



CSOS PREPARATORY MEETINGS TOWARDS THE 10TH WTO MINISTERIAL CONFERENCE
CSOS' CONSULTATIVE FORUM
Date: 11th -12th November, 2015
Venue: Gelian Hotel, Machakos, Kenya

REPORT

PART 1: INTRODUCTIONS AND OPENING REMARKS

Introduction

Kenyan CSOs held a consultative workshop in Machakos on 11th -12th November, Ahead of MC10, to build consensus on priority areas with the aim of developing the Country Position. The areas discussed during the workshops included: a) Background to WTO Doha Development Round: Negotiations and Preparations towards to 10th Ministerial Conference in Nairobi; b) WTO Trade Facilitation Agreement: Opportunities and Challenges for the EAC; c) WTO Agriculture Reforms: Proposal to ensure Food security and productivity of smallholder farmers in Kenya; d) The Impact of WTO on informal Cross Border Trade; e) LDC Package; Special and Differential Treatment for the LDCs and their Impacts on Kenya; f) Overview of Singapore Issues within the Doha Round, negotiations on environmental goods, TISA negotiations and contentious issues for Africa; g) Regional Trade Agreements Vs Multilateralism; and h) WTO and the Youth.

The workshop was a two day event with the first day mainly focusing on information sharing and identifying some of the key issues for Kenya while the second day specifically set aside for group discussion to identify key/priority issues that must be given prominence during the 10th Ministerial Conference.

The Forum brought together individual and networks of various civil societies in Kenya. The outcome of the meeting (CSOs position) will be presented to the National Trade Negotiation Committee through a dialogue process with the main aim being to lobby for the CSOs' position to form part of the agenda during the negotiation process.

1.0 Opening remarks

1.1 Remarks by Kenya Human Rights Commission (KHRC)

Fredrick welcomed participants and introduced them to the main purpose of the meeting. He emphasized that the forum's main output will be a position paper clearly stating the position and key priorities of the CSOs in Kenya. He also mentioned that other regional CSOs have already established some position and it will be important for Kenya as the Host to have a clear position as well.

Later, he took the participants through the program of activities. Further he advised that that the CSOs need to seize the opportunity to ensure that they speak with one voice as they present their positions to the relevant stakeholders.

Fredrick told participants that KHRC is involved in work with the WTO Secretariat in addressing trade justice issues. This forum, he stated, was initiated by KHRC as part of their annual work program in preparation for the tenth ministerial conference hosted by Kenya. He emphasized that Kenya CSOs need to seize this opportunity as a platform for sharing ideas.

1.2 Remarks by East Africa Civil Society Organizations' Forum (EACSOFF) Kenya

Masheti emphasized that EACSOFF provides a platform for CSO in advocacy and outreach programs. He added that EACSOFF is also coordinating the national consultative dialogue that leads to the East Africa Community Secretary General's Forum annually. He told the participants that this is a platform for multi-sectoral discussion by CSOs and that by the end of the workshop, CSOs need to develop a position on trade which will be forwarded to the government who formulate policies and will engage directly in trade talks during the WTO ministerial conference.

1.3 Trade Mark East Africa (TMEA)

Simon Konzolo told participants that Trade Mark East Africa (TMEA) only plays a facilitator's role in the process. TMEA is also supporting substance building with the Ministry of Foreign Affairs and Trade so as to assist the development of a Kenyan position to be presented at the MC10. According to TMEA CSOs are vital in the process to ensure the Kenyan voice is included in the position. He further stated that TMEA will be supporting publicity and exhibition at the MC10.

PART 2: THEMATIC PRESENTATIONS

2.0 Background to WTO: Negotiations and Preparations Towards 10th Ministerial Conference in Nairobi

Mr. Okach took the participants through the background of WTO, its functions, structure and some of the past negotiations whose resolutions and declarations will be used to prepare for the MC10. He highlighted that there has been nine rounds of negotiations with the last one taking place in Bali. He however mentioned that the centre of debate has been the resolutions and declarations adopted during the Doha round. He mentioned that while some believe that the Doha resolutions need to die other believe that they will benefit Africa and other LDCs.

