to facilitate sustainable trade and trade finance was considered crucial.

The event was co-hosted by UNEP and the EU.

Reporter: UNEP



SESSION 70: Side Event "Trade Facilitation and the Sustainable Development Goals: Exploring the synergies and strengthening linkages"

Organizer: Commonwealth Small States Office in Geneva

MODERATOR

› **Annette Mutaawe Ssemuwemba**, Deputy Executive Director, Enhanced Integrated Framework

PANELLISTS

- › **Vanessa Erogbogbo**, Chief of Sustainable and Inclusive Value Chains, International Trade Centre
- › **Stephen Fevrier**, Head of Mission in Geneva, Organisation of Eastern Caribbean States
- › **Shamika Sirimanne**, Director, Division of Technology and Logistics, United Nations Conference on Trade and Development
- › **Arjoon Suddhoo**, Deputy Secretary General, Commonwealth Secretariat
- › **Graham Zebedee**, Director, Wider Europe Negotiations and Development, UK Department of International Trade

2019 marks the 70th birthday of the formation of the Commonwealth as it is configured today, and the theme chosen for this year's activities is "A Connected Commonwealth", contemplating pillars of action for increased cooperation on trade and investment towards inclusive economic growth and development.

Through the Trade Facilitation lens, measures taken to streamline trade procedures and render them more efficient can, not only reduce trade costs and time, but also play a role in advancing a common agenda of development which is both sustainable and inclusive.

The achievement of that double-objective requires strengthening the domestic institutions, rules, frameworks and ecosystems that enable these positive synergies between trade facilitation and sustainable development to come into play, leveraging on existing linkages and exploring ways to further enhance them. Within that background, actions taken to implement the Trade Facilitation Agreement, by their cross-cutting nature, acquire a particular relevance and strategic importance for policy makers. Thus, the objective and purpose of the session is to explore ways in which trade facilitation measures can promote sustainable development and generate positive spill-over effects, contributing to advancing the SDGs agenda more broadly. The session will also be an opportunity for experience-sharing and discussing best practices, with a special focus on empowering women and MSMEs entrepreneurship enhancement.



Short summary

The purpose of the session was to foster a discussion on ways in which trade facilitation measures, by their cross-cutting nature, can promote sustainable development and generate positive spill-over effects in other policy areas that go beyond trade. It also provided an opportunity for sharing experiences and best practices on recent initiatives to advance an inclusive and sustainable trade facilitation agenda, with a special focus on empowering women and MSMEs entrepreneurship enhancement. During the session participants explored ways in which trade facilitation measures, by their cross-cutting nature, can promote sustainable development and generate positive spill-over effects, and discuss the interlinkages and synergies between Trade Facilitation and sustainable development, using the Agenda 2030 as a strategic roadmap. It was also an opportunity for sharing experiences and best practices and learning about recent initiatives to advance an inclusive and sustainable trade facilitation agenda, with a special focus on empowering women and MSMEs entrepreneurship enhancement.

Long summary

Annette Ssemuwemba, Deputy Executive Director, EIF opened the session by identifying links between trade facilitation and specific sustainable development goals, such as Goal 1, Goal 2, Goal 5, Goal 8 and Goal 17. The reduction in trade costs through trade facilitation and the simplification of trading procedures could significantly help countries achieve other policy goals and the session was then dedicated to exploring how best to achieve this.

Arjoon Suddhoo, Deputy Secretary General, the Commonwealth, set the stage for the discussion, highlighting the important role of partnership building between all stakeholders in trade facilitation. He provided further details on the six pillars of actions comprising the Commonwealth Connectivity Agenda and how that framework supports trade facilitation.

Robert Cook, Head of Strategic and Policy Projects, Department for International Development, United Kingdom outlined some of the benchmarks and core features countries must look for in trade facilitation projects and how these in turn shape the UK's trade facilitation aid response.

Shamika Sirimanne, Director, Division of Technology and Logistics, United Nations Conference on Trade and Development, gave an overview of the Organization's extensive work in Trade Facilitation implementation, which adopts an integrated approach with the Agenda 2030 and the SDGs. She highlighted the need for strong internal political will and institutional leadership to ensure that Trade Facilitation projects deliver and come to fruition.

Vanessa Erogbogbo, Chief of Sustainable and Inclusive Value Chains, International Trade Centre, discussed how best to integrate the gender dimension in Trade Facilitation reform and argued for an "ecosystem" approach to ensure the gains of trade are distributed to all, in particular women. She provided further insights into how trade facilitation can address some of the main challenges women face when engaging in international trade.

Stephen Fevrier, Head of Mission in Geneva, Organisation of Eastern Caribbean States, provided a Small State's perspective on the issue, with a special focus on the potential of Trade Facilitation in promoting MSMEs participation and their entrepreneurship enhancement. While he recognized that "Trade Facilitation was not a panacea for development", it could act as a catalyser for it, advocating for a "MSMEs lens" in Trade Facilitation policies.

Reporter: International Trade Centre



SESSION 71: Side Event "E-commerce in francophone countries: Which strategies and what that means for inclusive development"

Organizers: Organisation internationale de la Francophonie,
United Nations Commission on International Trade Law,
United Nations Conference on Trade and Development

MODERATOR

› **Antoine Barbry**, Counsellor for economic and digital issues, Organisation Internationale de la Francophonie

PANELLISTS

› **Isabelle Durant**, Deputy Secretary-General, United Nations Conference on Trade and Development

› **Kadra Ahmed Hassan**, Chair Working Group on Digital Economy, UNCTAD

› **Anna Joubin-Bret**, Secretary, United Nations Commission on International Trade Law

› **Hanitra Randrianasolo**, Professor, Université Paris Sud

› **Lantosoa Rakotomalala**, Minister of Commerce, Madagascar

The launch of the e-commerce Joint Statement Initiative makes the discussions on a sector that can be a powerful tool for economic diversification and inclusion even more important. But the vast majority of developing countries, including many francophone countries, would like to benefit from current data and have a clear analysis on the constraints, potential, and modalities before engaging further on this front.

The purpose of this workshop is, as a first step, to review the state of preparation of these countries in e-commerce from economic and legal aspect.

Secondly, and on the basis of this observation, the session will examine possible strategies and concrete modalities for the development of electronic commerce in order to fully contribute to inclusive diversification.



Short summary

Electronic commerce is now considered as a tool with enormous potential to develop trade flows in countries in the South. However, before fully engaging in this sector, the French-speaking countries of the South must have a clear idea of the issues, potential benefits and constraints in order to draw up a reasoned strategy. The objective of this session was to present an overview of the "Digital Francophonie" before examining the assistance that can be provided by multilateral partners such as UNCTAD and UNCTAD. The recommendations of UNCTAD's working group on the digital economy were also detailed before shedding light on the concrete situation in Madagascar. The session concluded with a presentation of ITC's "e-solutions" programme, in particular the electronic portal "Made in Rwanda" which will be officially launched in early September 2019.

One of the key points emerging from the Report on the Digital Francophonie is that the development of the digital economy is closely linked to the development of analogue infrastructure, so action on the digital economy cannot be disconnected from policies in the traditional economy.

Long summary

Hanitra Randrianasolo, Professor, Université Paris Sud, gave a brief presentation of the report entitled "Rapport sur l'état de la Francophonie numérique". Key messages she highlighted included that to benefit from e-commerce, francophone countries should adopt digital tools, complemented with analog elements. The majority of developing francophone countries were in the category of countries in digital transition, which meant that they had at their disposal tools to promote e-commerce. The digital gap went beyond the internet penetration rate and mobile utilization, and included usage. There was a strong differentiation in participation of francophone developing countries in e-commerce, and it is important to promote values such as diversity and freedom so as to reverse the dominant trend on e-commerce areas.

Anna Joubin-Bret, Secretary, United Nations Commission on International Trade Law presented its work to organize a legal and legislative framework to promote the development of the digital economy. She highlighted two principles that guide the development of the digital economy around the world, including functional equivalence, technological neutrality (i.e.,

the legal framework at the national or international level should not be the hostage of a particular technology); digital identity and trust services. The next area of work for the organization is data trade in order to provide a framework for it. These included the principles of functional equivalence; technology neutrality. She also noted that UNCITRAL was currently exploring work on several legal issues related to e-commerce, and which particularly involved data surrounding the digital economy.

Isabelle Durant, Deputy Secretary-General, UNCTAD shared experience on assisting developing countries, including LDCs where only 2% of the population were involved on e-commerce. She then presented the various tools available to countries in the South to improve their knowledge of the challenges and opportunities in electronic commerce. UNCTAD helped developing countries prepare the state of the digitalization of the economy through the e-readiness assessment, evaluate the logistic required for digitalization and make relevant recommendations which have benefited several French-speaking countries in recent years. UNCTAD also helped countries develop and implement national strategies for digitalization. UNCTAD hopes to work closely with the network of Francophone ministers of the digital economy.

Kadra Ahmed Hassan, Chair Working Group on Digital Economy, UNCTAD. She took the audience through the different questions that the group tried to address, and noted in particular that for developing countries, the main question was that of capacity to utilize new technologies for e-commerce promotion. Developing countries clearly acknowledged the potential benefits of e-commerce, but underlined the need of legal framework on issues such as data protection, consumer protection and cyber-criminality. Countries agree on the potential of data trade but have expressed concerns about the necessary framework, particularly with regard to two aspects: security and taxation. She also indicated that countries' position on issues related to e-commerce in the Working Group varied depending on their development level. Many developing countries made the link between e-commerce and the SGDs, and noted the importance of social inclusion. Finally, the Working Group underlined the lack of sufficient resources for UNCTAD to undertake the e-readiness assessments. Unfortunately, the Working Group, which usually provided recommendations on its work, was not able to do so after discussions on e-commerce. This was due to the complexity and the political sensitivity of the issue.



Lantosoa Rakotomalala, Minister of Commerce, Madagascar presented her country's experience and recalled that beyond all the work that public structures were undertaking on the legal and regulatory framework, it was practice that would dictate the rules. The Minister believed that e-commerce would only develop with the digitisation of the entire economy. She offered a very practical perspective on Madagascar's experience on e-commerce. She underlined the importance of financial inclusion (only 12% of adults had a banking account, and 17% utilized mobile payment) and the legal framework, and indicated in that respect that Madagascar had promulgated several laws on cyber-criminality, data protection, dematerialization, electronic transactions. She also said that Madagascar was in the phase of dematerialization, and that the Government was working on a digital strategy, which involved several Ministries. Finally, she raised the question of the link between e-commerce and the informal sector and the implications for public policy design. She also highlighted the difficulty for a country in the South to carry out all the reforms necessary to develop the e-commerce sector.

The workshop concluded with a presentation by ITC's e-commerce projects, including national portals for online sales of products from Rwanda, Senegal or Morocco. ITC was helping developing countries to implement the recommendations contained in the e-readiness assessment report. These were through several projects, including for example the project "Enabling the future of e-commerce in Rwanda", which helped create an e-commerce Services Centre aiming at serving local and international markets. Another project entitled "Connect WAEMU" purported to facilitate exchanges between WAEMU countries and promoting international trade, notably e-commerce.

Reporter: Organisation internationale de la Francophonie



SESSION 72: Side Event "Addressing market access constraints in regional trade"

Organizer: Common Market for Eastern and Southern Africa

PANELLISTS

- › **Matonga**, Small Scale Horticultural Farmer, Zimbabwe
- › **Martha Byanyima**, Head, SPS/Standards Unit, Common Market for Eastern and Southern Africa
- › **Marlynne Hopper**, Deputy Head, Standards and Trade Development Facility, World Trade Organization
- › **F. Mguni, Director**, Department of Research and Specialist Services, Ministry of Agriculture, Zimbabwe
- › **Lucy Namu**, Quality Assurance and Lab Accreditation, Kenya Plant Health Inspectorate Service

COMESA countries have varying capacities and institutional competencies that create mistrust and non-compliance with trade rules. A critical area is the management of SPS risks and the establishment of procedures to verify compliance with standards and regulations, e.g. inspection, testing and certification in accordance with the WTO Agreements and international standards. The objective of COMESA's SPS and Technical Standards programme is to improve application by governments of international standards, common risk-based approaches/guidelines and best practices to address regulatory barriers that obstruct trade, constrains growth and limits access to markets.

