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## Africa's integration in the WTO multilateral trading system: Academic support and the role of WTO Chairs

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**World Trade Organization**

Economic Research and Statistics Division

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**AFRICA'S INTEGRATION IN THE WTO MULTILATERAL TRADING SYSTEM:  
ACADEMIC SUPPORT AND THE ROLE OF WTO CHAIRS**

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**Africa's integration in the WTO Multilateral Trading System:**  
**academic support and the role of WTO Chairs**

Maarten Smeets<sup>1</sup>

**Abstract**

The Marrakesh Agreement establishing the WTO recognizes the need for positive efforts designed to ensure that developing countries and especially the least developed among them secure a share in the growth in international trade commensurate with the needs of their economic development. This article discusses how the WTO contributes to facilitating Africa's integration into the WTO multilateral trading system. It is argued that, while African countries are actively engaged in the work of the WTO, securing their economic and policy interests, some main challenges remain. These include the need to further diversify production, linking to the Global Value Chains and developing adequate infra-structures facilitating digital trade as a vehicle for economic growth. The WTO, in close collaboration with partner institutions, lends its support to Africa in overcoming some of these issues through various programs, all geared towards trade capacity building. It is argued that the work undertaken by WTO Chairs and academic institutions under the aegis of the WTO's Chairs Program (WCP) is of critical importance in providing the analytical underpinnings for the policy choices in support of a fuller integration in the multilateral trading system. Preparations are under way meeting all the conditions for this program to be significantly expanded and deepened in 2021 with a view of further strengthening its capacity to provide support to beneficiaries and especially LDCs, hence African countries, integrating in the multilateral trading system.

**Key words:** trade, capacity building, Africa, WTO, Global Value Chains, academic support

**JEL code classifications:** F10, F13, F19, F53, F55, F63, F68

## **1. Introduction**

When Ministers launched the Doha Development Agenda (DDA) nearly twenty years ago (2001) at Doha, developing countries managed to put 'development' aspects at its heart. It was a *sine qua non* for agreeing on the launching of a new round of trade negotiations, as many African countries argued that they were still struggling with the implementation of the Uruguay Round agreements. That round, the last one held under the auspices of the GATT, and which led to the establishment of the WTO in 1995 had created considerable expectations in terms of economic benefits and which they felt had not materialized. To the contrary, developing countries felt that they had signed off on many obligations and commitments, without fully grasping the policy implications for their economies. In addition, it was feared that new round would eventually result in the creation of a new set of rules and disciplines and without necessarily serving their economic interests. In order to prevent a repetition of history, trade capacity building had to be fundamentally anchored in the rules of the new system.

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With the transition from the GATT to the newly created WTO, the membership of developing countries increased significantly, irrespective of the question how they are defined.<sup>2</sup> Hence, the concerns expressed by the developing countries, now representing nearly three quarters of the WTO membership, could not be ignored. Moreover, the decision follows the logic of the Marrakesh Agreement establishing the WTO itself, which recognizes the need for positive efforts designed to ensure that DCs and especially LDCs among them secure a share in the growth in international trade commensurate with the needs of their economic development. Making the DDA a 'development round' also was an explicit recognition by Ministers that international trade can play a major role in the promotion of economic development and the alleviation of poverty.

As a result, the interests of developing countries were placed centrally in the work programme adopted in the Ministerial Declaration, with Ministers recognizing that 'enhanced market access, balanced rules, and well-targeted, sustainably financed technical assistance and capacity building programmes have important roles to play in securing that developing countries and especially the least-developed amongst them secure a share in the growth of world trade commensurate with the needs of their economic development' (WTO, 2001).

As a first and significant step, Members put in explicit wording in the Declaration on how developing countries would be assisted integrating further into the multilateral trading system and strengthened the role of the Secretariat's in terms of trade capacity building. Given the developmental nature of the DDA and in order to ensure that beneficiaries would be able to fully participate in the negotiations, a dedicated chapter on 'Technical Cooperation and Capacity Building' was inserted in the Ministerial Declaration (paragraphs 38-41) (WTO, 2001). The language on the support to be provided was stronger than ever before, thus representing a major departure from previous negotiations held during the GATT, when technical assistance and capacity building provisions were mostly non-binding 'best endeavour' undertakings made by developed countries. (WTO, 1994). As developing countries account for the majority of the WTO's membership, the multilateral trading system can only function when fully taking into account their needs and priorities. This was the first time that a comprehensive approach to trade capacity building with strong commitments on the side of the developed countries was offered. Thus, 'Doha' provided a starting point for the better and fuller participation of beneficiaries in the system.

The question to be explored is how the trade capacity building efforts have evolved with a view of supporting a fuller integration of African countries in the Multilateral Trading System? It will discuss specifically the contributions by the WTO Chairs in support of the policy decisions taken at the government level. This academic support is perhaps even more relevant today than any time before in light of the pandemics (Covid-19), which has devastating effects on human lives and the economic prospects, particularly in Africa. It has also significantly impacted the WTO's technical assistance activities both in the field and in Geneva, with a drastic decline due to the travel restrictions. Academic support provided through the WCP is 'Covid proof', as it builds on home-grown human and institutional knowledge and research and analysis in support of policy making. It thus holds the future as a means both in terms of capacity building and sustainability. The work to be undertaken by Chairs in the next phase will be of critical importance.

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<sup>2</sup> While the WTO traditionally applies the principle of self-selection, with each Member determining its developing country status, this is no longer accepted by Members, who argue that the more economically advanced amongst them should assume the same rights and obligations as developed countries and be excluded from the exceptions to the rules that are there to the benefit of developing countries.

## 2. Africa's trade in perspective

The world economy is in dire straits following the outbreak of the pandemics (Covid-19) outbreak late 2019 and developing full scale in Spring 2020, followed by an unexpectedly strong and devastating second wave in the Fall. Economic activity has much come to a standstill throughout this year, following several lockdowns in many countries around the world. No continent or country is spared, with hundreds of thousands lives brutally lost. The world faced a recession not witnessed since many decades and perhaps even since the Great Depression nearly a century ago. Trade is at a low, with a rapid rise in protectionism and some supply chains including for essential foods and medicines have been disrupted. Protection is sharply on the rise. The trade forecast by WTO was significantly lowered in the Spring 2020 with an anticipated decline between 13 to 32 per cent (WTO, 2020). In October, the WTO announced a revision of its forecast with a fall of 9.2% in merchandise trade, to be followed by an expected rise of 7.2 % in 2021 (WTO, 2020).