He further stated that the main roles of CSOs in preparation for the tenth Ministerial Conference should be to: Advocacy on WTO matters; Be relevant and alive to monitor WTO objectives and functions; Use the Nairobi MC10 to show case of Kenya, Africa, and LDC (Least Development Countries); Monitoring and evaluation for all non-state actors; and consider the ACP Ministers resolution in Brussels on 9th - 21st October 2015, simultaneously with the AU Trade Ministers declaration in October 2015, to develop a position. *(See Annex 1 for details)*

3.0 WTO Agriculture Reforms: Proposal to Ensure Food Security and Productivity of Smallholder Farmers in Kenya

Yvonne Omwodo, one of the facilitators started by bringing into focus the situational analysis on agriculture and Food security in Sub-Saharan Africa (SSA). She brought to the attention of participants the available data. First, she mentioned that majority of Sub-Saharan Africans live in rural areas (63%). A vast number of SSA work in the agricultural sector and agriculture employs 65% of Africa's labor force and accounts for 32% of gross domestic product. Half of SSA farmers are women and 80% of farmland in SSA managed by smallholder farmers who provide 80% of the food supply in SSA.

Further, she indicated that in Kenya Approximately 45% of government revenue is derived from agriculture and similarly 75% of industrial raw materials and more than 50% of the export earnings derived from agriculture. She also stated that agriculture accounts for 60% of the total employment and over 80% of the population, especially living in rural areas, derive their livelihoods mainly from agricultural related activities. Specifically, she emphasized that 75% of the total agricultural outputs from smallholder farmers.

In trying the answer why smallholders matter for sustainability, she stated that they can be productive, creates rural jobs, and they mitigates climate change. Linking Food Security and the WTO, she mentioned that the original Marrakech Agreement on Agriculture (AoA) established rules for agricultural trade for all WTO members with the core objective aiming to establish a fair and market-oriented agricultural trading system. The implementation period was 6 years for developed countries and nine for developing countries.

In addition, the Doha Agenda included a provision that the negotiations lead to a "single undertaking" meaning that the series of agreements on various issues (agriculture, services, industrial products, etc.) will be signed as one. Countries must accept or refuse them all. WTO members set a deadline of December 31, 2015 to agree to a permanent solution for Food Security in the WTO.

She further took the participants through the pillars of the AoA. She laid emphasis on Domestic Support, Market Access, and Export Competition with specific agenda of how strengthen domestic production versus foreign imports while fighting to increase the access to other countries' markets. The facilitator also stressed the importance of Public Stockholding/ Food Reserves. **(For details see Annex 2)** Mr. Justus Lavi, the other facilitator also highlighted the importance of small scale farmers to unite together against Genetically Modified Organism (GMOs). He indicated that the GMOs are only meant to benefit the western states and large scale producers at the expense of the small scale producers.

4.0 LDC Package; Special and Differential Treatment for the LDCs and their Impacts on Kenya

Fredrick Njehu noted that the WTO has Special and Differential Treatment provisions for Least Developed Countries which are mainly poor and marginalized. He further mentioned that special provisions were adopted in the the Doha Ministerial Declaration (Paragraph 44).

In addition, the facilitator indicated that there has been some progress made in regards to S&DT. For instance the MC9 (Bali) in 2013 set up a mechanism to review and analyse the implementation of S&DT provisions which will take place in Dedicated Sessions of the CTD. He also mentioned that there have been several S&DT proposals made by the poor countries and specifically African states including but not limited to: (a) Developing countries should enjoy additional facilities to enable them maintain sufficient flexibility in their tariff structure to be able to grant the tariff protection required for infant industries; (b) In joining the customs union, some developing countries might run into WTO bound rates overruns for certain tariff lines. We are proposing a solution for allowing these members to withdraw or modify their tariff commitments in accordance with C.E.T. maintained by the customs union; (c) Developed country members bind all their LDC preferences for agricultural products, with a goal of 100% DFQF in Agriculture; (c) On SPS, developed countries are to notify all proposed SPS measures (enough meaningful notification for SPS changes; provide broader time frame for compliance for developing countries and LDCs at least 12 months; provide technical and financial assistance by developed countries; importing developed countries shall not ban the importation and marketing of products from developing countries and LDCs based on the rejection of shipments from one or a limited number of suppliers; etc. *(See Annex 3 for details)*

5.0 Overview of Singapore Issues within the Doha Round, negotiations on environmental goods, TISA negotiations and contentious issues for Africa

Mr. Felix Okatch took the participants through the WTO background and its operational structure. Specifically, he informed members that Ministers adopted the Singapore Ministerial Declaration and reinforced their commitments to WTO rules in their trade relations. Ministers decided to start exploratory talks on four topics, which later came to be called Singapore issues: Trade and Investment; Trade and Competition Policy; Trade Facilitation; and Transparency in Government Procurement.