The discussion will look at what is being done and still needs to be done to address market access issues of the private sector in regional integration.

A documentary on the Fruit Fly programme implemented in Zimbabwe funded by the European Union through the COMESA Adjustment Facility will be show cased.



Short summary

This session focused on efforts by COMESA to address market access constraints, especially in trade between the COMESA countries. The discussion was driven by the particular example of efforts in Zimbabwe to deal with the fruit fly problem faced by small scale farmers.

Long summary

Ms. Matonga, a small scale farmer in Zimbabwe, outlined the problems she and other farmers have faced with fruit flies. She recognized that the situation was improving through efforts by the Government, in cooperation with COMESA. While the quality of production had improved, she noted that resources were still limited to achieve an even higher quality to compete internationally. She also noted that there was a lack of knowledge among small scale farmers about proper packaging techniques.

Cames Mguni, Director, Department of Research and Specialist Services, Ministry of Agriculture, Zimbabwe, outlined how Zimbabwe's horticultural exports had picked up in recent years, thanks to assistance provided by COMESA in the context of an EU-funded project to address the fruit fly problem. He noted that the Government was often just a facilitator, and what was important was to continue to engage with the private sector to understand their needs.

Thierry Kalonji, Director of Agriculture and Industry, COMESA, provided an overview of COMESA's assistance to both Zimbabwe and Madagascar to deal with the fruit fly problem. He emphasized the importance of ensuring that products from COMESA countries conform to standards so as to be able to enter foreign markets, and outlined COMESA's efforts in that regard. He also outlined how COMESA was working to put in place one-stop border posts to avoid a duplication of formalities when goods cross borders between COMESA countries.

Marlynne Hopper, Deputy Head, STDF, noted that COMESA was a key partner for the STDF, and provided an overview of two STDF projects concerning COMESA countries. The "Breaking Barriers, Trade Facilitation" project aims to enhance intra-regional trade between COMESA countries by addressing the reasons behind the high cost of meeting SPS technical requirements. The "Prioritizing SPS Investments for Market Access (P-IMA)" project provides a framework to help inform

and improve SPS planning and decision-making processes.

Rajesh Aggarwal, Chief, Trade Facilitation and Policy for Business, ITC, outlined how the ITC could help small scale producers to expand their exports, including by providing market access information, helping develop an export strategy, and improving packaging techniques. He emphasized the importance of an integrated border management policy, in order to ensure the efficient crossing of goods across borders.

Reporter: WTO



SESSION 73: Side Event "Facilitating trade in the digital age: What does it mean for customs"

Organizer: World Customs Organization

OPENING REMARKS

› **Kunio Mikuriya**, Secretary General, World Customs Organization

MODERATOR

› **Milena Budimirovic**, Acting Deputy Director, Procedures and Facilitation, World Customs Organization

PANELLISTS

› **Susanne Aigner**, Head of Unit Customs Legislation, DG TAXUD, EU

› **Norbert Kouwenhoven**, Solutions Leader, Customs, Immigration and Border Management, IBM EU

› **Albert Veenstra**, Scientific Director Dinalog, professor of Trade Facilitation and Logistics, Eindhoven Technical University

Technology-enabled trade, such as e-commerce, is already reshaping customs and government policies and procedures. Devices such as drones and 3D printers are showing signs of potentially impacting the operation of customs and other border agencies. What are the expected implications?

Likewise, how can governments reap the benefits of technologies such as blockchain, artificial intelligence, cloud computing and virtual reality towards enhanced implementation of the WTO Trade Facilitation Agreement and towards boosting cross-border trade? Have strategies for digital transformation been adjusted to the accelerated pace of change? How can the WCO Mercator Programme assist Members to address the challenges and make the most of today's cutting-edge technologies to achieve greater trade facilitation, as one of its key objectives?

Join this session to learn from Customs, academia and the private sector about the scenarios we envisage for the future of border management and their potential impact on better connectedness to global value chains towards enhanced economic diversification.



Summary

The World Customs Organization (WCO) organized a session which focused on forward-looking solutions for trade facilitation based on disruptive technologies such as blockchain, artificial intelligence and machine learning, quantum computing and 5G.

Opening the session, **Kunio Mikuriya, Secretary-General, World Customs Organization** highlighted that digitalization was enabling trade in a range of sectors and across goods and services, referring to the so-called "parcelization" of trade resulting from increased e-commerce. To assist countries in dealing with this issue, he explained that the WCO had developed an e-commerce Package bringing together standards and guidance material. He further described how the use of the latest technologies could transform border management towards enhancing trade facilitation and enforcement capabilities and invited participants to consult the newly developed WCO Study Report on Disruptive Technologies.

In the discussion that followed, **Susanne Aigner, Head of Unit Customs Legislation at DG TAXUD (EU)** explained the role of Customs and the need for modernizing and digitizing procedures, about the technologies used today, as well as those piloted for the future.

Albert Veenstra, Scientific Director Dinalog, professor of Trade Facilitation and Logistics, Eindhoven Technical University provided an overview of the latest technologies, including quantum computing, machine learning, artificial intelligence, Internet of Things, 5G and others, and explored some of the emerging opportunities for the future of customs and border management.

Norbert Kouwenhoven, IBM's Core TradeLens Team and Solutions Leader for IBM EU in the area of customs, immigration and border management, talked about the a concrete project in digitizing the supply chain based on blockchain technology.

Reporter: Wold Customs Organization



SESSION 74: Development Hub "Inclusive trade in Africa: The African Continental Free Trade Area in comparative perspective" Organizers: United Nations Economic Commission for Africa, Organisation for Economic Co-operation and Development

MODERATOR

› **Jamie MacLeod**, Trade Policy Expert, United Nations Economic Commission for Africa

PANELLISTS

› **Elizabeth Gachuiri**, Economic Affairs Officer, United Nations Conference on Trade and Development

› **Frans Lammersen**, Principal Administrator, Organisation for Economic Co-operation and Development

› **David Luke**, Coordinator of the African Trade Policy Centre, United Nations Economic Commission for Africa

› **Abdu Mukhtar**, Director, African Development Bank

› **Lily Sommer**, Trade Policy Expert, United Nations Economic Commission for Africa

The African Continental Free Trade Area (AfCFTA) is among the most interesting and momentous of developments in trade. Signed by 52 African countries, the Agreement is by number of participating countries the largest trade agreement since the formation of the WTO. It occurs not just in an international climate of aversion to free trade, but also in one in which trade agreements just don't seem to be able to get done. A spaghetti soup of negotiations, from RCEP, FTAA, TTIP, the EPAs, and the TFTA have been drawn-out and time-consuming, often languishing without ever entering into force.

The AfCFTA has been different. This session probes why, and in doing so launches "Inclusive Trade in Africa: The African Continental Free Trade Area in Comparative Perspective", the first book length piece of analysis on the AfCFTA phenomenon.



Summary

The session discussed the reasons behind the successful entry into force of the AfCFTA, which aims to create the world's largest single market of 1.2 billion people, increase intra-African trade by 52% by the year 2022, remove tariffs on 90% of goods, liberalize services and tackle other barriers to intra-African trade, such as long delays at border posts.

Panellists notably discussed the role of the African Development Bank, donors and institutions in supporting the implementation phase of the AfCFTA, including through adjustment support. The critical role of Aid for Trade was also raised including how to prioritise areas of intervention.

Reporter: UNECA



SESSION 75: Thematic Focus Session "Promoting affordable and renewable energy for all: The contribution of trade and quality infrastructure to the green transition"

Organizers: World Trade Organization, International Renewable Energy Agency

MODERATOR

› **Karsten Steinfatt**, Counsellor, World Trade Organization

PANELLISTS

› **Safiya Aliyu**, General Manager, Sosai Renewable Energies Company, Nigeria

› **Francisco Boshell**, Analyst RE Technology, International Renewable Energy Agency

› **Bipul Chatterjee**, Executive Director, CUTS International

› **David Hanlon**, Conformity Assessment Strategy Manager and IEC Conformity Assessment Board Secretary, International Electrotechnical Commission

The ongoing global transition to clean energy, with renewables at its core, calls for closer links between inclusive economic growth, environmental sustainability and trade to multiply the benefits worldwide. Aid for Trade can play a pivotal role in these efforts. By strengthening trade and quality infrastructure frameworks, Aid for Trade can help countries benefit from the energy transition and growing opportunities in renewable energy trade. This session will explore how countries can overcome trade and quality infrastructure obstacles to improve access to affordable and reliable renewable energy goods and services while supporting trade, economic diversification and development.



Short summary

Access to clean, affordable and abundant sources of energy is a key enabler of economic diversification, empowerment and inclusive and sustainable development. The world is undergoing a transition towards renewable energy, driven largely by technological innovation and government policies. The business case for renewables is strong and is expected to improve further in coming years.

The clean energy transition has brought multiple economic, environmental and social benefits to developed and developing countries alike. Worldwide, 11 million people are employed in the renewable energy sector, one-third of them women. Changing behaviours and tackling poor roads and other logistical difficulties are essential to accelerate the deployment of renewable energy in developing countries.

An open and transparent global trading system can support the clean energy transition, not least by accelerating the diffusion of the goods and services that underpin renewable energy production. It is important to intensify efforts to reduce barriers to trade in renewable energy goods and services and to simplify and modernize customs procedures. Trade in electricity can help make grids carrying power from variable renewable sources more stable and resilient.

A well-functioning quality infrastructure system serves to mitigate risk and promote trade and investment in renewable energy. Quality infrastructure must comprise the entire renewable energy system, from design and installation to operation, maintenance, services and disposal. Markets with significant renewable energy potential needed support in their efforts to engage actively in the development of international standards for renewable energy.

Overcoming obstacles to the development and implementation of quality infrastructure calls for coordinated action among stakeholders. Public-private partnerships can contribute by strengthening credibility and bringing to bear local expertise. Aid for Trade is a powerful instrument to galvanize all stakeholders into action, enable the diffusion of renewable energy worldwide and bring the multiple economic, environment and social benefits of the energy transition to developing countries.

Long summary

Speakers emphasized the key contribution of clean, affordable and abundant sources of energy to economic diversification, empowerment and inclusive and sustainable development. They saw Sustainable Development Goal 7, which sought to ensure access for all to affordable, reliable, sustainable and modern energy, as a catalyst to meet many other SDGs.

It was noted that the world was undergoing a transition towards renewable energy, driven largely by technological innovation and government policies. The business case for renewables was strong, reflecting sharp reductions in the cost of solar and wind power, and was expected to improve further in the coming years. Since 2012, over half of total electricity generation capacity added around the world had been in renewables.

The energy transition had brought multiple economic, environmental and social benefits to developed and developing countries alike. Worldwide, 11 million people were employed in the renewable energy sector, one-third of them women. One speaker noted that in remote parts of northern Nigeria, communities with access to clean and efficient cookstoves had seen significant fuel savings and a reduction in indoor air pollution. Moreover, access to renewable electricity had enabled communities to use electronic communication tools for the first time, resulting in sizeable economic and social benefits. Changing behaviours was identified as a priority step to ensure the widespread acceptance of renewable energy technologies. It was also noted that poor roads and other logistical difficulties increased the cost of bringing renewable energy equipment to remote locations.