The G-20 leaders made a strong pledge for collective action to address the expected repercussions of the pandemics on people, the world economy and trade (G-20, 2020). Developed countries adopted unprecedented relief packages in support of their business, Small and Medium Sized Enterprises (SMEs) and employees. In the US alone a two trillion-dollar relief package was adopted by the Senate and signed by the president late March 2020 with a second package in the making in the Fall. Similar and unprecedented financial support packages were prepared in China, Japan, and European countries. Developing countries mostly do not have access to such reserves and depend on the support provided by developed countries and international organizations such as the IMF. The UN is calling for support measures that are amongst the most significant in the history amounting to up to 10% of countries' GDP and proposing special trade policy actions for African countries (UN, 2020). No matter what, the weakest countries will be the hardest hit, thus dampening further their development perspectives.

These developments come on top of the trade tensions that emerged in 2016 between the main economic powers, including the US, China, the European Union, the Russian Federation and many more countries. These affected trade for developed and developing countries alike, well before the pandemics started: as the African saying goes, 'when the big elephants fight, the grass suffers'. This certainly undercuts the positive growth trend that had set in for Africa. Africa's economic growth was expected to be 3.3% in 2020 and 3.4% in 2021. The UNECA suggests that Africa may face a decline in GDP growth from 3.2 to 1.8% in 2020 as a result of Covid-19 (UNECA, 2020).

Historically, Africa's relative share in merchandise exports and imports declined from 6% for exports and 5% for imports in 1980 to 3% in 2018 (WTO, 2019). This is mainly explained by the rapidly rising share of Asia in world trade and Africa's continued dependency on primary products and raw materials in trade and characterized by little value addition. Africa continues to depend heavily on the agriculture sector, accounting for 60% of Africa's employment and 25% of its GDP. The manufacturing sector is relatively small and on average contributes 10% to GDP. However, the extractive industries account for almost 80-90% of exports to some African oil producing countries. There continues to be overall little diversification in Africa, with a high dependency on natural resources. Africa's share as a continent is comparable to that of India (2%) and slightly higher than Brazil (1%). In terms of services trade, Africa's share also remains very low. Between 1980 and 2018, its share decreased from a mere 3% to 2% on the export side and from 7 to 3% on the import side.

Intra-African trade remains weak in comparison to other regions: it represents only 15% of trade, compared to 61% in Asia, Europe (67%) and the America's (47%) (UNCTAD, 2019). This is expected to change with the entering into effect of the African Continental Free Trade Agreement (AfCFTA), which can trigger a deeper integration and liberalization within Africa and driving intra-regional trade. The AfCFTA entered into force 30 May 2019 (AU's Agenda 2063) and officially took effect in July 2020. It is expected to lead to the removal of intra-African barriers, including tariffs and non-tariff measures and to generate an increase in intra-trade rising from 15 to 25% by 2040. As will be argued further, much will depend on the lowering of transaction costs for internal trade, strengthening infra-structures and other factors.

Overall Foreign Direct Investment (FDI) flows in the world decreased significantly and by 49% in the first half of 2020, compared to the first half in 2019 (UNCTAD WIR, 2020). The largest declines (75%) were seen in developed countries, compared with a decline of 16% in developing countries. FDI flows to Africa declined by 28% which further affects Africa's economic perspectives, as FDI is crucial for generating business activities, jobs, transfer of technology, welfare, exports etc.

### **3. WTO's trade capacity building support for Africa.**

#### *3.1 Trade capacity building as a key function in the WTO*

Building trade capacity was almost non-existent in the GATT days and mostly an afterthought in the WTO. In 2015, it was noted in a WTO study that 'Beyond modest training and technical assistance programs, the old GATT devoted relatively little attention and few resources to assisting developing countries strengthen their technical expertise, participate in the day-to-day work of the organization and strengthen their trade institutions, legal systems and productive capacities' (WTO, 2015). This lacuna was not corrected in the institutional set-up and design of the WTO. While the Marrakesh Agreement refers to the need to support developing countries integrating into the multilateral trading system, it does not specify how and trade capacity building was not part of the core functions of the WTO. Van den Bossche and Zdouc note that 'the functions of the WTO do not explicitly include technical assistance to developing country Members, but yet, this is an important area of activity of the WTO' (Van den Bossche & Zdouc 2017).

Technically, the Marrakesh Agreement recognizes four pillars of the WTO:

- Administering Trade Agreements
- Providing a forum for Trade Negotiations
- Handling and settling Trade Disputes
- Monitoring Members' Trade Policies (Transparency)

This omission became most apparent during the fourth Ministerial Conference (MC) held at Doha in 2001, meant to launch a new round of trade negotiations, referred to as the Doha Development Agenda (DDA). In order to overcome the reluctance of developing countries engaging in negotiations, which would require further concessions and liberalization commitments, Ministers added in the Doha Ministerial (WTO, 2001) a fifth pillar consisting of providing technical assistance and training to developing and least developed countries (LDCs). A dedicated chapter on 'Technical Cooperation and Capacity Building' was inserted in

the Ministerial Declaration (paragraphs 38-41) and Members put explicit wording in the text on how developing countries would be assisted integrating further into the multilateral trading system and strengthened the role of the Secretariat's in terms of trade capacity building.

The language on the support to be provided was stronger than ever before, thus representing a major departure from previous negotiations held during the GATT, when technical assistance and capacity building provisions were mostly non-binding 'best endeavour' undertakings made by developed countries (WTO, 1994). As noted in a WTO Secretariat report (WTO, 2007), trade capacity building efforts are part of a broader approach to assist beneficiaries, as captured by the so-called Aid for Trade Initiative, an initiative that originates from the Ministerial Conference, MC-VI (Hong Kong) in 2005 (WTO, 2005).<sup>3</sup> In order to deliver on its promise, the role of the Secretariat in providing trade capacity building assisting beneficiaries integrating into the multilateral trading system was considerably strengthened and become part of the core functions of the WTO (Smeets, 2013). Its mandate consists of providing training programmes and direct technical assistance support, mainly but not exclusively to the benefit of government officials. They are trained to understand their rights and obligations under the rules of the WTO and to implement their legal commitments.

The main objective of the Secretariat thus consists of assisting beneficiaries integrating into the Multilateral Trading System (MTS), with a specific focus on LDCs, Sub-Saharan Africa, Small and Vulnerable Economies (SVEs). The target audience increasingly include representatives of business, civil society and Academia. It cannot provide policy advice, as the Secretariat needs to remain neutral, impartial. Under the WTO Chairs Program (WCP), universities are specifically targeted, which adds a critically important dimension to capacity building. Given the neutral role of Secretariat, which cannot provide policy advice, the academia fill that lacuna, as the research and analysis undertaken by the Chairs mostly leads to policy advice and recommendations.

