



Programme:	<i>Technical Assistance to the Integration to the Multilateral Trading System and Support to the Integrated Framework</i>
Country/Region:	ECOWAS
Project title:	Regional Conference to prepare for the upcoming 9th WTO Ministerial Conference
Source of Financing:	Third Programme Estimate - Activity n° 073-13

ANNEX II: TERMS OF REFERENCE

Beneficiary

Thirteen eligible members of ECOWAS and the ECOWAS Commission¹;

Contracting Authority

The Contracting Authority for this project is the Programme Management Unit (PMU) of the ACP MTS PROGRAMME on behalf of the Regional Authorising Officer for the European Development Project N°2013/318-040

Regional Background

The Economic Community of West African States (ECOWAS - in French: Communauté Economique des États de l'Afrique de l'Ouest, CEDEAO) is a regional group of fifteen West African countries. Founded on 28 May 1975, with the signing of the Treaty of Lagos, its mission is to promote economic integration across the region. Considered one of the pillars of the African Economic Community, the organisation was founded in order to achieve "collective self sufficiency" for its member states by creating a single large trading bloc through an economic union.

Trade is an integral part of the ECOWAS development strategy. The Trade Directorate is responsible for the promotion of intra- and extra-regional trade through, *inter alia*, assisting Member States to formulate and implement trade policies and negotiate trade rules and arrangements, which will facilitate sustainable development. The region pursues the negotiation of trade arrangements that cater to their interests by safeguarding sensitive domestic regional sectors and providing increased access to markets of export interest.

As such the Commission has a direct interest in the operation of the World Trade Organisation, and of its foremost decision-making body, namely, the Ministerial Conference. This political forum brings together all WTO Members to take decisions on all pertinent issues within the multilateral trading system. With a membership of 159 countries and customs territories, the WTO will hold its 9th Ministerial Conference (MC9) on December 3-6, 2013, in Bali, Indonesia.

Relevant WTO Background

ACP countries are heavily immersed in the negotiation and treatment of issues under the rubric of the multilateral trading system. This applies both to the longstanding negotiation of the Doha Development Round and the treatment of general WTO issues such as trade policy monitoring, trade and development and AfT. DDA negotiations are currently facing a severe impasse but expectations remain that a package of "Bali deliverables" - trade facilitation, agriculture and special and differential treatment - will emerge. Additional issues under contemplation are an LDC package comprised of accession, services waiver

¹Guinea and Guinea Bissau are currently under Cotonou Article 96 provisions and are therefore their senior officials are ineligible to benefit from direct EDF support.



and cotton. In this context, the convening of the 9th WTO Ministerial Conference in Bali holds special significance, especially to ECOWAS countries – most of which are LDCs or otherwise members of the Small, Vulnerable Economies.

The WTO Ministerial Conference will also offer the opportunity to address a host of non-DDA issues as TRIPS non-violation and the moratorium on customs duties on electronic commerce. The 9th WTO Ministerial Conference will also take place in a context of a host of new global trade developments involving traditional ACP partners such as the US, EU and Australia, and the possible negotiation of a Trade in Services Agreement. The 9th WTO Ministerial Conference therefore offers a platform for the 159 WTO Members to collectively reflect on these and other important trade developments.

The 9th WTO Ministerial Conference and the potential conclusion of the Doha Round are of particular interest for ECOWAS Members as they face strong challenges in their trade development agenda. These countries' physical remoteness, lack of economies of scale and inherent high cost of transport all contribute to a systemic lack of export competitiveness. Further economic constraints stem from reduced diversification of export markets and products, limited internal market and dependence on imported energy. The defence of their interests in the Doha Development Agenda is a crucial requirement in order to deliver the objective of further integration into the world economy as a path towards alleviating poverty in the Region. Furthermore, the Ministerial Conference will also facilitate ECOWAS and its Members to hold intensive consultations with major WTO Members and groupings such as the ACP, African Group, SVEs, LDCs, G90, G33 and Friends of Development

As a result of this policy imperative, the ECOWAS' participation in multilateral trade negotiations could be further strengthened. The convening of the regional ECOWAS meeting therefore offers an opportunity of heightening the sensitization of pertinent WTO issues among ECOWAS Members while improving the coordination among the region's stakeholders. All of this should positively redound to improving the capacity of the ECOWAS WTO Members to frame, articulate their core WTO interests and ultimately benefit from the promotion of their interests in the multilateral trading system.

Atmospherics of MC9 Preparations

The 9th WTO Ministerial Conference takes place at a most challenging time for the WTO. The organization overseeing the multilateral trading system faces a series of challenges. Most notably, a sense of stasis now engulfs negotiations of the Doha Development Agenda (DDA). Although negotiations remain vibrant, the results have been far less satisfactory. This is even more pronounced for developing countries that were promised a development dividend from the DDA's conclusion. At this juncture, the Bali WTO Ministerial will at best, deliver DDA results limited to trade facilitation, export competition, food security and a clutch of development issues.