Several speakers highlighted that an open and transparent global trading system could support the clean energy transition, not least by accelerating the diffusion of the goods and services that underpin renewable energy production. International trade opened opportunities for countries to join global value chains, from the production of renewable energy equipment components to the provision of maintenance and other key services needed to make renewable energy equipment function properly. It was important to intensify efforts to reduce barriers to trade in renewable energy goods and services. These efforts should be accompanied by the simplification and modernization of customs procedures. It was also noted that trade in electricity along "renewable energy corridors" could help make grids carrying power from



variable sources (such as wind and solar power) more stable and resilient.

Speakers underscored the key role of a well-functioning quality infrastructure system as a risk mitigation tool essential to promote trade and accelerate investment in renewable energy. To be effective, quality infrastructure needed to comprise the entire renewable energy system, from design and installation to operation, maintenance, services and disposal. International standards and conformity assessment procedures, including those developed by the International Electrotechnical Commission, reflected best global practice and were a cornerstone of quality infrastructure systems. Markets with significant renewable energy potential needed support in their efforts to engage actively in the development of international standards for renewable energy.

Overcoming obstacles to the development and implementation of quality infrastructure called for coordinated action among stakeholders. Public-private partnerships could make a positive contribution by strengthening credibility and bringing to bear local expertise. Aid for Trade was a powerful instrument to galvanize stakeholders into action, enable the diffusion of renewable energy worldwide and bring the multiple economic, environment and social benefits of the energy transition to developing countries.

Reporter: WTO



SESSION 76: Side Event "The promise and pitfalls of market-based development interventions for women in low and middle-income countries"

Organizers: WISE Development Network and DAI

MODERATOR

› **Georgia Taylor**, Technical Director / Practice Lead, DAI (facilitators of the WISE Development network)

PANELLISTS

- › **Stephanie Barrientos**, Professor, The Global Development Institute, University of Manchester
- › **Fatimah Kelleher**, International Women's Rights Strategist and Technical Adviser (Economic Empowerment and Justice, Education, Health, Governance), Independent
- › **Sally Smith**, Researcher and Consultant: Inclusive and Sustainable Development, Independent
- › **Pauline Tiffen**, Editor-in-Chief of the Journal of Fair Trade, Independent

This panel will present experience of market-based development interventions, and reflections on their effectiveness in supporting women's empowerment in low and middle-income countries. Panellists will reflect on the drive to deliver 'women's economic empowerment' through interventions ranging from fair trade and sustainability standards to donor-funded market systems programmes and private sector-led "gender" initiatives, drawing on their recently published research as well as direct experience.

Panellists will discuss the tensions between expressed goals and current modes of intervention and institutional set-ups, particularly when it comes to going beyond enhancing access to resources to address structural constraints which shape how women engage in, and benefit from, markets. Market-based interventions can both benefit and disadvantage women simultaneously unless they are sufficiently tailored to context. The panellists will provide examples of how this can lead to a deepening of inequalities along intersecting lines of gender, wealth, age and ethnicity, among others. The panel will debate the potential for using worker and producer organizations, social norm change, regulation and trade policy to incentivize and promote respect for women's rights in the private sector and in markets. We will consider women in informal work and how investment in public services and infrastructure, essential for women's empowerment, can be secured.



Summary

This session presented issues related to the use of market-based development interventions to support women's economic empowerment. Panellists built the discussion on their research in low and middle-income countries. The challenges were presented in the context of market systems programming, value chains, and voluntary sustainability standards.

The use of Aid for Trade on market-based development interventions for women's economic empowerment typically assumes that markets are performing well. However, in low and middle-income countries, this assumption does not necessarily hold. Challenges and issues surrounding women's role in the market are often overlooked in market-based interventions.

Typically, development projects adopt a markets systems programming approach to facilitate product to market linkages. However, such an approach does not usually address underlying issues related to women's social role in the market. For one, the prerequisite of expenditure by beneficiaries fails to understand that women often lack the capacity to purchase goods and services. Some examples are the lack of storage space for products, inability to purchase agricultural inputs, etc. This puts women in a more fragile scenario.

From a value chain perspective, women face challenges related to the saleability of products due to the inability to comply to standards. Although this applies both to women in the "low-road" (upstream of the chain) and "high-road" (downstream of the chain), those in the low-road suffer more risks in the workplace and are more disadvantaged when their products are not sold in the market.

Lastly, in terms of voluntary sustainability standards, lack of specific clauses on gender and auditing rigor are also common factors that contribute to the failure of market-based interventions.

The session concluded by highlighting the need for proper auditing and collection of gender-disaggregated data to better understand women's roles and needs in the market, hard and soft regulations at the local and international level (e.g. recent ILO convention on sexual harassment at the workplace), and more gender-tailored interventions that do not disregard the challenges faced by women in the market.

Reporter: WTO



SESSION 77: Side Event "No quality, no trade"

Organizers: Federal Ministry for Economic Cooperation and Development (BMZ) – Germany, Physikalisch-Technische Bundesanstalt (German Metrology Institute), Germany

MODERATOR

- › **Catherine Kadennyeka Masinde**, Practice Manager, Global Business Regulation Unit, Macroeconomics, Trade & Investment, World Bank Group

PANELLISTS

- › **Khemraj Ramful**, Senior Advisor, International Trade Centre
- › **Maha Saleh**, Executive Director, The Engineering Council of Egypt
- › **Peggy Schulz**, Deputy Head Countries & Markets, Manager Southern Africa, German-African Business Association
- › **Svenja Weyrauch**, Project Manager, Physikalisch-Technische Bundesanstalt
- › **Daniela Zehentner-Capell**, Head of Division Trade Policy, Federal Ministry for Economic Cooperation and Development, Germany

The BMZ-PTB side-event is aiming at raising awareness of the importance of information on quality requirements for exporters and at what role business support organizations can play by improving the access to related information. For this purpose, PTB will give a short input on their "Export Quality Management" (EQM) approach as one practical example how to improve information access for small and medium enterprises. Subsequently, a panel discussion will illustrate different perspectives on the following questions:

"Why is Export Quality Management and access to Quality Infrastructure services that important for sustainable trade and economic diversification?" "What are the challenges and limitations of Export Quality Management and access to Quality Infrastructure as enabling factor for exports?" "What role can business support organizations play to close the information gap on relevant quality infrastructure issues?"

By giving the voice to a business support organization and an institution engaged in export activities, the panel will contain perspectives from the target group of the EQM approach. Together with representatives from BMZ and ITC, they are able to discuss the quality-related challenges for companies in developing countries from a practical point of view. Contributions, questions and comments from the floor are welcome.



Short summary

Svenja Weyrauch (PTB, National Metrology Institute of Germany) highlighted the information gap between service providers in the area of quality infrastructure (QI) services and SMEs and tools to overcome this gap like the Export Quality Management Seminar, developed by PTB and ITC. During a lively discussion, which was moderated by **Catherine Kadenyeka Masinde (World Bank Group)** the four panellists agreed that this information gap needed to be tackled and business support organizations such as chambers and association can play a crucial role. **Khemraj Ramful (ITC)** shared some insights on the seminar concept which was jointly developed by ITC and PTB to assist Business Support Organizations (BSOs) in their role to guide their members, the SMEs, through the complex system of standards, codes of conducts and technical regulations. **Daniela Zehentner-Capell (BMZ, Federal Ministry for Economic Cooperation and Development, Germany)** took note of the increasing role QI plays in the area of Aid for Trade and emphasised that information is needed to enable SMEs to develop their full potential. **Maha Saleh (EEC, Engineering Export Council of Egypt)** explained what had changed since she and her colleagues participated in such a seminar and what her BSO offers to their members to support them. **Peggy Schulz (German-African Business Association)** underlined that there were success stories, whenever German enterprises are willing to engage with their suppliers from developing and emerging economies to share information on the importance of quality along value chains. In the end, all panellists agreed that QI is more than the services themselves.

Long summary

The quality requirements of international markets continue to grow as a result of globalization and consumer protection. To comply with these quality requirements, SMEs, especially in developing and emerging economies face major challenges. Identifying the quality requirements of foreign markets can be considered as one obstacle. Additionally, finding the right services of a functioning quality infrastructure at the national level might be challenging as an information gap between services providers and the demand side, the SMEs, can occur.

Especially for SMEs from developing and emerging countries, it is frequently an additional challenge to know which standards and technical regulations are

to be applied and how to prove conformity of their products with these standards and regulations. This becomes more and more important when taking into consideration the need for increasing economic diversification in all regions to equally benefit developing and emerging economies on their path into a sustainable and inclusive future. In order to prove compliance to standards and technical regulations of an internationally recognized QI had to be offered in the country of production or has to be accessibly in neighbouring countries.

The ITC and the Physikalisch-Technische Bundesanstalt (PTB) have developed the seminar concept Export Quality Management (EQM) to raise awareness and transfer knowledge on QI issues relevant to export to BSOs like chambers and associations, through which knowledge about good practices reaches a large number of local enterprises and has a broad impact. By focusing on specific product groups, countries and SMEs, respectively, are empowered to broaden their range of products for export and by that strengthen their economic resilience. Within the framework of the two-day, practice-oriented EQM seminar, trade-promoting institutions in developing and emerging countries are given the opportunity to advise SMEs in their environment with regard to the requirements of international markets and to connect producers together with QI service providers. The exercises facilitate the use of existing and specifically developed information sources. But information alone is not sufficient as it only provides one piece of the puzzle for local enterprises to enter regional and the global market. Since 2015, the concept of the EQM seminars has been applied various times in projects all around the world (e.g. Jordan, Palestine, Egypt, Bangladesh, Myanmar).

Reporter: BMZ Germany



SESSION 78: Side Event "Linking trade facilitation with sector development and investment policy to promote industry and services in Africa"

Organizers: TBI, Trade Law Centre

KEYNOTE SPEAKERS

› **Mukhisa Kituyi**, Secretary-General, United Nations Conference on Trade and Development

MODERATOR

› **Taffere Tesfachew**, Senior Advisor-Ethiopia, TBI

PANELLISTS

› **Patrick Low**, Advisory Board, tralac

› **Frank Matsaert**, Chief Executive Officer, TradeMark East Africa

Many African countries have made significant progress in driving growth, boosting trade and investment, and kick-starting sector development efforts. Yet value addition and job creation, which are essential for inclusive growth and sustainable development, remain elusive in many countries.

The African Continental Free Trade Area (AfCFTA) provides an opportunity for new thinking about how to achieve these objectives, with a central role for services. Services are essential to promote cross-border connections (e.g. value chains) for industrial development by reducing, among other things, transit time and costs.

Trade, however, is only one piece of the puzzle. Important factors to consider in promoting value-adding and job-creating in the private sector are policy certainty, coherence and consistency across efforts to facilitate trade, support the development of high-potential sectors, and attract investment.

We will explore what African governments can do to attract investment, to enhance productive capacity and support economic transformation. We will emphasize the economy-wide role of services to improve competitiveness across agriculture, industry and services sectors. We will ground these technical discussion points in a broader conversation of how trade policy, sector development, and investment promotion can be aligned and connected to achieve these objectives.



Short summary

This session focused on the African Continental Free Trade Area (AfCFTA) which entered into force recently. It discussed opportunities for the continent to generate jobs, increase trade, diversify exports and develop strategic sectors to achieve the AfCFTA goals. The session discussed how improved trade facilitation and customs cooperation can help to develop industries and services sectors. Participants agreed that the AfCFTA is an opportunity for Africa to increase intra-Africa trade, reduce poverty and diversify exports. They highlighted the fact that Africa's exports over the years have been dominated by the extractive industry with no value-addition. Regional cooperation and alignment of national trade policies to the continental or regional trade and industrial policies was needed if the AfCFTA was to have positive impacts on Africa. They emphasized that if Member States planned and implemented the AfCFTA strategically, regional value chains could be highly beneficial for their economies. The harmonization of standards and regulations, as well as rules of origin are another germane trade issue that the African Countries must address, the panellists said, as they implement the WTO TFA which is mentioned in the AfCFTA. Panellists from UNCTAD, Tony Blair Institute (TBI) and Trade Mark East Africa participated and discussed how aid for trade can help develop the productive capacity of African countries implementing the AfCFTA, and that the governments must be strategic in requesting aid and entering bilateral investments.