### *3.2 WTO's Technical assistance and training addressing Africa's priorities*

Technical assistance and training are demand driven and based on a needs-assessment undertaken by beneficiary countries. This allows the Secretariat to tailor its support and establish priorities in allocating its scarce economic resources. The beneficiaries are invited to fill out a questionnaire in which they indicate the areas where technical assistance is the most needed, hence their priorities. This process is followed by consultations with the membership and the outcome reflected in the so-called biennial Technical Assistance Plan (TA Plan) (WTO, 2019), the current one covering the biennium 2020-2021. The TA Plan offers various modes of delivery, including face to face training, national and regional training courses (Smeets 2013).

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<sup>3</sup> Cf. para. 55 of the Ministerial Declaration. 'Aid for Trade should aim to help developing countries, particularly LDCs, to build the supply-side capacity and trade-related infrastructure that they need to assist them to implement and benefit from WTO Agreements and more broadly to expand their trade. Aid for Trade cannot be a substitute for the development benefits that will result from a successful conclusion to the DDA, particularly on market access.' The Aid for Trade brings together agencies, donors and beneficiaries that are involved in trade capacity building. Following the MC-V, a task Force was established in early 2006, which produced a report entitled: 'Recommendations of the Task Force on Aid for Trade' (2006) WT/AFT/1. It provides explanations on the mandate, scope and financing of the Aid for Trade program. Every second year a Global Aid for Trade Review is conducted to take stock of the accomplishments. The last review took place in summer 2019.

Africa, which also hosts the largest number of LDCs<sup>4</sup>, traditionally is largest beneficiary of the WTO's trade capacity building efforts (WTO 2020). According to the WTO's reports, in 2019 a total of 14,500 participants were trained, of which some 3,500 included officials in Africa (WTO, 2020). Most training is offered on-line by way of e-training. This distance learning mode offers participants the possibility of conducting remotely self-training on WTO's agreements. The overall number represents a 37% drop compared to 2018. Only 1471 participants in Africa benefited from face to face training, far below the average of 1854 in 2012. While several factors can partially explain this decline, many African countries are excluded from TA given their arrears in paying WTO's membership fees, the demand for TA has significantly declined further in 2020, during the pandemics. It took the WTO considerable time to introduce the virtual training mode. Africa is the continent that suffered the most from this lacuna, with only few trainings conducted through virtual classrooms. Field-based activities were cancelled, both nationally and regionally.

Interestingly and noteworthy is that the main priority areas of demand identified by African countries include the more traditional areas, including the market access related issues, Trade Facilitation Agreement (TFA), Technical Barriers to Trade (TBT), Sanitary and Phytosanitary measures (SPS), agriculture, development related issues, including Special and Differential Treatment Provisions (S&D) and general capacity building. Some African countries give a high priority to services, but topics like e-commerce, investment facilitation, Micro, Small and Medium Sized Enterprises (MSMEs) often come lower down the priority list. This can in part be explained by the challenges they continue to face in implementing their rights and obligations under the WTO rules. At the same time, with the rapid changes occurring in trade at the international level, including the significant rise of the Global Value Chains (GVCs), the emergence of digital trade, e-commerce and rapid developments in technologies, the significant interrelation between goods, services, intellectual property rights, patents, licences etc., they would much stand to gain from a fuller understanding of the newer areas that hold the promise of strengthening their competitiveness in international markets, as is explained further below. This includes reducing transaction costs and trade policies in support of electronic commerce, data transmissions and infra-structural support for strengthening the internet connectivity, all considered enablers for a better linking to GVCs. The demand in these areas remains low in the absence of legal obligations.

A specific question related to the importance beneficiaries attach to receiving academic support as a way of trade capacity building, which includes the work undertaken by the WTO Chairs. The responses showed very significant results, with 97% of respondents ranking it in the top 10 priorities, 68% in the top five and nearly one third in the top three priorities. These overall figures are not broken down regionally, but the strong interest by African countries and specifically the LDCs amongst them was again re-confirmed in the discussions and consultations held in Fall 2020 with the group of LDCs and in preparation of the next Phase of the WTO Chairs Program.

### *3.3 How to measure results and impact? A quantitative vs a qualitative approach.*

Showing the effectiveness of trade capacity building is important to enhance transparency and accountability. A main challenge consists of establishing the contribution of trade capacity building in the integration process, as compared to other factors facilitating such integration. Results Based Management (RBM), which lies at the heart of the Paris Declaration on Aid

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<sup>4</sup> The WTO counts 36 LDC members, 26 are housed in Africa, out of 8 LDCs in accession, 6 are African.



Effectiveness aims at ensuring that aid delivers specific results (OECD, 2005). RBM is incorporated in most UN development programmes, and the WTO also incorporates RBM in the design, management and delivery of the WTO trade capacity building programmes.

One of the challenges in RBM is to establish a causal link between the training provided and the effect it had, including the action that followed. In order to measure the outcomes of trade capacity building activities, indicators are used to assess progress and determine the change and impact that follow the intervention. However, there are many factors at play affecting trade flows and access to markets, including domestic reform policies, trade liberalization and many market related factors that are beyond the control of the public authorities and outside the WTO's scope and responsibility. Hence, the RBM methodology applied by the WTO is mainly suited to measure whether activities achieved their stated objectives. In other words, did it deliver the number of activities through various training programmes, reach the target audience, numbers of participants and to some extent the knowledge transferred? The knowledge acquired during a course can be tested through exams, questionnaires and so on, but the impact of the knowledge transfer and how it was put to use is harder to measure. This would require deeper research as to how the official trained applied the acquired skills, how these were translated in policy actions over time and their economic impact. Hence, RBM is not suited for measuring the contribution of the TA delivery in achieving the objective of a country's integration in the Multilateral Trading System. It is unrealistic to expect the limited number of small and short WTO's TA interventions to have an impact on levels of trade.

Instead of a quantitative assessment of the TA interventions, a qualitative appreciation can provide more insights on the question how African countries engage in the negotiations. Typical outcomes that the WTO is expected to achieve through its trade capacity building programmes include the greater and better participation of beneficiaries in the work of the WTO and its respective bodies, including in the DDA negotiations and in the dispute settlement process. The ultimate goal is a stronger capacity to implement WTO agreements, to make use of member's rights, and to apply the WTO's transparency mechanisms, such as through submitting notifications. There is no shortage of anecdotal evidence on the question of how beneficiaries have enhanced their capacity to insert themselves in the multilateral trading system and benefited from the Secretariat's TRTA, very often as delegations, Ministers and high level officials report directly to the WTO on the usefulness of the support provided. It nevertheless remains hard to effectively measure the achievement and outcomes, including building of human knowledge, and how that knowledge is used.