In preparation for MC9, Geneva-based trade negotiators are also considering a series of other issues of germane importance to ECOWAS Members. This specifically revolves around a series of LDC issues, namely, accession, operationalizing the services waiver and cotton. Given the current state of negotiations, a positive outcome in Bali can already be anticipated for accession and services.

However, the prospects of a successful 9th Ministerial hinges on the treatment of two substantive issues. The first concerns the treatment of the G33 proposal on food security. Norway has made a proposal whereby the Agriculture text would not be amended but an understanding reached whereby but country-specific treatment could be tolerated. This Norwegian proposal has resulted in a significantly improved level of engagement in the Special Session on Agriculture.

The second substantive issue relates to Trade Facilitation where technical negotiations have advanced and resulted in the halving of the number of outstanding brackets. The challenging issues are concentrated in the fields of customs cooperation and transit. Nevertheless, all WTO Members are immersed in vigorous negotiations aimed at bridging the remaining gaps. An agreement on TF remains both technically and politically feasible.



In part momentum in TF has arisen due to the strength of commitments by industrialized Members on trade capacity building measures. Nevertheless, a clear link has emerged with respect to the treatment of the G3 proposal on food security and TF negotiations. A further complication stems from the recent EU/US statements to withdraw earlier commitments to cease the use of export subsidies. These industrialized Members (major users of export subsidies) argue that their offer was contingent on overall progress in all facets of AGRI negotiations.

Finally, it should be recalled that MC9 remains a regular WTO Ministerial Conference. WTO Members all believe that elevating the Bali Ministerial to a negotiating session would pose severe risks to the multilateral trading system, more specifically, that of possible failure at a Cancun. Therefore, WTO Members are determined that the relevance and value of the MTS is not impaired, and resultantly, are determined to work towards a successful MC9.

ACP MC9 Preparatory Process

ACP positions for MC9 will be framed at the October 7-10 Ministerial Trade Committee (MTC). As has been previous practice, the Ministerial discussions will be preceded by the meeting of ACP senior officials that will prepare documents for the consideration of Ministers. This year's MTC will heavily concentrate on preparations for the 9th WTO Ministerial Conference. However, other agenda items will be considering the state of EPA negotiations and surveying a slate of additional ACP-EU trade issues. All three major MTC agenda issues will constitute the core exchanges at the October 11 JMTC. This year's JMTC will therefore offer both the ACP and EU an opportunity to exchange views on the "Bali deliverables" and consider additional issues that are impinging on the value and effectiveness of the multilateral trading system.

The ACP has also planned a series of brainstorming events in order to strengthen the Group's preparations for MC9. These technical-level consultations will culminate in an event on September 25-26 that will consider all salient MC9 issues. The final brainstorming session will be attended by both Geneva diplomats and capital-based trade officials and its results channelled into the MTC and JMTC.

REQUEST

ECOWAS has submitted a request to hold an ALL REGIONAL ECOWAS PREPARATORY MEETING FOR THE 9TH WTO MINISTERIAL CONFERENCE. The meeting will be held in Accra, Ghana on September 18-19, 2013.

The 2 day-meeting will bring together senior officials and other stakeholders from ECOWAS Members to discuss the challenges faced by the region in the multilateral trading system, in general, and in particular in the Doha Round. It is anticipated that coordinated ECOWAS regional positions on a number of pertinent WTO issues should emerge for articulation at the 9th Ministerial Conference. It will also allow for an exchange of experience and to ensure dissemination of information eventually in all major economic sectors throughout the region.

Project outcomes will be fed into preparatory meetings in ECOWAS Members towards the 9th Ministerial Meeting in Bali. This should inject new momentum to the Doha Round and reinforce the value of the WTO to trade development within the ECOWAS region. Recommendations will also be extended into the development of action plans on different themes for various economic sectors to develop their own positions and to assist them to enhance regional and national trade policies.

The outcome should enhance the ECOWAS' institutional capacity to negotiate WTO and other related trade agreements. The proposed intervention would more specifically assist the ECOWAS and its Members to define positions for articulation at the 9th WTO Ministerial Conference. The outcomes would also be mainstreamed into ECOWAS regional trade strategies for economic development and regional integration, and possibly, negotiations with the EU of an Economic Partnership Agreement.