Long summary

Mukhisa Kituyi, Secretary General, UNCTAD identified the decline in volume and quality of Foreign Direct Investment (FDI) and the quality of FDI is as a challenge to the AfCFTA. Another challenge was the shift by multinational corporation from manufacturing to investment in intangibles. There was still an abundance of opportunities for Africa. UNCTAD's ASYCUDA system for trade facilitation had reached 103 countries around the world and it had helped countries (especially LDCs) increase their customs revenue considerably. He further said that Trade Facilitation is good, but if African Countries do not develop their productive capacity, they will facilitate imports. Customs revenue remains a significant part of government revenue, but lower tariffs which has been implemented through the WTO leads to increased trade and that increases government revenue. He

underscored that rules of origin must be simple to implement.

Patrick Low, TRALAC Advisory Board Member said every product that goes to the market has value, whether distribution, marketing, production, etc., and services are the major sources of value. He said services are more tradable than goods. He added that AfCFTA is a source of high potential gains building on the Regional Economic Communities (RECs) and other agreements. In Africa, services contribute about 50% of GDP and are the lubrication of everything in the world today. He said trade facilitation is at every stage of the production or export and import processes and African economies must address the problems of non-tariff measures. African countries should cooperate on industrial and trade policies for production and not see each other as competitors, if they wanted to achieve the desired outcomes from AfCFTA implementation.

Frank Matsaert, Chief Executive Officer of TradeMark East Africa, emphasized the need for African countries to move from national policies and consider cooperation on industrialization and regional value chains. African countries should develop more regional trade facilitation policies than national policies, otherwise the achievement of the ambitious AfCFTA would be illusive. He encouraged African governments to develop digital platforms for trade facilitation and customs procedures. He added that digitization and harmonization were good in achieving increased intra-Africa trade. He called on African governments to invest in both hard and soft trade infrastructures (ICT, Ports, roads, etc.). He highlighted cooperation among border agencies in East Africa, which he attributed to their organizational structures and encourage others to do the same.

Reporter: WTO



SESSION 79: Development Hub "Trade facilitation" Organizers: World Trade Organization, World Bank Group, UK Department for International Development

MODERATOR

› **William Gain**, Global Lead for Trade Facilitation and Border Management, World Bank Group

› **Sheri Rosenow**, Senior Counsellor, Trade Facilitation Agreement Facility, World Trade Organization

Come cheer on your favourite contestants as two teams of five experts battle it out to answer the most popular responses to Trade Facilitation related questions. Based on a popular TV game show, players will face off to guess the most popular answers from a survey previously circulated to a larger group of trade experts and rack up points as they move through each round. The game ends with a nail-biting Fast Money Bonus Round, allowing players to win additional points. The team with the highest points goes home with small prizes and big bragging rights as true TFA experts.



Summary

The session was planned as an informal opportunity to present the elements of the WTO Trade Facilitation Agreement to an audience with varying levels of existing knowledge. Moreover, it was an important opportunity to strengthen networks with other international organizations, development partners, WTO developing members and the private sector, all of whom are essential in the implementation of the Agreement. All of those stakeholder groups were represented on the two teams of five that participated in the quiz based on the popular "Family Feud" format. The WTO Trade Facilitation Agreement Facility (TFAF) and World Bank Trade Facilitation Support Programme (TFSP) hosted the event, with participants from the Organization for Eastern Caribbean States (OECS), UNCTAD, Government of Montenegro, UK Department for International Development, USAID, DHL, Global Express Association, International Standards Organization (ISO), World Customs Organization (WCO), World Economic Forum (WEF) and the Government of Zambia were all represented.

Around 100 audience members attended and took part. Feedback from all participants was universally positive, with increased understanding of the agreement and better connections to important collaborators identified as outcomes.

Reporter: WTO



DAY 3. 5 JULY 2019



SESSION 80: Thematic Focus Session "Supporting trade recovery in the aftermath of Tropical Cyclones Idai & Kenneth"

Organizer: World Trade Organization

MODERATOR

› **Annette Mutaawe Ssemuwemba**, Deputy Executive Director, Enhanced Integrated Framework

PANELLISTS

- › **Amadeu Paulo Samuel Da Conceicao**, Ambassador, Permanent Mission of Mozambique
- › **Daniel Kull**, Senior Disaster Risk Management Specialist, World Bank Group
- › **Frank Matsaert**, Chief Executive Officer, TradeMark East Africa
- › **Andrew McCoubrey**, Head, Trade for Development, Department for International Development, United Kingdom
- › **Taonga Mushayavanhu**, Ambassador, Permanent Mission of the Zimbabwe to the WTO
- › **Robert Dufter Salama**, Ambassador, Permanent Mission of Malawi to the WTO

Mozambique's coastline forms the western boundary of an active tropical cyclone belt that generates nearly 10% of the world's cyclones annually. In March and April 2019, Mozambique was hit by two tropical cyclones, only six weeks apart.

Cyclones Idai and Kenneth, described as the worst humanitarian crisis in Mozambique's recent history, brought torrential rain, strong winds and flooding to Sofala, Zambezia, Manica Inhambane, Cabo Delgado and Nampula provinces. Its impact extended into Malawi and Zimbabwe. At least 1,000 people lost their lives and more than three million have been affected. With the passage of Cyclone Kenneth this became the first time that Mozambique has been hit by successive tropical cyclones in the same season. Early estimates put recovery costs in excess of US\$2.0 billion.

Cyclone Idai travelled up the Beira Corridor - one of the main transport routes linking Zambia, Malawi, Zimbabwe, the Democratic Republic of Congo and Mozambique to the port of Beira on the Indian Ocean. The damage has pushed hundreds of thousands into food insecurity and set back more than a decade worth of investment in upgrading the supply-side capacity of the trade corridor.

One such example is the Beira Agricultural Growth Corridor which has attracted support in excess of US\$20 million from Denmark, the Netherlands and the UK. Other projects have been financed by the EU, World Bank Group, the EIB, the Netherlands, Denmark, African Development Bank, Gates Foundation, United States, Sweden, Japan, Germany, China.

Agriculture plays a prominent role in the economies of the region and is closely linked to trade performance. Disruptions caused by the successive Tropical cyclones are a set-back in efforts to diversify merchandise exports and highlight the vulnerability of the economies to climate change. Two years of drought in Mozambique triggered by an El Niño phenomenon in 2016-17 led to food insecurity for some 2.1 million people. This was compounded by Tropical Cyclone Dineo that affected 550,000 people in Inhambane province. The combined impact of drought and flood was a substantive slowdown in economic growth.

Against this background, this Thematic Session will explore the impacts of Idai and Kenneth on agriculture and trade in the region. Recovery plans will be discussed together with the question of how to support resilience in the face of climate change. The focus will be on how Aid for Trade and trade policy more generally can support this process.



Short Summary

The panel discussed Tropical Cyclones Idai and Kenneth that hit Mozambique in 2019 and had impact on lives and livelihoods, trade and the development of several southern African countries. More than two million people were directly affected in Mozambique. A further million had been affected in Malawi. It was estimated that the recovery and rebuilding effort would reach US\$1.4 billion for damages and US\$1.3 billion for losses.

Trade shocks had been felt in regional trade due to damage to the Beira Corridor, a transport route for Malawi, Zambia and Zimbabwe that gave access to the Indian Ocean. The World Bank projected that in Zimbabwe annual real GDP would be 1.5% less than originally expected. In Mozambique the trade in services sector's growth would slow by about one third compared to previous years.

Tropical cyclones also affected the economy of Madagascar with regular storms exacerbating food insecurity, particularly in the East of the country.

Long Summary

Taonga Mushayavanhu Ambassador Permanent Mission of the Zimbabwe to the WTO said that the cyclone affected the eastern provinces, which experienced unprecedented rainfall and strong winds in 24 hours. This had caused loss of life, with 347 people dead and 344 missing, and enormous devastation. Housing, information broadcasting, water supply infrastructure and agricultural production had been seriously affected. There had also been losses in terms of trade. Currently, the country was going through a period of drought.

He highlighted disruption to the tourism, mining and agriculture sectors. GDP had dropped in Zimbabwe and a shift of resources going to recovery had taken place. He recalled a policy recommendation by UNCTAD in 2010: given the scale of the reconstruction needs, the international community should concede a moratorium of debt interest servicing, debt relief, debt cancelling, and in the WTO, accord S&D in terms of trade rules.

Amadeu Paulo Samuel Da Conceicao, Ambassador, Permanent Mission of Mozambique said that the impact of the cyclones on social and economic development had been enormous. Six out of 11

provinces had been directly hit. Two million people had been affected by both cyclones, and 650 had been killed. There had been serious problems of food scarcity because the disaster had happened at the end of the harvest season. Diseases had also spread. Road transport and communications operations had been disrupted. Considering that the Beira corridor was a hub for the trade of neighbouring countries, there were significant losses since import and export operations had been impeded. A post disaster needs assessment commission had been established to address multisectoral challenges. It was estimated that the recovery and rebuilding effort would reach US\$1.4 billion for damages and US\$1.3 billion for losses.

The impact of the cyclones on the ability to trade was enormous. It had caused huge financial losses affecting investment in crops and production facilities which were compounded by farmers losing proceeds from harvests and product to trade. There was dependency on food aid. The cyclone had destroyed trade infrastructure, affecting SMEs with consequent job losses in four provinces. Beira port infrastructure was severely affected and the corridor connecting Malawi and Zimbabwe had been damaged, affecting export and import activities. Energy, transport and communication infrastructure was also damaged. The impact to formal enterprises was estimated at US\$609 million.

Robert Dufer Salama, Ambassador, Permanent Mission of Malawi to the WTO said that the part of his country that had been affected was surrounded by Mozambique, so the situation had been very similar. Malawi's exports went out through Mozambique, and since the port of Beira had been badly damaged, so too had Malawi's trade. The southern part of the country was the bread basket of the region and sugar, sorghum and maize exports had been disrupted. Infrastructure such as roads, bridges, and schools had also been destroyed. One million people had been affected and lost their livelihoods and many had been displaced. He added that government and development partners had responded immediately with rescue and aid operations.

He also spoke of health resilience since there had been many cases of malaria and typhoid because water sanitation infrastructure, had been damaged. Trade was important but health was paramount. People also needed shelter. Trade could not flow without people or infrastructure and well-being.



The **Director General of the Ministry of Commerce of Madagascar** said that his country was very vulnerable to cyclones due to its location next to the Mozambique Channel. He explained that 70% of the population lived in rural areas and were affected by cyclones. Highly productive agricultural areas on the east coast were hard hit by cyclones. This had given rise to food insecurity and malnutrition. Social infrastructure such as schools and roads had been destroyed. Madagascar had an Agricultural Research and Development Center which was working on resilience. They had developed climate change resistant seeds.

Daniel Kull, Senior Disaster Risk Management Specialist, World Bank Group talking about trade issues said that Tropical Cyclone Idai had interrupted trade along the Beira corridor, including the supply of essential goods. This had affected already volatile prices, exchange rates and trade revenues. Warehouse storage for traded materials had also been destroyed. The World Bank projections indicated that in Zimbabwe annual real GDP would be 1.5% less than originally expected. In Malawi, post disaster needs assessments estimated that about 3.3% of losses had been in the wholesale and retail sectors. In Mozambique the trade in services sector's growth would slow by about one third compared to previous years. The World Bank's response was more in the recovery and long-term rehabilitation side of things. So far, they had committed US\$700 million for the three countries, but this was just the start.