### *3.4 Main findings and how they relate to Africa?*

The evidence suggests that WTO's trade capacity building efforts are paying off: the findings and outcomes of an independent external evaluation conducted in 2016 on the WTO trade capacity building efforts show that: 'The widespread impact of WTO TA on the human capacities of beneficiary countries is real and tangible, and the evaluation found highly plausible evidence that WTO TA has also contributed to capacities at institutional levels in trade-policy-making, legislative compliance, multilateral/regional trade negotiations and implementation of international trade agreement. Drawing on its different lines of evidence, the evaluation has been able to trace demonstrated results from the training of individuals (including interns) and groups through to strengthened contributions and rising levels of responsibility in their work, to more effective institutions in the field, and finally to collecting an unexpectedly large volume of plausibly-linked, concrete examples of more effective participation in the system by countries

concerned. This body of evidence meets and exceeds the conditions for a reasonable causal claim that the training interventions made substantial contributions to countries' more effective participation in the MTS (WTO 2016). The effects of the support naturally differ per country and region and much depend on other factors than solely the TA provided.

### *3.4.1 A qualitative assessment of Africa's participation in international trade*

The qualitative assessment consists of appreciating the extent to which African countries are directly involved in the decision and rule making process in the WTO multilateral trading system. To what extent do African countries provide inputs in the DDA negotiations and on future directions of the institution, thus influencing the negotiations through specific submissions and ensuring that WTO reforms take into account the African interests. This is even more important given the commonly held critique by the African constituency that previous negotiations were mostly shaped by the interests of larger more powerful members (Laker 2014). Developing countries did not actively engage in earlier negotiations and were mostly 'takers' of the outcomes and decisions, with little power to influence the agenda per se and ensure that their interests were addressed. As Laker observed, many developing countries, particularly those in Africa, were reluctant to launch a new round of negotiations in 2001 (the DDA) as according to African countries, there was much unfinished business, including with regard to the implementation of existing commitments - which needed to remain the focus (Laker 2014). The Doha Round could only be launched on the condition that implementation related issues and concerns would be dealt with, as well as that the Round would focus on development. This also meant that in every negotiating area developing countries would be looking for an outcome that was sensitive to and reflective of their development concerns.

Developing countries actively participate in the negotiations and show a strong engagement and commitment with a view of getting that serve their economic interests. Kenya hosted the 10th Ministerial Conference (MC-X) at Nairobi in December 2015, which testifies of the keen interest Africa has in trade and giving direction to the DDA negotiations. It was the first ever Ministerial Conference organized on the African continent and chaired by an African leader. It is also seen as a confirmation that the African continent attaches great importance to trade as a vehicle for generating economic growth. In the lead up to MC-X, Kenya had gathered strong support from the African countries. The outcome of the Conference was hailed by the Chair of the Conference, Minister Amina Mohamad, who later was one of three African candidates for the position of Director General of the WTO. Following the appointment of Dr Ngozi Okonjo-Iweala from Nigeria, the WTO will now be led by an African DG, also the first woman to lead the institution.

Since the launching of the DDA developing countries and LDCs have (either as a group or individually) submitted a significant number of specific proposals, many of which address specifically (sub-) regional interests or more global interests and cover most of the areas under negotiation. The WTO Agreements contain a total of 155 S&D provisions to the benefit of developing and least developed countries. LDCs submitted over 50 specific proposals covering eight different areas of negotiations (WTO 2015a). To this should be added the over 30 Ministerial, General Council, and other relevant Decisions that allow for special treatment to developing and least developed country (LDC) Members (WTO, 2018). Nearly half of all the Decisions contained in the Ministerial Declaration that were adopted at MC-IX (Bali) address developing country related issues, including specific commitments and actions (WTO, 2013). The MC-X (Nairobi) once again resulted in general and specific decisions that would benefit

developing countries and LDCs directly or indirectly, including the significant decision leading to the elimination of export competition for agricultural products (WTO 2015b).

In view of the limited resource capacities, developing countries increasingly engage in the negotiations through coalitions in order to defend their economic and trade policy interests. African countries coordinate their position within the Africa Group, the G-90, ACP, as well as to some extent through the LDC group, mostly comprising African countries. The group proposals made by coalitions of developing countries are mostly geared towards easing a fuller integration of beneficiaries into the multilateral trading system. Positions are not automatically aligned, countries having different policy goals and priorities. The influence African countries can exercise in a coordinated fashion in the negotiations is best illustrated with the example of a small but influential group of LDCs, the so-called the Cotton-4 comprising Bénin, Burkina Faso, Chad, Mali. Their specific and common interest is cotton and their objective is to cut cotton subsidies and tariffs for cotton. The initiative driven by the four poorest countries in Africa is broadly supported by the other African cotton producing countries. Its group has made clear that without a credible result in this area, the African countries will not accept a broader package. The cotton-4 have demonstrated that a small coherent group of LDCs are in a position to influence policy and force large nations to change their subsidy practices.

Developing countries also associate themselves with positions of developed countries. Coalitions are created to defend common economic interests, irrespective of levels of economic development. These coalitions can be small or large and are mostly topic based, addressing specific interests for these countries in a sector or a policy area of economic importance to these countries. Some examples include the Cairns group, a coalition of agricultural (mostly developed) exporting nations lobbying for agricultural trade liberalization and which includes South Africa; its successor, the G-20, a coalition of countries pressing for ambitious reforms of agriculture and which includes Egypt, Nigeria, South Africa; the G-33, also called 'friends of special products' in agriculture, defending flexibility for developing countries to undertake limited market opening in agriculture, and which includes over a dozen of African countries, as well as the W52 group, sponsors to a specific proposal under the TRIPs agreement for modalities in negotiations on geographical indicators, which besides nearly some 50 countries from all continents also includes the EU, ACP and African group. Such pragmatic and solution-oriented approaches are a significant departure from ideology-based or North-South approaches. WTO Members increasingly base their positions on economic and policy interests.