In summary, the aim of the Project is to convene a Preparatory meeting to the 9th Ministerial Conference for all ECOWAS Members to discuss issues of particular interest for articulation at the 9th WTO Ministerial Conference. The preparatory meeting will seek to adopt a common regional position to feed into both the 9th WTO Ministerial Conference and the ACP preparatory processes. The convening of the ECOWAS MC9 preparatory meeting will therefore assist in strengthening the role of ECOWAS Members to promote trade amongst both themselves and with the wider international community, while addressing their own developmental aspirations of promoting both poverty reduction and sustainable development.

A **Project Coordinator** under the Authority of the PMU and in collaboration with the ECOWAS Commission will organise the resource persons to develop technical papers related to the 9th Ministerial and also facilitate the various discussions. That expert will also prepare a report on the meeting with all presentations and reference materials attached.

The PMU will contract the services of 4 resource persons (i.e. technical experts), to prepare issue papers and case studies and make presentations at the meeting. These technical documents will form the bases of the discussions. The background materials and presentations prepared by the resource persons will be approved by the PMU before dissemination to the conference participants. The Logistics Expert under the direction of the Project Coordinator will then liaise with the resource persons to ensure their timely presence and presentations at the Conference.

The resource persons would be tasked to draft and present papers on the following four distinct areas, namely:

1. An overview paper on the general state of play in DDA negotiations, the prospects for the emergence of a “Bali deliverables” i.e. trade facilitation, agriculture and STD and LDC issues and the current atmospherics surrounding preparations for the 9th WTO Ministerial Conference. The paper will also enumerate the treatment of specific ACP/AU proposals on Trade Facilitation, SDT cluster and the development mechanism. Additional element could include the overall treatment of development in non-DDA facets of the MTS. A final element of this strategic overview would be the enumeration of ECOWAS WTO priorities for articulation at MC9.

2. Trade Facilitation - ECOWAS Interests and Approaches:

- Update on DDA TF Negotiations – Positions, Status and Possible Outcome
- ECOWAS Members’ Specific Approaches to Sections I and II in draft TF text
- Review of the internal balance within draft TF text (i.e. between Sections I and II)
- ECOWAS TF Experience and Needs Assessments, including ECOWAS internal approaches, e.g. single window, advanced binding rulings

3. WTO Agriculture Negotiations: State of Play and Potential Deliverables

- G-33 proposal concerning public stockholding for food security and domestic food aid, and possible impact on ECOWAS Agricultural Policy (ECOWAP)
- G20 proposals for an understanding on Tariff Rate Quota administration and export competition
- Possible ramifications on the ECOWAS Members of EU/US withdrawal of undertaking to cease the use of export subsidies
- Cotton: update on the C-4 proposals in DDA and the reaction of major WTO players and possible ramifications of the new US Farm Bill on C-4 interests

4. SDT and LDC Issues: The Way Forward

- Treatment of Proposals on Special and Differential Treatment and Monitoring Mechanism
- LDC Agenda of services waiver and accession (cotton will be treated separately);



A **Logistics Expert** will be recruited to undertake all the practical arrangements such as identifying and contracting venues and accommodations, contacting participants and resource persons, concluding all travel arrangements, reproducing documents, booking of air flights for participants, paying per diems, collecting all supporting documents, and reproducing of materials, etc. The PMU will commission the services of the experts, fund the travel and subsistence of participants, and assume the cost for the conference venue and other related costs, as appropriate.

The 2-day meeting is expected to attract 40 participants distributed as follows:

- (i) 13 capital-based Senior Officials from ECOWAS Members
- (ii) 13 diplomats from ECOWAS WTO Missions based in either Geneva or Brussels;
- (iii) 3 Senior Officials from the ECOWAS Commission (based in Abuja);
- (iv) 1 Senior Official from UEMOA Commission (based in Ouagadougou, Burkina Faso)
- (v) 10 persons from various Ghanaian Ministries of Foreign Trade and Trade and Industry, trade associations and NGOs.

Due to the limited time available and the type of consultancy work that is requested for this assignment, the PMU intends to organize and supervise the implementation of this assignment by directly recruiting a Project Coordinator, a Logistics Expert and 4 resource persons to develop strong analytical papers on the four issues identified in these Terms of Reference.

These analytical papers will not only serve as conference materials but be revised based on the discussions that will take place during the meeting and serve as reference technical papers for the Region in the wake of the WTO MC9.

Attached for your kind consideration are the ECOWAS formal request and the proposed budget for this activity which will be financed under the B.L. "1.1.1 Negotiations".

Furthermore, we invite you to sanction the PMU to enter into contracts with value less than 20.000 Euros to implement the project. Finally, please note that the PMU has adequate funds to cater for the implementation of this project.

I trust that the request and the financing proposed will meet your agreement.

Yours sincerely,

**Junior Lodge
Programme Director
ACP MTS Programme**