Resilience delivered three dividends: avoiding losses and damages, attracting investment (it was a form of de-risking for the investment climate) and it brought benefits in terms of social environmental and economic progress. In the past, relief had been seen as solving immediate impacts. Now it was seen as addressing also long-term adaptation. Pro-growth policies were needed as was building back better, stronger and faster. More inclusive policies for informal sectors would generate around US\$200 billion in benefits in low- and middle-income countries.

Priority investment focused was needed around five pillars: risk identification and risk assessment. This involved trying to see beyond the national level and looking at supply chains globally. Risk reduction required more resilient transportation, zoning and better planning and not building in vulnerable areas. Preparedness also involved gathering early warning data from all over the world. Financial protection to make resources available in case of business interruption.

The Bank was working on a publication entitled: "Ensuring Industrial Competitiveness in the Face of Climate Change and Natural Disasters". One approach advocated here was maximizing the value of trade preferences. These could play a vital role for industries, so vulnerable countries could negotiate preferences with key trading partners and have prearranged agreements that would trigger in case of disasters. At regional and multilateral scale, there could be agreements to ensure transit flexibilities. Trade was affected by disasters but was also part of the solution.

Andrew McCoubrey, Head, Trade for Development, Department for International Development, United Kingdom (DFID) said that there had been unprecedented damage and dislocation in the region. Nevertheless, the international response had been quick and well-focused. For Mozambique, the DFID had provided US\$53 million in relief so far, focused in emergency food, primary health care, and social support through the government's cash for work programme. The donor community had pledged US\$1.2 billion dollars for emergency relief. The total bill was estimated at just under US\$3 billion. The private sector had also responded quickly to restore communications and fuel for transport. Some infrastructure was already operational. This showed resilience from the Mozambique government.

Thinking about disaster resilience needed to be comprehensive. In Japan, after a typhoon houses were built to better resist them. In Pakistan after an earthquake many bridges were lost in mountainous regions. They were re-engineered and raised so they would be more resistant to earthquakes and to flooding.

In terms of building better, some of the key lessons learned were that successful programmes had prioritized early, for example, replacing critical infrastructure and private goods early. Responses should be heterogeneous and context-specific. This was not always understood. Planning and the impact of urbanization were also critical issues to build resilience.

Frank Mutsaers, Chief Executive Officer, TradeMark East Africa (TMEA) said that there had been a regional impact on retail and wholesale trade. Beira and Nacala were gateway ports to corridors that linked a large number of countries. Five thousand trucks used to move from Beira port weekly. Logistics had been heavily affected. Around 4,600 km of roads had



been affected. There would be long-term damage to livelihoods of poor people. Ports were regional assets. There was now, though, a great opportunity for modernizing, building better and greener and more efficient and resilient trade networks and infrastructure.

TMEA had experience in Mombasa through a climate resilience programme with support from the UK that could be useful for Beira. They had also helped to make ports greener. One of the biggest sources of emissions were ships waiting to berth, so solar energy systems had been added at the port.

Reporter: WTO



SESSION 81: Thematic Focus Session "2nd Forum on WTO accessions: Technical assistance and capacity building for economic transformation and sustainable peacebuilding"

Organizer: World Trade Organization

MODERATOR

- › **Maika Oshikawa**, Director, Accessions Division, World Trade Organization

PANELLISTS

- › **Axel Addy**, former Minister of Commerce and Industry and Chief Negotiator for the WTO Accession, Liberia
- › **Abidov Badriddin**, Deputy Minister, Ministry of Investments and Foreign Trade, Uzbekistan
- › **Sherri-Nouane Duncan-Jones**, Senior Development Advisor, USAID
- › **Jefferson Fahn**, Director, Ministry of Commerce and Industry, Liberia
- › **Caroline Freund**, Director of Trade, Regional Integration and Investment Climate, World Bank Group
- › **Anna Hallam**, Senior Advisor, Swedish National Board of Trade
- › **Mohammad Qurban Haqjo**, Ambassador and Permanent Representative, Permanent Mission of Afghanistan to the WTO
- › **Katsuro Nagai**, Chairperson of the Working Party on the Accession of Sudan, Japan
- › **Maika Oshikawa**, Director, Accessions Division, World Trade Organization
- › **Andrew Staines**, Chairperson of the Working Party on the Accession of The Bahamas, UK
- › **Wilson K. Tarpheh**, Minister, Ministry of Commerce and Industry, Liberia
- › **Zhen Wang**, Deputy Director General, Department of WTO Affairs, Ministry of Commerce, China

The Accessions Division organized its First Forum on WTO Accessions during the 2017 Aid for Trade Global Review, which brought together acceding Governments and the donor community to discuss accession-specific TA and CB. The Forum was a great success as it served as a match-making between the beneficiaries and the TA providers.

Over the last two years, the number of countries seeking to join the WTO has increased, in particular, from conflict-affected countries, and many governments have intensified the level of their activities, expressing a greater range of accession-specific needs. The donor community has responded positively by boosting resources for WTO accessions as they see the value for money in supporting acceding governments' reform efforts aimed at economic transformation and in some cases, peace-building.

The Second Forum on WTO Accessions - Technical Assistance and Capacity-Building for Economic Transformation and Sustainable Peacebuilding will provide a platform for exchange on; (i) specific TA & CB needs of acceding governments, especially LDCs; (ii) programmes and projects designed to address accession-specific needs; and (iii) emerging best practices in designing and delivering accession-specific TA & CB, aimed at economic transformation and peace-building. The expected outcomes of the Forum include direct matching of specific needs with potential TA providers, and exchange of emerging best practices in the delivery of accession-specific TA & CB.



Summary

The Accessions Division had organized its First Forum on WTO Accessions during the 2017 Aid for Trade Global Review, which brought together acceding Governments and the donor community to discuss accession-specific technical assistance (TA) and Capacity Building (CB). The Forum had been a great success as it had served as a match-making event between beneficiaries and TA providers.

Over the last two years, the number of countries seeking to join the WTO has increased, in particular, from conflict-affected countries, and many governments had intensified the level of their activities, expressing a greater range of accession-specific needs. The donor community had responded positively by boosting resources for WTO accessions as they saw the value for money in supporting acceding governments' reform efforts aimed at economic transformation and in some cases, peace-building.

The Second Forum on WTO Accessions – Technical Assistance and Capacity-Building for Economic Transformation and Sustainable Peacebuilding provided a platform for exchange on: (i) specific TA & CB needs of acceding governments, especially LDCs; (ii) programmes and projects designed to address accession-specific needs; and (iii) emerging best practices in designing and delivering accession-specific TA & CB, aimed at economic transformation and peace-building.

The outcomes of the Forum included direct matching of specific needs with potential TA providers, and exchange of emerging best practices in the delivery of accession-specific support.

The Second Forum also commemorated the Third anniversary of WTO membership of Afghanistan and Liberia.

Reporter: WTO



SESSION 82: Side Event "Empowering women in trade, innovation, and the green economy"

Organizer: World Trade Organization

MODERATOR

› **Anoush der Boghossian**, Trade and Gender Focal Point, World Trade Organization

PANELLISTS

› **Anoush der Boghossian**, Trade and Gender Focal Point, World Trade Organization

› **Wanjiku Kimamo**, Director, Sustainability and Inclusive Trade, TradeMark East Africa

› **Yihong Li**, Minister Counsellor, Permanent Mission of the People's Republic of China to the World Trade Organization

› **Sandra Mazzucco**, Operations Manager and Co-Director, South Pacific Botanicals Limited

› **Ludivine Tamiotti**, Counsellor, Trade and Environment Division, World Trade Organization

As natural resource managers, women are a unique and crucial part of the solution against environmental degradation. They are the guardians of seed and plant knowledge, maintaining biodiversity on land and at sea. As subsistence farmers, they are also instrumental in the preservation of the land and environment.

Trade can not only help women seize new economic opportunities arising from the development of the green economy but also help them benefit fully from new environmental innovations.

Indeed, trade facilitates access to clean energy technologies while fostering the sustainability of women's businesses, production and exports. It can also be a source of job creation for women in the green economy sector. There are many examples of successful business women enterprises in developing countries that are expanding the range of environmental services or diversifying the production of green goods through exports. Finally, trade can act as a driver to promote inclusive and gender responsive green standards.

Aid for Trade can be a catalyst for women to seize those trade opportunities and help accelerate the green transition.

This session will explore all these aspects and how trade can unlock opportunities for women in innovation and environment.



Short summary

As natural resource managers, women are a unique and crucial part of the solution against environmental degradation. They are the guardians of seed and plant knowledge, maintaining biodiversity on land and at sea. As subsistence farmers, they are also instrumental in the preservation of the land and environment.

Trade can not only help women seize new economic opportunities arising from the development of the green economy but also help them benefit fully from new environmental innovations.

Indeed, trade eased access to clean energy technologies while fostering the sustainability of women's businesses, production and exports. It can also be a source of job creation for women in the green economy sector. There are many examples of successful business women enterprises in developing countries that are expanding the range of environmental services or diversifying the production of green goods through exports. Finally, trade can act as a driver to promote inclusive and gender responsive green standards.

Aid for Trade can be a catalyst for women to seize those trade opportunities and help accelerate the green transition.

Five guest speakers presented different perspectives on how trade enhances women's empowerment and could contribute to environmental sustainability. A businesswoman that produces eco-friendly and community-friendly essential oils discussed how her activities enhance women's empowerment in Vanuatu. Two trade experts presented the positive impacts of women's participation in green trade and the contribution of environmental preservation to their empowerment. In addition, they showed how trade can improve both of these goals. The role women play in environmental preservation and implementation of environmental policies was also discussed. Finally, a trade expert from East Africa presented the problems faced by women in the commercial activities of these countries.

Long summary

Sandra Mazzucco, Operations Manager and Co-Director, South Pacific Botanicals Limited (SPBL) explained how her company produces essential oils with tropical plants, aromatic trees, flowers and roots

in Vanuatu. Its products are 100% natural, organic and eco-friendly. Also, this company had a positive impact on the community, especially on women in Vanuatu, because the staff was mostly composed of women in many parts of the country. The company benefits from the expertise of women in Vanuatu, who for centuries have been using a traditional technique to produce essential oils. She added that the ethical and ecological methods of this company had positive effects on the community very close to its environment at all stages of the life of the population in Vanuatu.

She explained the challenges faced by the company: Being recognized as a trusted, competitor and sustainable producer of high-quality products can be difficult for businesswomen in countries such as Vanuatu. Organic certification was difficult to obtain, and this certification could significantly expand a business. She highlighted solutions for women's empowerment, including better access to education and training.

Anoush der Boghossian and Ludivine Tamiotti, WTO presented jointly on how trade can improve women's empowerment and the environment. The two speakers outlined the interconnection between trade and environment and how it could improve women's empowerment and contribute to environmental preservation. They said that there was a positive impact of women's participation in trade on sustainable development (especially the environment). They highlighted that organic farms, ecotourism, fair-trade schemes and circular economy models were examples of how women could participate in trade while preserving the environment.

Yihong Li, Minister Counsellor, Permanent Mission of the People's Republic of China to the World Trade Organization explained how crucial women's participation was in the effective implementation of government environmental policies. She said that there was a negative impact of ocean pollution on trade and added that the G20 Member States had recognized that implementing policies to reduce ocean pollution was essential (Osaka Summit 2019). She said that plastic bags were one of the causes, although 137 states had adopted policies to limit or prohibit the use of plastic bags.

Ocean pollution had negative effects on trade and national economies, because it affects the quantity and quality of fish. She highlighted the key role of women to the implementation of environmental policies: Plastic bags were mainly used for groceries and shopping,



which women were often responsible for. She outlined solutions to enhance women's participation in the implementation of policies. The solution was to educate and sensitize women to negative effects of using plastic bags on the environment to ensure their participation to the implementation of the policies. It was the same issue for sorting waste, with women often responsible.