Specific text and negotiating proposals that are technically complex and often sensitive were made by developing (including African) countries in areas such as Non Agricultural Market Access (NAMA), agriculture, intellectual property, services, trade facilitation, Special and Differential treatment (S&D), dispute settlement, and Aid for Trade. Africa took a particularly active stance in these discussions and negotiations. As a result, many of the areas, including NAMA and agriculture contain, a broad range of specific exceptions and S&D provisions for developing countries. These were meant to ease the implementation of the two draft agreements by developing and least developed countries but had at the same time added to the complexity of the agreements.

In most areas, trade capacity building for developing countries is a key issue, driven by the need to build the capacity to improve market access conditions. Given the weak infrastructures in developing countries, the requests for capacity building increasingly go beyond enhanced knowledge of the multilateral trading system. The focus is more on issues that are of importance

in the implementation of the agreements and strengthening the infrastructures. This largely drove members to adopt the Aid for Trade (AfT) initiative at MC-V (Hong Kong, WTO 2005). African countries are the largest beneficiary group of AfT, which is logically explained by the fact that they are the continent that houses the largest number of developing and least developed countries (WTO, OECD 2019). Separately, the LDCs, most of which are on African soil, benefit from the Enhanced Integrated Framework (EIF) which is generally viewed as an effective tool to assist LDCs integrating into the multilateral trading system.<sup>5</sup> These dimensions are important because even though they do not turn the WTO into a development organization, they are nonetheless a reflection of the WTO members' acknowledgement of the importance of building supply-side capacity to enable countries to use trade as a tool for economic development.

An important consequence of the more active engagement of developing countries in the negotiations is that their positions can no longer be ignored, as was largely the case in the GATT. Developing countries increasingly seek concessions from the developed countries. Africa has increasingly become 'demandeur' in the negotiations instead of having to accept what is put on the table, referred to as the 'takers' of the outcome of the discussions between developed members. That had mostly been the case in the previous rounds and led to the discontent of developing countries. Africa thus actively contributed to shaping the DDA negotiations and continues looking after its economic and policy interests and which in return contributes to the fuller integration of developing countries in the multilateral trading system.

#### *3.4.2. Using the legal system to defend rights and enforcing obligations*

One specific area of technical assistance provided to developing countries relates to building capacity of developing countries in defending their rights and obligations under the WTO rules. Art. 27.2 of the Dispute Settlement Understanding (DSU) is specifically designed to that effect and facilitating this process by putting at the disposal of the members consultants who can provide some legal on the merit of their cases. Separately, following the launching of the DDA, the Advisory Centre for WTO Law (ACWL) was created, which is more fully equipped with full-time lawyers who can provide support to developing countries addressing legal challenges. Overall, developing countries have used the legal system of the WTO quite actively, as complainants, respondents or as third-party members to legal disputes. In fact, at over half of all legal cases that have been addressed in the WTO involve developing countries. A total of 20 African countries have used the system and were involved in 118 disputes, with two as complainants, twelve as respondents and 104 time they were involved as third-party.

#### *3.5 Academic Cooperation and the: WTO Chairs Program (WCP)*

Building capacity at the academic level is another area where the WTO Secretariat has made considerable efforts, has been effective and had impact. It has proven to be particularly beneficial for Africa, which currently has seven universities participating the WTO Chairs Programme (WCP). The WCP was launched in 2010 with the specific aim to enhance knowledge and understanding of the trading system among academics in developing countries by stimulating teaching, research and public debate on international trade and trade cooperation at the level of tertiary education and research institution. This was innovative in the sense that the WTO thus far mainly targeted government officials and hence the policy makers. Following an initial period of four years of the WCP ('Phase I', 2010-2013), an internal assessment was

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<sup>5</sup> The EIF is a multilateral partnership framework including 6 partner agencies dedicated to assisting LDCs use trade as a vehicle for growth, sustainable development and poverty reduction.

conducted which led to a management decision to extend the program for a second period of four years (Phase II). Given the delays designing the contours of, securing the necessary funding and putting into effect the second phase, it was concluded in summer 2019 instead of 2018. Research and analysis have frequently led to policy recommendations and policy change as confirmed in various testimonials by chairholders and policy makers. Translating research into policy action is one of the stated goals of the WCP.

The Programme targets academic institutions in developing and least-developed countries which are members of the WTO. Hence, the process of becoming a Chair is highly competitive. The WCP is supported by an Advisory Board (AB), composed of academics, including university professors from prestigious institutions around the world, think tanks and leaders from partner institutions. Several Chair holders and AB Members are influential personalities and directly contribute to shaping trade policies in their countries.<sup>6</sup>

The way the WCP operates can be summarized as follows: The WTO provides financial and substantive support to the Chairs in three main pillars of activities - research, curriculum development and outreach.

- Research: the WCP seeks to promote original research on trade and WTO issues and aims at extending specialized knowledge and explaining the policy relevance of existing research.
- Curriculum development; through the WCP, the WTO seeks to support the development and delivery of courses on trade policy and WTO-related matters in academic institutions and focuses on disseminating and exchanging research and information to policy makers, businesses, civil society and the general public.
- Outreach: the WCP's outreach component aims at disseminating research and information on international trade issues to policy makers, business, civil society and the general public, and stimulating debates.

Building partnership and networks is one of the key features of the WCP and include regional UN bodies (UNECA in Africa and UNESCAP in Asia), national and international research institutes, think tanks and training institutes on all continents. Through the WCP Platform knowledge and research is widely disseminated and publicized. The AB members provide a mentoring role to universities requesting support in their curriculum building, research or outreach programs.

African countries play a significant role in the program with a total of 7 chairs at present, including two housed in French speaking LDCs (Bénin, Sénégal). Other Chairs are housed in Kenya, Mauritius, Morocco, South Africa, Tunisia. The African Chairs actively contribute to the implementation of the WCP, participate in all events organized under the auspices of the WCP, including its annual conferences, lecture series, side-events held at the WTO's public forum and Aid for Trade Biennial meetings, as well as the WTO Ministerial Conferences<sup>7</sup>. They have contributed to the three books prepared by the WCP team, including the most recent book on digital trade (Smeets, 2021). As was evidenced by the evaluators, much of the research conducted by the Chairs had direct policy relevance and guided and informed decision makers

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<sup>6</sup> One AB member (Harvard professor) was in the transition team of the President elect Biden team, one deputy Chairholder was appointed as Commerce Secretary (Brazil), one professor was appointed on the Board of the Central Bank (Tunisia) and another professor is an advisor to the Trade Minister (Turkey).