In addition, Ministers also adopted a comprehensive and integrated WTO Plan of Action for the Least Developing Countries (LDCs) that became the basis for a co-ordinated effort to facilitate the integration of LCDs into the world economy. This plan of action was followed by a high-level meeting on assistance to LDCs (in 1997) which led to the establishment of the Integrated Framework for Assistance to Development.

He further stated that in 2001 Work Programme was adopted and within it several issues included: Agriculture; Services; Market Access for Non-Agricultural Products; Trade-Related Aspects of Intellectual Property Rights; Interaction between Trade and Investment; Interaction between Trade and Competition Policy; Transparency in Government Procurement; Trade Facilitation WTO Rules; Dispute Settlement Understanding(DSU); Trade and Environment; Electronic Commerce; Small Economies; Trade, Debt and Finance; Trade and Transfer of Technology; Technical Cooperation and Capacity Building; Least-Developed Countries; and Special and Differential Treatment (*See Annex 1 for details*)

6.0 Regional Trade Agreements Vs Multilateralism

Martha Getachew started by taking the participants through the definitional differences between Regionalism and multilateralism. She mentioned that despite the differences, both ideas have the objective of trade liberalization. In discussing regionalism she identified the three waves of regionalism including the merits and demerits of regional integration. She emphasized that even though in theory regionalism is not considered as welfare improving, practically they allow countries to focus on issues that are relevant for their stages of development as well as intra-regional trade.

Martha further stated that while others view regionalism as a foe to multilateralism, some view it as a useful supplement to accelerate multilateralism. She stressed that many states have entered into regional trading blocs to form formidable alliances which are seen as great tools for negotiations during the WTO processes.

In trying to answer whether Africa is better off under regionalism or multilateralism, she stated that an analytical approach should take into consideration certain dimensions: Impact on preference arrangements; Impact of proliferation of mega trading blocs on the WTO and the future of the Doha Round; and the Future of unilateral preferences.

In her conclusion, she indicates that Multilateralism is the lesser evil in the case of Africa. She also highlights some key plausible scenarios in Africa's favour: (a) Whereas a strong/dynamic WTO with modern work programmes that meets the demands of many of its members will thereby continue being of help to Africa and LDCs; irrelevance of WTO will make LDCs more vulnerable; (b) Be part of the game! Rationalise African RTAs and pursue ambitious and expeditious CFTA that will have meaningful liberalisation among members to be a significant part of the GVC and Use the 'Enabling Clause' to pursue liberalisation vigorously and to later join MTBs and negotiate at the WTO as an African bloc; (c) Enter into bilateral or regional agreements with MTB parties (counterproductive? Contracting parties may not be interested); (d) In the meantime, closely monitor developments and analyse impact; carry out alternative scenario/outcome analysis to determine offensive and defensive interests and design strategies. (*See Annex 4 for details*)

7.0 WTO Trade Facilitation Agreement: Opportunities and Challenges for the EAC

The presentation that was done by Mr. Joshua Mutunga (TMEA) covered: Background; Trade Facilitation - Definition & History of Agreement; Trade Facilitation under GATT Disciplines; Focus of the Agreement; TMEA Work programme in Context of Bali TFA; and Revisiting TFA - expectations of WTO Members from TMEA-type organizations. Joshua told participants that Trade Facilitation was included as an agenda in the 2001 Singapore Issues and then In July 2004, WTO Member States finally agreed to add trade facilitation in Doha Development Agenda. Later, Trade Facilitation was also discussed and adopted in the Bali Trade Agreement with the aim of harmonizing customs procedures for flow of goods (Articles of GATT 94: V-Freedom of transit, VIII-Fees & charges and X-publication of customs information).