Aid for Trade programmes can contribute to training women. She explained the positive effect of trade rules to promote green economy. The rules of the Trade Facilitation Agreement facilitated the export of environmentally friendly products. Moreover, between 2014 and 2016, 20 Member States initiated negotiations for the creation of an Environmental Goods Agreement (even if negotiations were currently suspended). They had identified 306 products and a third of them were of specific interest for women.

Wanjiku Kimano Director, Sustainability and Inclusive Trade, TradeMark East Africa presented challenges faced by women in East Africa related to many issues on economic activities. She said that there were three impacts of climate change on women's business activities in the agricultural sector. One came from the negative impact on their ability to take care of their families. If they produced less, they reduced their incomes and could face problems in the supply of their families. Climate change also had a direct impact on women's economic activities. Eighty per cent of agricultural workers were women in East Africa and 50% of what women traded was agricultural products. If they produced less, they could not trade because they had to feed their families. Climate change was also reducing employment opportunities for women as agriculture was a key economic sector in East Africa (70% of the population worked in the agricultural sector).

She gave examples on how technology use could improve women's empowerment. The coffee market was a lucrative economic sector in East Africa that employed many women. To meet quality standards, they had adapted their techniques. If they can export to the world market, they increased their activities and therefore their staff. Some consumers asked for coffee produced by women because they produced better quality coffee. In addition, she said that some farms used coffee waste as a fertilizer instead of using a chemical fertilizer. She explained the positive impacts of infrastructure development on women's empowerment in East Africa. The Trade Facilitation Agreement had facilitated the development of border infrastructure, which stimulated the export of women's

products. In addition, the faster the transit of goods, the lower the greenhouse gas emissions.

Reporter: WTO



SESSION 83: Side Event "Aid for Trade as a catalyzer of regional value chains: Export diversification strategies and WAEMU countries"

Organizer: WTO Academic Chairs Programme

MODERATOR

› **Henri Eli Monceau**, Permanent Representative (Geneva and Vienna), Organisation internationale de la Francophonie

PANELLISTS

› **Leila Baghdadi**, Associate Professor of Economics, Tunis Business School

› **Ndiack Fall**, WTO Chair of Université Cheikh Anta Diop, Dakar, Senegal

› **Charlemagne Babatoundé IGUE**, WTO Chair Holder of Université d'Abomey-Calavi, Faculté des Sciences Économiques et de Gestion, Benin

African countries' participation in global value chains (GVCs) has remained very low and often in upstream value chain activities, with poorly processed agricultural and mineral products. Undoubtedly, African countries can aim for better integration into existing value chains, but also occupy higher segments in terms of value addition. In this perspective, regional integration offers opportunities as the continent is experiencing an important demographic dynamic coupled with a phenomenon of accelerated urbanization, which creates an unprecedented demand for manufactured products. This offers enormous potential for diversification of economies in a continental integration dynamic with the new continental free trade Agreement (AfCFTA). Aid for Trade is an important lever for reducing barriers to trade and strengthening regional integration and can promote regional value chains (RVCs) and promote interconnected regional activities to integrate GVCs.

This session will discuss this issue in relation with a research programme launched by WTO Chairs of Benin and Senegal, with the support of France, that aims to promote RVCs in West Africa. It includes a research component and a capacity building component, for the benefit of actors including the national and regional private sector, with the aim of removing barriers to the creation and strengthening of RVCs to diversify economies for inclusive sustainable development.



Summary

Henri Eli Monceau, Permanent Representative (Geneva and Vienna), Organisation internationale de la Francophonie introduced the debate highlighting that West African countries' participation in GVCs had remained very low and often in upstream value chain activities. With greater investment these countries could aim for better integration into existing value chains, but also occupy higher segments in terms of value addition.

Ndiack Fall, WTO Chair of Université Cheikh Anta Diop, Dakar, Senegal, underlined how Aid for Trade was an important lever for reducing barriers to trade and strengthening regional integration and can promote interconnected regional activities.

Professor IGUE, WTO Chair Holder, Benin, presented the main axes of a joint research programme between the academic chairs of Benin and Senegal, with the support of France, that aimed to promote regional value chains in West Africa. It included a research component and a capacity building component, for the benefit of actors including the national and regional private sector, with the aim of removing barriers to the creation and strengthening of these value chains to diversify for sustainable development.

Leila Baghdadi, WTO Chair Holder, Tunis Business School, University of Tunis, discussed the project in the light of a study the Tunis Chair had produced for the head of the Tunisian Government, with a special focus on targeted fiscal incentives that promotes value addition.

Serge Ahissou Minister of Industry and Trade of Benin, stated that academics, and WTO Chairs in particular, played an important advisory role in political decision-making. This role has never been more important in Africa than with the entry into force of the AfCFTA.

Comments from the floor highlighted that regional integration offered opportunities as the continent is experiencing important demographic growth coupled with a phenomenon of accelerated urbanization, which created an unprecedented demand for manufactured products. It was crucial to have a deep knowledge of African consumers' demand, to fully exploit the enormous potential for diversification of economies in a continental integration dynamic with the new AfCFTA.

Reporter: WTO



SESSION 84: Plenary "Closing Plenary"

Organizer: World Trade Organization

5 July 2019, 10:30 AM - 13:00 PM Room W

The plenary session will provide an opportunity for Members and Observers to make formal statements on the theme of "Supporting Economic Diversification and Empowerment for Inclusive, Sustainable Development through Aid for Trade" and to offer views on the future direction of the Aid-for-Trade Initiative.

Delegations which wish to make statements are kindly requested to limit their statements to three minutes in length for individual statements, and no more than five minutes for statements made on behalf of a Group of Members.

The session will be chaired by Chad Blackman, Ambassador, Permanent Representative of Barbados to the WTO and Chair of the WTO Committee on Trade and Development.



The plenary session provided an opportunity for Members and Observers to make formal statements on the theme of "Supporting Economic Diversification and Empowerment for Inclusive, Sustainable Development through Aid for Trade" and to offer views on the future direction of the Aid-for-Trade Initiative. This session was presided by the Chair of the World Trade Organization Committee on Trade and Development, **Chad Blackman, Ambassador, Permanent Representative to the WTO, Barbados.** **Director-General Roberto Azevêdo** offered concluding remarks after the interventions by Members and closed the Aid for Trade Global Review 2019.

Chad Blackman, Ambassador, Permanent Representative to the WTO, Barbados and Chair of the WTO Committee on Trade and Development, noted that the Aid for Trade Global Review 2019 had brought together a diverse group of Ministers, Heads of Organizations, and trade and development professionals. He referred to the enriching discussions that had taken place over the three days on the theme of "Supporting Economic Diversification and Empowerment for Inclusive, Sustainable Development Through Aid for Trade".

Spread over 84 sessions, the 2019 edition of the Global Review discussed a diverse range of topics. Economic diversification and empowerment of women were the focus of the highest number of sessions. Other issues discussed include LDC graduation, SPS and TBT, climate change, renewable energy, trade facilitation, quality infrastructure, trade finance among others. He highlighted a few key messages. Trade facilitation is an excellent tool to advance trade, but it requires a comprehensive ecosystem that allows growth and development to further enhance international trade prospects. He underscored the importance of women's involvement in accessing trade and the gains that economy of all sizes stands to accrue.

The representative of Nigeria thanked the WTO for organizing the Aid for Trade Global Review, which provides excellent opportunities to exchange views and experience on aid for trade. Nigeria has organized a side event on women's economic empowerment. The representative stated that the Global Review has been beneficial to all participants and he looked forward to future collaboration.

The representative of Benin congratulated the Secretariat for successfully convening the Aid for Trade Global Review.

The representative of Madagascar congratulated the WTO Secretariat for having organized an excellent Global Review and the opportunities to exchange views.

The representative of the European Union stated that a turbulent period of high uncertainty geopolitically, globally, and as a context for international trade and investment made the joint objectives of enabling all countries to participate in and benefit from the multilateral trading system - leaving no one behind - especially challenging. As the largest provider of Aid for Trade, EU had strong and unwavering commitment to continuing to provide Aid for Trade.

According to the review of the EU's Aid for Trade 2019, the EU's contribution in quantitative terms had been going from strength to strength. The representative also highlighted increased attention to the qualitative aspects of aid for trade with a view to delivering more with greater impact. It was about growth and jobs, better living conditions, including from a social and environmental point of view especially for the most disadvantaged.

Trade, when inclusive and empowering, was a driver of sustainable economic growth and in turn, a driver of stability. The EU's new approach related aid ever closer to the market by ensuring that the market access was leveraged by aid for trade into real impact. She stressed the importance of not only investing in productive export capacity and quality infrastructure, but also supporting national strategies and policy dialogue between stakeholders and reforms to support favourable investment climate. She stated that the EU had been a strong supporter of the focus of the work programme. The path to diversification, especially in light of the digital revolution, was getting more and more complex.

She made three key points. Firstly, making trade inclusive meant addressing the challenges and interests of the most disadvantaged groups. Secondly, the future was digital – connectivity and skills would matter more than ever. Thirdly, the future had to be greener because climate change is a threat to humanity. She invited developing countries to come with concrete proposals on how the EU can assist in capacity building. The representative congratulated the Director-General and his team for making the Global Review a big success.

The representative of Nepal expressed his appreciation to the Director-General and his team for successfully organizing the 2019 Global Review of



Aid for Trade. He stated that economic diversification and empowerment were mutually reinforcing and key drivers to achieving the Sustainable Development Goals. Economic diversification contributed to the achievement of higher level of productivity and was a gateway to economic empowerment. He commended the work done in the M&E exercise which identified economic diversification and empowerment as core objectives of trade and development. He stated that the Aid-for-Trade Initiatives should orient towards creating a positive impact on all three dimensions of sustainable development. He stressed the need to focus on making Aid for Trade more predictable, result-oriented, demand-driven, country-owned to achieve economic diversification, structural transformation, export promotion, job creation and poverty reduction.

He expressed appreciation to development partners for their continued partnership and support to the Aid-for-Trade Initiatives. He suggested channelling Aid for Trade in priority areas, especially trade-related infrastructure, building productive capacity, trade-related adjustment, diversification and value addition in line with the fundamental objectives of the Hong-Kong Ministerial Declaration on Aid for Trade. He thanked the development partners for prioritizing the implementation of Trade Facilitation Agreement. He stressed the need to broaden the focus beyond border-issues by developing physical infrastructure, connecting development with trade, and establishing facilities to enhance supply-side trade capacity.

Considering that LDCs made up less than 1% of global exports, he suggested that aid for trade support should be commensurate with the real requirements of LDCs and with a special focus on building productive capacity and diversification of products and markets.

The representative of Japan congratulated the WTO Secretariat for the success of the Aid for Trade Global Review. He stated that WTO members were on the same page in promoting cooperation to enhance inclusiveness in multilateral trading system and achieve the SDGs. Since the adoption of Hong Kong Declaration in 2005, Japan had provided over US\$72 billion in Aid for Trade related assistance. While economic infrastructure accounted for the large portion of this amount, he stated that Japan provided assistance including in productive capacity building as well as trade policy and regulations.

Japan would continue to provide Aid for Trade to developing countries, including LDCs, through various initiatives such as the Expanded Partnership for

Quality Infrastructure investment, One-Stop Border Post and African Business Education Initiative on Human Capacity Development. He highlighted the tremendous effort Japan had made to encourage investment in Africa. During the 6th Tokyo International Conference on African Development (TICAD VI) held for the first time in Africa, Nairobi, Kenya, Prime Minister Abe had announced to invest approximately US\$30 billion to Africa under public-private partnership. He hoped these efforts had helped African countries pursue their strategic visions envisaged in Africa's own agenda, Agenda 2063. He announced that TICAD 7 meeting would be held in Yokohama, Japan and leaders from participating countries including Africa will discuss a series of topics including Japan-Africa Business Dialogue in order to enhance business relations between Japan and African business sectors.