<sup>7</sup> Refer to MC XI at Bueno Aires side event at the university.

in their policy decisions. Their advice is frequently solicited by their authorities, thus confirming the relevance of the Chairs.<sup>8</sup>

A full-fledged independent external evaluation was conducted in 2019 (SAANA, 2019) and included a very thorough and in-depth review of the performance of the chairs. Not only the evaluation confirmed that the output produced by Chair holders had been significant, they found that the WCP has had impact: 'Chairs have achieved impact at the policy level, although this sometimes happens 'behind the scenes', informally and not openly. Chair-holding professors and key academic staff of many Chairs are usually influential individuals with good access to policy makers at national government level and in regional and international organizations. Most of the impact of the Chairs is achieved through research efforts of academic staff and students of the Chairs.....' (SAANA 2019). The evaluators made a strong recommendation of extending and considerably expanding the program, and more than doubling the number of Chairs and Chair holders. The former WTO's DG, Roberto Azevêdo formally endorsed these conclusions in summer 2020, leading to the preparation of a third Phase of the WCP and which has now been launched.

Based on the recommendations a new strategy for Phase III was developed by the Secretariat, building on the achievements of the first two phases of the program, endorsed by the former Director-General before his departure in summer 2020 and who committed funding to the next phase of the WCP at the same level as for Phase 2. The number of the Chairs could be more than doubled from the current 19 Chairs to 40, with a particular attention given to LDCs, developing countries in regions that are currently under represented as well as the so-called Article XII members (Members that recently acceded to the WTO) and countries in accession. A call for applications was launched in December 2020, with a view of implementing the program in 2021, following a rigorous selection process. In order to build support for the next phase of the WCP, consultations were conducted with potential donors and beneficiaries in different formats, including at the regional and sub regional level. Specific discussions were held with the LDC group. The significant interest in the WCP was confirmed with a total of 212 expressions of interest received and 15 applications from 55 beneficiaries<sup>9</sup>.

The cooperation with universities has proven to be effective and had impact, with a strong engagement and commitment from Africa. The next phase is expected to yield even more results, given the experience on which the WCP Phase III can build and the networks created in the first two phases, both within the African continent as well as between regions. The WCP are expected to include non-funded developed country chairs that can provide further support and partner with universities in the target countries. Given the specific focus on LDCs in phase III of the WCP, Africa stands to gain even more from the program than it does today.

Given the Covid-19 pandemics, rendering field-based visits challenging and often impossible, building local capacity through the Chairs holds the future. The research takes place on the ground and much of the follow up interventions can be and is presently done in virtual mode.

### 3.6 Support provided through the Trade Facilitation Agreement (TFA)

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<sup>8</sup> Several Chairs have posted their testimonials underscoring the relevance the WCP has had for their countries on the WCP's platform. Equally, AB Members provide evidence to that effect.

<sup>9</sup> Data per 22 February 2021.

The Trade Facilitation Agreement (TFA) was negotiated at the MC-IX (Bali), entered into force in February 2017 and holds huge benefits and a great potential specifically for African countries (WTO, 2013d). A study undertaken jointly by the WTO and the World Bank underscores the role of reducing transaction costs in developing countries in support of trade (WTO, 2015 and World Bank/WTO 2015). The WTO estimates that 'the full implementation of TFA could reduce global trade costs by an average of 14.3 per cent'. According to the Peterson Institute, 'the implementation of the TFA could amount to over US\$ 1 trillion in gains to the world GDP' (Hufbauer, Schott, 2013). The LDCs will benefit in particular, as the implementation of the TFA would create significant diversification gains and also facilitate their efforts to participate in the global value chains. Other beneficial effects for LDCs include a better revenue collection and it should be more attractive for FDI. The critical role the TFA plays in supporting the reduction in transaction costs in developing countries and more specifically for Africa was also evidenced by the WTO Chairs in 2016. (Teh, Smeets, Sadni Jallab, Chaudri, 2016). Taking advantage of the provisions of the TFA nevertheless poses some challenges and where the WTO can play a significant role by providing technical assistance and building capacity. This was evidenced long before the TFA was concluded as observed by Evenett, Hoekman (2005), who note that 'while many WTO Members and mostly developing country members have long recognized the importance of cutting red tape at customhouses, improving efficiency, and reducing unnecessary delays affecting cross-border commerce, but they do not have adequate infra-structures allowing them the benefits of the TFA to materialize and are in need of technical support and assistance.'

Trade capacity building was deliberately included in the design and set up of the agreement as a key element and of critical importance in order to achieve the main objectives of the TFA. Also, the Trade Facilitation Agreement Facility (TFAF) was established in summer 2014, which specifically provides for technical assistance to be granted to beneficiaries of the TFA. The support that can be offered ranges from needs identification and sharing best practice information to infra-structural and financial support.

The TFA has three main sections. The first one spells out the substantive parts of the agreement, including the specific elements that need to be put into place by the members and what needs to be done. The second section is innovative in the ways it offers concrete options for developing countries on how they can benefit from support measures to be provided by the donors. In other words, it contains binding S&D treatment provisions. Developing Country Members and LDCs can largely determine themselves the extent to which they are in a position to implement the TFA and when and how they will commit more fully to the TFA obligations. They are given the option to implement the TFA in part and make that dependent on the receipt of technical assistance and support for capacity building.

In order to take advantage of the S&D provisions, the TFA establishes that each developing country and LDC Member shall self-designate, on an individual basis, the provisions it is including under each of the categories A, B and C (WTO, 2013d). The Member also needs to notify other WTO Members about how they categorized the measures and the timelines they are seeking for implementation. The three categories contain the following provisions:

- Category A includes provisions that developing country members or LDCs designate for implementation upon entry into force of the Agreement. LDCs are granted one extra year to do so.

- Category B contains provisions allowing the member to delay the implementation until a later date. In other words, a transition period will be accorded for the measures contained in this category, as well as for the following category (C). The TFA however is very specific in terms of the commitments that need to be taken by the donors and beneficiaries in order to ensure the implementation of the measures at the dates convened.
- Category C contains provisions that are in a way similar to Category B, except that it refers to the need for the acquisition of implementation capacity through the provision of assistance and support for capacity building.