In addition, he mentioned that the Bali Agreement concentrated on three main pillars: Key Pillars of the Bali Agreement: (a) Trade Facilitation Agreement - key interest for developed countries; (b) Adequate Safeguards to run Food Security Programmes - key focus for developing countries; and (c) Duty and Quota free market access, operationalization of the waiver concerning preferential treatment to services and service suppliers of LDCs, preferential rules of origin, and establishment of monitoring mechanism for special and differential treatment - the loaded agenda for LDCs.

The participants were told that the expected benefits of Trade Facilitation included: Increase country's ability to use the benefits of the market access; Increase transparency and predictability; facilitate the free flow of goods and services in the new just-in-time economy; Increase in foreign direct investments; More efficient collection of government revenues; Improve security and reduced corruption; and Enhance the economic development.

It was emphasized that the EAC has opportunities under the Trade Facilitation but several challenges. In regards to the status of the EAC, the facilitator mentioned that: All EAC countries notified their Category A measures within agreed timeframe (no later than 31st July 2014); About 50 WTO Members have ratified the Bali TFA - none of the 50 is an EAC partner state; and After ratification by 2 thirds of WTO, the Bali TFA will enter into force. *(See Annex 5a and 5b for details)*

8.0 WTO and the Youth

Edward, (the facilitator) started by highlighting to the participants the situational analysis in both Global and African context. He emphasized that in Africa, 65% of total population of Africa is below the age of 35 and that 35 % is between the ages of 15-35, making Africa the most youthful Continent. Further, he stated that by 2020 it is projected that out of every 4 people 3 will be on average 20 years old. He mentioned that it is important to note that about 10 million youth arrive each year on the Labor Market. In addition, African youth are the bulge of Youth in informal MSME'S and are more likely to use innovation and invention than any other age set. Linking the youth issues to WTO, he stated that three key elements/areas need to be looked at: Agricultural reforms; youth inclusion policy dialogue and engagement; and capacity building for youth led enterprises.

With regards to Agricultural reforms, he mentioned that among other things progress has to be made in the sector to harness the skills and the potential of youth. He further indicated that in policy dialogue, the WTO MC10 need to reinstate the Youth Ambassador programme that has been suspended. Finally, he stressed that for sustainable capacity building, the WTO need to establish Trade Accelerators Centre's in the developing nations in Sub Sahara Africa that will help stimulate young entrepreneurs to

be integrated into global value chains by offering a number of trade-related services e.g. training, advisory, mentoring, and funding.

(See Annex 6 for details)

PART 3: CSOs RECOMMENDATIONS FOR WTO MC10

Participants were divided into four main categories to deliberate and identify priority areas to establish key recommendations. The areas of focus included Agriculture, Least Developed Countries package in Special and Differential Treatment (S&DT), Trade Facilitation and Singapore Issues. The deliberations were guided by the thematic presentations as well as various documents: The Africa-wide CSOs statement that was presented to heads of states at the India-Africa Forum Summit 2015 held in New Delhi, India 26-29 October, 2015; ACP Group Declaration on the Tenth WTO Ministerial Conference held in Brussels, Belgium from 19 to 21 October 2015; and The report of the National Trade Negotiations Committee Retreat held in Machakos, Kenya from 9th to 12th July, 2015. *(For detailed information refer to Annex 7)*

PART 4: WAY FORWARD AND CLOSING REMARKS

4.1 Closing Remarks

Mr. Patrice Kivuna (representing Machakos County Government - Ministry of Trade) gave a vote of thanks for the conveners of the meeting and all participants. He mentioned that as a ministry, they will be eager engage in the process and to see the results of the MC10. He further mentioned that the CSOs have a bigger role to play in the process to ensure the voice of the majority who do not have access to information and resources to participate are heard and included in the negotiation.

4.2 Way Forward

It was resolved that the Steering Committee to consolidate all the recommendations and develop a draft position paper for circulation and inputs from all participants. The Committee together with TMEA will also liaise with the National Committee on Trade Negotiations to organize for a consultative meeting with the aim of ensuring that the CSOs' position form part of the Kenya's negotiation agenda.

Annexes

Annex 1-6: Thematic Presentations

Annex 7: Draft CSOs Position Paper

Annex 8: Draft Report of the National Committee on Trade Negotiations

Annex 9: India-Africa CSOs Position Paper

Annex 10: Participants List

Annex 11: Programme of Activities

Annex 12: Concept Note

Annex 14: ACP Declaration on MC10

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