The representative of the United States thanked the WTO Secretariat for organizing the Seventh Global Review of Aid for Trade. He stated that the United States was an active partner in Aid for Trade discussions in the WTO, providing aid for trade assistance amounting to US\$1.1 billion in 2017 to help developing countries become more self-reliant and take part in the global trading system. He mentioned that this week's Global Review provided real-time examples of how Aid for Trade helped developing countries improve their competitiveness, expand and diversify their trade, attract foreign direct investment, and create jobs. He noted that improvements in trade facilitation were a prime example.

For over two decades, the United States had supported capacity building for trade facilitation through bilateral and regional programmes, the creation of the Partnership for Trade Facilitation, which was essential in creating the innovative public-private partnership, the Global Alliance for Trade Facilitation, to support robust implementation of the agreement. He mentioned the side event the United States hosted entitled, "Trade Capacity Building in Zambia: A case study in Country Ownership and Donor Coordination." He drew Members' attention to the fast-approaching 22 August deadline under the Trade Facilitation Agreement to utilize the flexibilities provided for in Section II and to notify definitive dates for Category C commitments.

He also mentioned United States' participation in the Second Forum on WTO Accessions. The United States was a strong advocate of the WTO accession process. He stated that countries that have the opportunity to accede under Article XII, by virtue of the reform



process they undertake, become stronger and more resilient. He stressed the importance of providing the technical assistance during the accession process and mentioned the support USAID is providing in Afghanistan and Liberia. He reiterated United States' support for Aid for Trade and believed in self-reliance and the benefits that can accrue to WTO Members when global trade rules are fully implemented.

The representative of Korea thanked the WTO Secretariat for organizing the Global Review. He expressed Korea's commitment in contributing to the success of Aid-for-Trade Initiative. Since 2011, Korea had made efforts in improving its legal and institutional frameworks for Aid for Trade. As of 2017, Korea disbursed about 49% of its bilateral ODA as Aid for Trade. He noted that Korea had benefited greatly from the Multilateral Trading System, which had played a crucial role for promoting economic development in the country the last few decades. He expressed Korea's commitment to making the Multilateral Trading System more stable, predictable, strong and inclusive.

He highlighted that diversification and empowerment had been key factors in making his own country more resilient to stand on its own feet. Under Korea's national vision of "Innovative and Inclusive State", he noted the benefits of promoting inclusion in international trade and the digital economy and called for more support to those who were left behind. He believed that the Global Review served this call well. As a country that had transformed itself from an aid recipient to a donor, Korea was committed to continuing efforts to help build trade capacities of developing countries and thereby contributing to achieving the Sustainable Development Goals.

The representative of Haiti congratulated the WTO Secretariat for organizing the Aid for Trade Global Review. Over the course of three days, participants had had an opportunity to exchange experiences on a range of themes and highlight the importance of Aid for Trade.

The representative of Thailand stated that international trade has been a driver for economic advancement. He highlighted that aid for trade has been an important tool for developing countries to overcome obstacles in international trade, addressing supply-side capacity constraints, reducing poverty, and empowering the economy. He noted that ODA played a major role in development, with aid for trade accounting for 53% of the total ODA received

by Thailand. He stated Thailand was an emerging donor country with active participation in South-South cooperation. He stated that a development cooperation agency had been established in 2004 to provide development assistance to other developing countries. He highlighted that economic capacity building was one of the major programmes Thailand had been extending to more than 100 developing countries. Economic diversification and empowerment were indispensable to sustainability.

As the Chair of ASEAN, Thailand attached great importance to sustainability as reflected in ASEAN Chairmanship theme "Advancing Partnership for Sustainability". He noted that in the recent ASEAN Summit, ASEAN leaders agreed on the establishment of the ASEAN Centre for Sustainable Development Dialogue. He hoped Aid for Trade will continue to mobilize support and cooperation in economic diversification and empowerment.

The representative of Chinese Taipei expressed appreciation to the WTO Secretariat for organizing the 2019 Global Review of Aid for Trade. In support of the WTO's work on Aid-for-Trade, Chinese Taipei hosted a side-event on "E-commerce and accessibility" and shared practical experiences in mobile e-commerce business solutions and capacity building designed specifically for developing countries. The aim was to help women, SMEs, and in the rural communities in developing and least developed countries harness opportunities in digital trade. He stated that Chinese Taipei had also presented cases studies of successful cooperative development programmes in Latin America and the Caribbean, including setting up WiFi zones, boosting the funding for ICT infrastructure, and providing vocational training.

Connectivity and accessibility to the world of e-commerce was one of the most important challenges that had to be overcome. He stressed the importance of ensuring free and fair access for developing country Members and LDCs. He reaffirmed Chinese Taipei's commitment to the Aid-for-Trade Initiative to promote trade and diversification, to help facilitate connectivity to E-commerce, and to advance the integration of developing country Members and LDCs into the global trading system.

The representative of Australia congratulated the WTO Secretariat for the success of this year's Global Review. He welcomed the positive message and the initiatives underway in making trade more inclusive. He stated that Australia remained deeply committed



to aid for trade and has been a staunch supporter since the initiative was first launched almost 15 years ago. In 2014, Australia set a target to increase aid for trade investments to 20% of our aid budget by 2020. This target has been achieved and surpassed ahead of schedule each year since 2017 and is predicted to be 24.5% of the aid budget in 2019.

Australia's approach to aid for trade was in line with the theme of this year's Global Review, which was demonstrated through Australia's "Step Up" engagement in the Pacific in response to the challenges facing the region, including the need for sustained economic growth, skills and jobs for growing populations, addressing climate change and pursuing gender equality. Aid for Trade could help unlock the potential of trade to drive growth, development and poverty reduction.

Australia had hosted a Pacific-focused side event to showcase the work done together with Pacific partner countries to leverage trade as a tool for development. He noted there was a good discussion on how the PACER Plus regional trade and development agreement was tailored to the development needs of the region. He reiterated Australia's support to Aid-for-Trade Initiatives including the Enhanced Integrated Framework, the Standards and Trade Development Facility, the Trade Facilitation Agreement Facility, the World Bank Trade Facilitation Support Programme, and the Global Alliance on Trade Facilitation, to name a few. He reiterated Australia's commitment to aid for trade as a critical means for inclusive, sustainable development.

The representative of Norway thanked everyone involved in the preparation of the Aid for Trade Global review. She stated that trade is an essential instrument for achieving the Sustainable Development Goals. Economic globalization had brought enormous gains, but too little had been done for those who had not yet reaped the benefit of economic growth. She stressed that globalization will continue to meet resistance if people feel that it only benefitted the few. Within the multilateral trading system, she stated that all Members should be able to contribute to the full extent of their capabilities.

Technical assistance and capacity-building were vital components to balance the rights and obligations of Members. Norway strives to be a consistent partner in Aid for Trade. She highlighted that Norway's international development policy focused on the poorest, leaving no one behind, with stronger

engagement in the least developed countries and Sub-Saharan Africa. In that regard, she stated that the Enhanced Integrated Framework would continue to be a priority. She underscored the importance of addressing gender inequality in trade. She also saw the establishment of the African Continental Free Trade Area as an encouraging sign to show that everyone can win by cooperating.

The representative of New Zealand thanked the WTO Secretariat for organizing the Aid for Trade Global Review. He noted that this year's Global Review was particularly relevant for the Pacific. He acknowledged the Pacific's significant contribution to the Aid for Trade dialogue. He mentioned that the Pacific and many small island developing states were facing challenges including scale, a narrow resource base, and remoteness. He mentioned successful examples in developing employment rich tourism, sustainable fisheries, taking up opportunities provided by digital connectivity.

The Pacific was the focus of New Zealand's aid programme and a significant portion was directed to aid for trade. Among the areas New Zealand prioritized were supporting economic diversification, export in services, the potential of the sustainable blue economy, and investing in critical infrastructure. He stated that New Zealand committed at least 20% of their ODA in support of aid for trade in the Pacific. He mentioned that targets would be triggered when the PACER Plus trade and development agreement entered into force. PACER Plus was an agreement between New Zealand, Australia, and nine Pacific countries. It illustrated how New Zealand integrates aid and trade policy objectives to assist economic integration in the region.

Trade can play a powerful role in the economic development of partner countries and economic integration in the Pacific region. He encouraged all countries to make efforts to engage in and support the rules-based multilateral trading system and to assist others to do so through aid for trade in recognition of the benefits it can bring to all. He stressed the importance in ensuring the multilateral trading system and all forms of aid for trade and cooperation which support it remain as effective and cohesive as possible in pursuit of the global goal that no one and no country is left behind.

The representative of Venezuela thanked the WTO Secretariat for having organized the Aid for Trade Global Review.



The representative of Guatemala thanked the WTO Secretariat for organizing the Aid for Trade Global Review. She welcomed the effort put into ensuring regional and gender representativeness in the different panels and sessions. She stated that Guatemala participated in the Aid-for-Trade questionnaire and noted national priorities including transport infrastructure, network infrastructure such as water, telecommunications, electricity, and rural development. She also identified trade facilitation as a high priority and thanked donors who have assisted in trade facilitation. She hoped to count on donor support to fully comply with obligations under the TF agreement. She thanked the STDF for their support in organizing a stand showcasing Guatemalan honey and improving the traceability of the honey production chain. She also mentioned the support STDF had provided in complying with sanitary and phytosanitary measures in shrimps.

The representative of Yemen congratulated the Director-General and the WTO Secretariat for organizing the 2019 Aid for Trade Global Review. The Minister stated that Yemen is a clear example of an LDC in a fragile context due to ongoing conflict. Yemen faced a number of chronic structural challenges and imbalances at various economic, social and humanitarian levels. Exports, for example, are highly concentrated and volatile, as the country is dependent on two primary commodities, namely oil and gas. The two products represent more than 90% of Yemen merchandise exports. The Minister highlighted that the problems have been aggravated in an unprecedented manner in the last four years that is since the coup. Development indicators and economic and social situation had deteriorated. Basic services had worsened, and large parts of the infrastructure had been destroyed. Since the end of 2014, the budget deficit had risen to about 15% of the output and tax revenues had fallen by 22% in 2015-2016. The production and export of oil and gas had also stopped, and revenues had decreased by 95%. Stability, restoration of services, and economic recovery required the preparation and implementation of an action plan that included urgent priority needs and adequate funding.

The government of Yemen had in March 2019 prepared a "Plan of Priorities for Reconstruction and Economic Recovery". The Minister emphasized that the current plan was designed to focus on some basic services, human development, stability, economic recovery and good governance related matters. It

was not a substitute for the overall comprehensive reconstruction and development programme.

In collaboration with local and regional partners, Yemen was working on developing a more comprehensive programme for reconstruction and development that would need require funding from allies and partners. He stressed that the sharp deterioration in the economy and interruption of the normal flow of trade, particularly exports, had led to a great decline in most economic activities, and development of work in general. The recovery of Yemen's economy was of high priority. He mentioned that work was underway to restore basic services, recovering the economy, and mobilizing support for reconstruction of infrastructure. He also highlighted the difficulties the World Food Programme is facing in delivering food and humanitarian assistance in Yemen. The Minister reiterated that economic diversification and empowerment, in post-conflict Yemen, was urgently needed to create jobs, contribute to growth, stability, and peace.

The representative of Cote d'Ivoire thanked the WTO Secretariat for organizing the 2019 Aid for Trade Global Review. He stated that Cote d'Ivoire participated in the Aid for Trade Questionnaire. He expressed appreciation to the organization of the Global Review and highlighted the importance of aid for promoting commercial activities in various fields. To reap the benefits of Aid for Trade, he stressed the importance for Members to continue to implement decisions taken at the Ministerial Conference in Hong Kong.

Aid for trade needed to be adapted to the changing needs of the beneficiaries. In the context of the ongoing discussions of e-commerce and with a view to encouraging participation of developing and least developed countries, he suggested establishing an aid for e-commerce fund to bridge the digital divide and build e-commerce infrastructure.