The innovative approach to trade capacity building, through binding commitments, is underscored by Neufeld, who explains that the S&D treatment for developing countries is a crucial aspect of the mandate that had been given to the members and which dramatically breaks new ground (Neufeld, 2014). The implementation of the technical assistance involves not only the WTO as a lead agency but benefits from the active contributions of the World Customs Organization (WCO), the World Bank, UNCTAD, the ITC and the OECD (WTO, 2015). Separately, the United Nations Regional Commissions play an active role in the implementation of the TFA in each of the geographic regions in the world. Furthermore, the regional development banks will need to provide the financial support, as the implementation requires substantial funds. The role of the African Development Bank (AfDB) and the Inter-American Development Bank (IADB) will be of critical importance. The TFA makes explicit reference in the cooperation between the institutions to ensure the maximum effectiveness of and results from the assistance (WTO, 2013). The determination to make the TFA effective is not only reflected in the way the trade capacity building efforts are contained in it, but in order to facilitate its implementation, the Trade Facilitation Agreement Facility was launched in July 2014 and receives earmarked funding from donors to ease the implementation of the TFA.

Africa, recognizing the important role the TFA can play in overcoming their domestic infra-structural challenges, is actively engaged in the implementation of the TFA, with the support of the WTO. A total of 38 African WTO members have ratified the TFA and only six have not. Also, 27 LDCs have ratified and nine have not. African countries (26) that have presented some technical assistance and support for capacity building needs for provisions in category C. Many of the African countries have introduced the single window, cargo tracking systems, trade information portals, improving their infra-structures, logistics systems, ports, postal delivery services and set up of National Trade Facilitation Committees. All these efforts are geared towards enhancing efficiency and facilitating a better linkage to GVCs.

#### **4. Africa's challenges ahead**

While it was evidenced that Africa is the continent having benefitted most from WTO's trade capacity building in support of a further integration into the MTS, challenges remain. With the rapidly evolving ways in which trade takes place, shifts in comparative advantage, the introduction of new production techniques, the role of IT, reduced shipping and transaction costs and many other factors driving change, countries have no choice and to continuously adapt their policies and adjust to the new competitive forces. The world is more dynamic than ever before and highly interdependent. This implies new challenges for Africa integrating into the multilateral trading system and where the Chairs can play an important role by analysing the key issues emanating in policy recommendations. One relates to the role of Global Value Chains



(GVCs) in diversifying the economy and the second one to digital trade as an enabler of economic growth. The two are closely interconnected.

#### *4.1 Global Value Chains (GVCs) enabling diversification and connecting to markets.*

There is a general recognition that GVCs can contribute significantly to a country's and/or regions economic welfare. The literature on GVCs is expanding rapidly and there is a consensus emerging around the importance of GVCs for stimulating economic growth and development. A better participation in GVCs, amongst others, facilitates innovation, technology transfer, upgrading of production and an increase in value addition (OECD, World Bank, WTO 2019). In earlier studies, the WTO and the World Bank observed that 'the emergence of global value chains has been an important driver of developing country participation in the global economy' (World Bank WTO, 2015). GVCs can lead to better integration into the trading system and advancement of economic development, as countries can specialize in tasks or stages within the value chain.

African countries are not strongly connected to world markets through Global Value Chains (GVCs). One of the main obstacles for moving up the value chain are the high trade costs, infrastructural deficiencies, tariffs, costly border procedures in Africa. The high costs for exporters/importers in Africa by far exceed trade costs in other regions, which in return isolate countries from world markets and limit economic growth opportunities. The African Development Bank (AfDB) estimates that Africa needs \$130-170 billion a year to fix infrastructural deficit and more specifically in roads, ports telecommunications, energy networks (AfDB, 2018). A better and fuller integration in the MTS through specialization and being part of the global value chain can lead to a significant value addition, diminishing reliance on revenues from base or primary products, contribute to diversification of production, transfer of technology, FDI and job creation. It will trigger enhanced specialization within the continent in goods and services, lead to export diversification, an increase in GVC participation, complementarities, economies of scale and reduce market fragmentation. The regional integration on the African continent can lead to the establishment of regional production hubs, trigger further FDI, transfer of technologies, use of e-commerce lowering transaction costs.

Understanding GVCs and the upward and downward linkages of GVCs is complex, however, and it is even more challenging to design policies for a better linkage and integration into the GVCs. Countries need to meet a number of conditions, including building adequate infra-structures for high speed internet connectivity, having a more developed and advanced services economy, facilitating trade through digitalization, hence, a combination of factors that are all conducive to enhancing efficiency, reducing trade and transaction costs and thus creating a competitive environment. Many of these elements are missing or not sufficiently developed in Africa and require support, including through the TFA and the AfT initiative.

More generally, the integration of developing countries in the multilateral trading system through their participation in GVCs remains a main challenge. Some of the difficulties in this area were evidenced in research and analysis conducted by the WTO Chairs with examples of the challenges that developing countries and mainly African countries are facing in becoming part of the GVCs (Jansen, Sadni Jallab and Smeets, (2014). Many of the challenges relate to supply-side constraints, a high dependency on primary products, which generate upward linkages in the value chain, but overall little value addition, and a lack of product diversification. It is suggested that WTO's technical assistance, including the Aid for Trade initiative, can be supportive in Africa's efforts to diversify and enhance its export potential. GVCs contribute to

diversifying developing countries' production and export structure away from natural resources or primary agricultural commodities to manufacturing services, where labour productivity and wages are higher. In addition to the employment it creates, the WTO report underscores the dynamic gains from increased trade integration and FDI, which often accompany GVC integration, including the transfer of technology and skills.

Given the growing role of services in the world economy and the strong interlinkage between goods and services, several studies advocate that countries focus more specifically on developing their strengths in services in the GVCs, as this would be less costly in terms of investment in infrastructure and production facilities. The WTO underscores that 'more than 30 per cent of developing countries' exports consist of services value added, with services having become an important input into the manufactured goods' (WTO 2014). The WTO furthermore underscores the growing importance of GVCs in South-South trade, which has increased significantly: 'the share of trade in parts and components between developing countries has risen from around 6 per cent in 1988 to almost 25 per cent in 2013' (WTO 2014). These aggregate numbers hide the fact that most of these developments have benefitted Asian countries. In contrast, Africa's shares remain very low, justifying extra efforts. Finally, as is discussed below, the rapid evolution of digital trade and e-commerce opens further and new opportunities for a better connectivity to the markets. They can be facilitators for a better connection to the GVCs.

Given the significant role that GVCs play enhancing economic growth, trade and development, the WTO Secretariat can play an important role with the support of the Chairs. It has already launched specific projects in support of value addition in selected African countries, covering all language groups. This includes Bénin and Sénégal, with the support of France as a donor in the project and with the analytical inputs and support of the WTO Chairs in these countries. In addition to provide support in the GVCs, another aim is to build solid data sets, create sustainable capacity to produce national statistics and GVC indicators, integrating more African countries in the OECD Trade in Value Added (TiVA) database, assisting them in the preparation of analytical reports, country notes and profiles, providing support to African policy makers and train statisticians and trade analysts on the use of TiVA indicators and databases. These are ambitious goals and once successful, can be replicated in other countries.