The representative of Barbados thanked the Director General of the WTO and the Secretariat for hosting an effective and well-attended 2019 Global Review on Aid for Trade. He stated that trade was an important driver of sustained economic growth and this Review had underscored the very important link between trade and sustainable economic growth. He recalled some of the important topics discussed including economic empowerment of women, trade finance, structural transformation and, especially important for small developing economies, trade facilitation and economic diversification. He highlighted that to realize



the benefits of trade, the level of political will should be maintained to deliver on Aid-for-Trade Initiatives, and development partners should continue to bridge the gap between intention and the delivery of support.

The representative of the Russian Federation noted that this had been the largest Aid for Trade Global Review with 84 sessions organized. He recalled that the Russian Federation had acceded to the WTO in 2012. It was the sixth largest economy in the world. He mentioned that this year, the Russian Federation had participated in the Aid for Trade questionnaire, becoming an active participant. Historically and today, the Russian Federation attached great importance to development assistance. He noted that the Russian Federation's official development assistance exceeded US\$1 billion annually.

Aid for trade was provided in coordination with partners from developing states in line with their interests, not only in trade development, but also infrastructure development. The Russian Federation provided aid through multilateral institutions and bilaterally. He stated that geographical focus of the Russian Federation's aid was on neighbouring countries, especially in CIS. He expressed his gratitude to the WTO Secretariat for organizing the Aid for Trade Global Review.

The representative of Chad thanked the WTO Secretariat for organizing the Aid for Trade Global Review which addressed various issues including LDC graduation and diversification. He stated that the LDC Group benefitted greatly from the Aid-for-Trade Initiative. There was a long road ahead for LDCs before reaching an acceptable level of participation in world trade to promote job creation, education, health, and other needs. Trade was fundamental to the country as a source for sustainable development. He reiterated the need for preferential treatment for LDCs within the framework of WTO Agreements.

Graduating LDCs should feel supported to undergo gradual transition so they would be in a position to take on a new status of developing countries. He stressed the importance of continuing efforts under Aid-for-Trade Initiative and the Global Review. The Global Review provided an opportunity to review what had been accomplished and identify areas for improvement. He stated that technical changes proposed by Members at the WTO must not pose additional burden on LDCs. Proposals should help in resolving the deadlock at the WTO.

The representative of Fiji thanked the WTO Secretariat for organizing the Aid for Trade Global Review. He stated that the event had been very useful as it provided the platform for small island developing countries to share their unique challenges and opportunities. He congratulated Pacific Island neighbours for graduating from LDC status. He noted the existential threat of climate and tropical cyclones which challenged economic development in the Pacific and their ability to keep pace with the global economy as well as to participate successfully in global value chain processes.

He called for the international community to provide assistance in establishing a more resilient mechanism that would strengthen coping capabilities in the Pacific as the region has been devoted to rebuilding and reconstruction instead of focusing on trade. He also called on multilateral institutions to take note of newly graduating Members from LDC status and to provide them with necessary support in the global value chain process. Finally, he thanked the development partners and donors for their continued support.

Director-General Roberto Azevêdo began his closing remarks by stating that the WTO was proud to be the home of the Aid for Trade Global Review. There had been intense, inclusive and constructive discussions about the importance of Aid for Trade for diversification and empowerment.

Engagement had been very high, with more than 1,500 people taking part, including many ministers and other leaders, with a total of 84 sessions held.

The closing session was a welcome opportunity to reflect on some of the main issues debated, and also to look at the way forward for the Initiative.

There was no doubt about the significance of Aid for Trade. Since it was launched just over a decade ago, over US\$409 billion have been disbursed under this initiative, reaching 146 countries or territories. And that support had been targeted at helping recipients to build their trading infrastructure and capacity.

Building supply-side capacity and trade-related infrastructure was hugely important. It was a necessary complement to more open markets. And, together, this was a proven recipe for greater growth, development, poverty reduction and job creation. All of which was essential to the achievement of the Sustainable Development Goals.



The 2019 Review has been focused on supporting economic diversification and empowerment. This is fundamental when we look at the current landscape.

As the global economy changed, so we must ensure that this initiative remains responsive to the needs of members.

We are faced with huge economic change today, driven by many factors - including new technologies. This is reshaping the way our societies operate and interact.

The trade and development community must ensure that initiatives like Aid for Trade can adapt and continue to make a meaningful contribution on the ground.

We have seen this concern reflected in many of the debates during this Global Review.

For example, a theme that emerged strongly from the review was the importance of digital connectivity for diversification and inclusion.

We heard how digital approaches are being integrated in Aid-for-Trade activities. We learned how they are being applied to the movement of cargo, and how these approaches can be used to bring the most fragile into trade flows.

In fact, many have highlighted digital inclusion as a critical part of diversification.

Director-General Azevêdo noted that he had heard the call for the Secretariat to help developing and least-developed members to participate in e-commerce work at the WTO. As ever, the WTO was ready to respond to Members requests for support.

Further work here could be important to keep the Initiative relevant and responsive. Of course, there may be fruitful connections here with other areas of work in the WTO.

Promoting greater economic sustainability was also a highlight in the discussions.

Yesterday's session on diversification and the blue economy helped to underline this issue. Ocean warming, acidification, deoxygenation, over-fishing and illegal fishing; all these phenomena are putting livelihoods at risk and jeopardizing the future of many coastal economies.

Current WTO negotiations to tackle harmful fisheries subsidies would be a very important step to help address this urgent issue. Peter Thomson, the UN Special Envoy for the Ocean, made this case at our session yesterday morning. Director-General Azevêdo hoped that WTO Members would heed this call and redouble their efforts towards a successful deal.

In a similar vein, we also had very interesting debates on how to build diversification in climate sensitive sectors and how to promote adaptation measures that increase resilience. This morning's session touched on the impacts of tropical cyclones Idai and Kenneth. It underscored what is at stake, particularly for the poorest and most vulnerable. This could be another area for additional Aid-for-Trade work.

Inclusion and empowerment also featured prominently in the debates.

This includes the many debates on women's economic empowerment, which were a true highlight of this review. In fact, I believe this is an area where we can point to real progress. At the end of the last Global Review, we heard a strong call to mainstream gender issues into our Aid-for-Trade work.

Today, a very significant majority of Aid-for-Trade strategies – both of donors and partner countries – have incorporated women's economic empowerment.

The Buenos Aires Declaration on Trade and Women's Economic Empowerment is also another important platform on which we can build. We also heard the call for more data on this issue. The WTO and the World Bank launched a joint research project to deepen the understanding of the linkages between trade and gender. So I think there is much more to come in this area.

Other debates around inclusivity and empowerment included a particular focus on ways to empower LDCs. There was also a focus on small businesses and young people. I think these are also very important dimensions for future Aid-for-Trade work.

Finally, we also heard about important work done to help drive diversification efforts via other avenues, such as: quality infrastructure, the implementation of the Trade Facilitation Agreement, the role of new forms of manufacturing, and the role of the services economy.



The list goes on. And I think that the richness of the debate clearly reflects two things: first, that Aid for Trade continues to be a fundamental tool to help economic empowerment; second, that there is much scope for this Initiative to adapt, change, improve and evolve in order to keep helping members to address structural challenges, both old and new.

Precisely how we shape the future of this initiative is up to WTO Members. And I think that this Global Review has offered us a lot to build on.

So let's continue working together to ensure that the Aid for Trade Initiative continues to go from strength to strength.

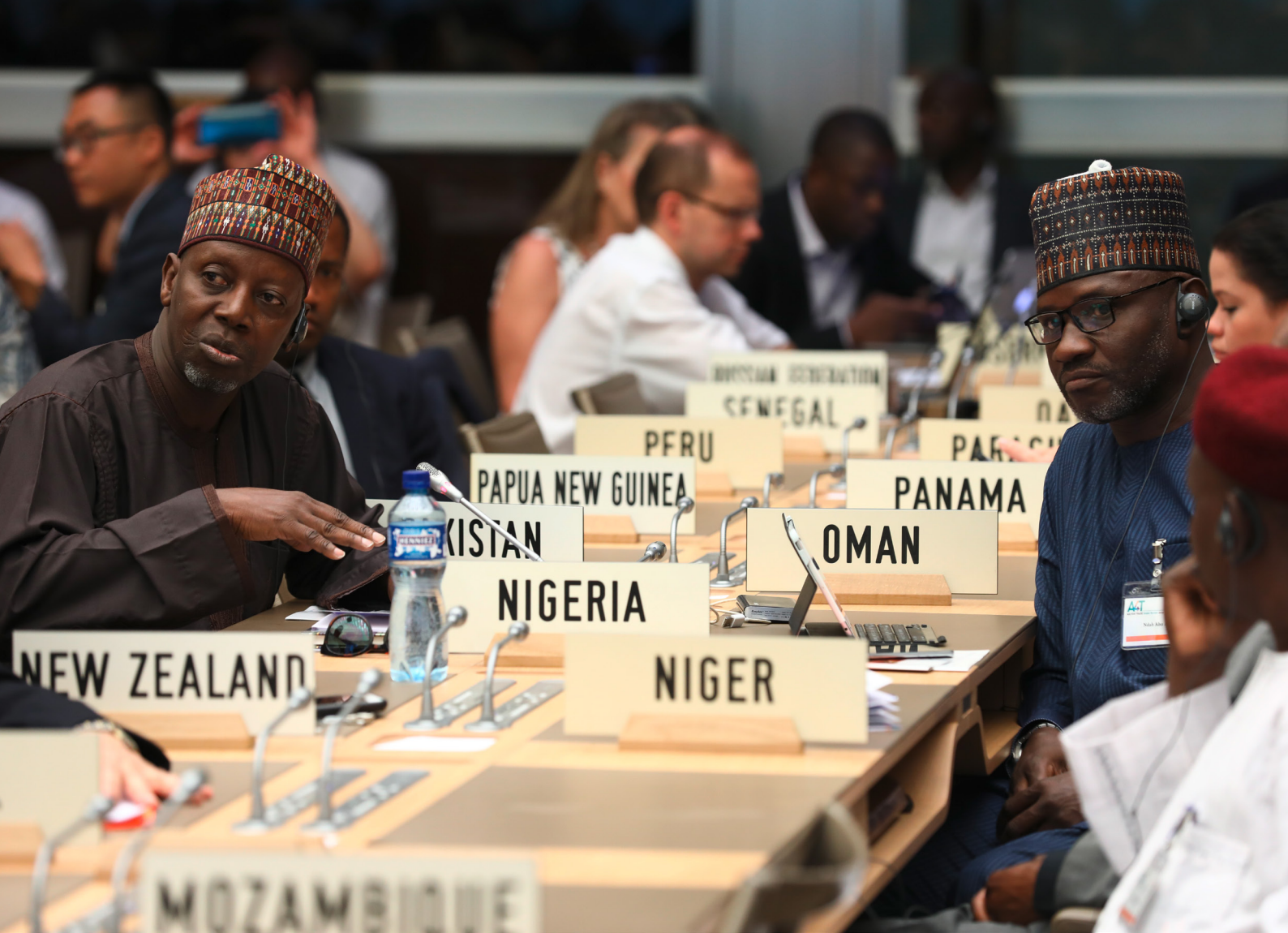
I look forward to our discussions on the next stages of this work, and to hearing members' ideas for how we can use the Aid-for-Trade platform to address evolving development needs and priorities.

Finally, let me thank the WTO Secretariat once again for their excellent work in putting all of this together. That applies particularly to the Development Division but also to colleagues from across the house. I know that it has been a lot of work – and I am sure that it is appreciated by the Membership, and all of the participants here this week.

Thank you for making the Seventh Global Review a great success.

Rapporteur: WTO









This Summary Report has been prepared under the responsibility of the WTO Secretariat and without prejudice to the positions of Members and to their rights and obligations under the WTO.