#### *4.2 The role of digital trade as an enabler of economic growth*

The role of technology and digital trade in building GVCs is also underscored in recent study conducted by the Chairs, Advisory Board members and Secretariat staff, and which addresses more specifically the opportunities and key challenges developing countries face in the era of digital trade (Smeets 2021). In addition to GVCs, this includes the role of domestic infrastructures and other enablers of growth as well as the regulatory issues. It also discusses policy options to better connect to international markets and integrate in the multilateral trading system.

The book includes several contributions addressing specifically African concerns in the digital trade era and the role of GVCs in achieving a fuller integration in world trade. Baghdadi et al. observe that while firms already participate to some extent in GVCs, African countries' participation in GVCs is largely through supplying inputs (often raw materials) to foreign firms for further processing (referred to as forward participation) (Baghdadi 2021). African firms play less of a role in backward participation in GVCs, as represented by the share of inputs of foreign origin in a firm's total material inputs. The same authors find that access to the internet and internet infrastructure (represented by the availability of broadband technology) increases

the participation by Africans in GVCs, and that internet connectivity has a stronger influence on forward participation in GVCs than on backward participation. An important implication is that improvements in internet infrastructure could have a significant impact on African firms' ability to expand their participation in GVCs.

In several case studies it is shown that government policies centered on supporting digitally enabled growth can be very effective: Mauritius now tops the rankings for sub-Saharan Africa, followed by South Africa, Nigeria and Kenya. In Kenya e-commerce has grown supported by new legislation and government policies. Laws have been passed to provide a framework for the provision of ICT services, e-commerce transactions, data protection and access to information. The government also has established one-stop shop centres for the delivery of government services to citizens and for trade logistics. This confirms that domestic reforms and putting the right policies in place can lead to these results.

Addressing policy concerns at a regional or global level support the domestic reforms. The policies outlined in Kenya's Digital Economy Blueprint provide a solid basis for the expansion of digital trade through the establishment of the Africa Continental Free Trade Area (AfCFTA) (Kiriti Nganga, Mbithi 2021). Indeed, it is evidenced, that in addition to the technical limitations of internet service, the small market size of many African economies, the legal and regulatory framework supporting electronic payments require a stronger regulatory cooperation with other countries on e-commerce (Seetanah, Padachi, Fauzel, Sannasee, Boodoo, 2021). Policies are either considered or put in place on the African continent: in February of 2020, the African Union put e-commerce on Africa's trade agenda and strategies were also put in place by COMESA and SADC, focusing on digitalization, e-regulation, e-logistics and e-trade. The inclusion of e-commerce on the agenda of the AfCFTA has proved to be a contentious matter, as African countries hold different positions on the treatment of e-commerce when it comes to addressing regulatory issues (Hartzenberg, 2021). The divergent approaches to regulatory issues are more broadly underscored by the Chair holder's contributions.

Engaging in digital trade opens up new opportunities for the provision of online services, promote export diversification, boost efficiency and growth in manufacturing, improve competition in the financial sector, increase access to market-relevant information, and increase market access for micro, small and medium-sized enterprises. However, as the studies show, in pursuing digital strategies, key challenges include access to finance, low incomes, limited broadband and fibre coverage, inadequate transport infrastructure, and skills gaps. The legal and regulatory framework is insufficient to protect against cybercrime, ensure privacy, support the interoperability of mobile money platforms and banks, promote consumers' trust in online transactions, protect intellectual property, and protect digital sites from liability for customers' posts.

Fraud and cybercrime are a main concern for e-commerce activities in Africa (Igue C., Alinsato, Agadjihouédé, 2021). The rapid growth of internet penetration, the development of mobile money services, the increased use of credit cards and increased access to bank accounts have greatly boosted financial inclusion and encouraged reliance on electronic payment, thus establishing a strong basis for e-commerce development on the continent. The legal framework to combat cybercrime is inadequate in many countries. More broadly, most African countries lack many of the basic requirements of a legal framework for e-commerce, for example laws providing for the acceptance of electronic signatures and adequate consumer protection, while

in many countries the legal/regulatory framework has several defects, including high tax levels and a lack of clarity on regulatory policies.

In short, while digital trade opens significant new opportunities, Africa faces main challenges in order to benefit from them. Policies need to be designed and/or adapted to facilitate domestic reforms.

## **5. Conclusions**

Since the launch of the DDA, the WTO has systematically endeavoured to facilitate a fuller integration of African countries in the multilateral trading system. The Secretariat's trade capacity building programs have contributed to enhancing levels of knowledge and human and institutional capacity leading to a better understanding rules of the system. The WTO Chairs have supported the liberalization and reform processes by providing the analytical underpinning and the rationales of economic and trade policies and more specially the benefits of trade liberalization. Not only did these efforts contribute to reform and adjustments in trade policies, African countries are in a far better position to formulate their policy interests. The large number of proposals made by developing and least-developed countries in the negotiations confirms their enhanced capacity to master often complex and technical issues in the negotiations. Building on the results achieved by the Chairs, the WCP could even more than double its capacity in its Phase III. By reaching out to those countries that have not yet benefited from the WTO's academic support and deepening and strengthening the academic networks, LDCs and African countries stand to further benefits from trade.

The main challenge will be to better prepare for the future. The dynamics of trade and the rapidly advancing technologies require further and continued efforts by African countries to deepen their integration and building capacity to be a fuller part of the Global Value Chain and to exploit the benefits that can be offered in the new digital trade era. The new competitive forces are mainly determined by the rapidly changing production techniques, the breaking up of production processes, shifting comparative advantage, deeper specialization, GVCs, creation of regional production networks and the introduction of new technologies, including digital trade. Given Africa's predominant dependency on labour and commodities as inputs into the production process, the question then is what policies need to be adopted to better link to value chains and exploit Africa's comparative advantage? How can it create an enabling environment, given the dynamics of trade? What policies need to be put in place at a national and continental level, through the AfCFTA? The full implementation of all elements contained in this ambitious integration project should not only lead to more policy coherence and coordination on the African continent, it should result in economies of scale, lowering transaction costs, conducive to new trade and economic growth opportunities and for which digital trade is likely to be a key driver. African Chairs and academics too can play an important role through the WTO Chairs program and their research and analysis, offering concrete policy options for the ways forward.

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