

**The National Dialogue on the Eleventh (11th) World Trade Organization
Ministerial Conference (WTO MC11) Outcomes: Issues and Challenges**

Organised by SEATINI

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Contents

- 1. Executive Summary..... 3
 - Background 3
 - 1.1. Welcome remarks -SEATINI Board Chairperson..... 4
 - 1.1.2. Multilateral Trading System and the Doha Development Agenda-Ministry of Industry, Commerce and Enterprise Development – Mr Kwenda (Min of Industry, Commerce and Trade)..... 5
 - 1.1.3. WTO MC 11 Outcomes: Issues and Challenges-Mr Nhara (SEATINI Country Director)7
 - 1.1.4. Zimbabwe’s Position Statement to the WTO MC 11- Mr Kwenda..... 10
- 2. Mapping the Way Forward..... 12

1. Executive Summary

The Southern and Eastern African Trade Information and Negotiations Institute (SEATINI-Zimbabwe) on Tuesday the 6th March 2018 organized the National Dialogue on the WTO MC 11 outcomes. The purpose of the dialogue was to engage different stakeholders on the outcomes of the Ministerial Conference and strengthen Zimbabwe's position. Representatives of Government Ministries, Parliamentarians, and representatives from the Civil Society Organizations, farmers, and trade unionists managed to attend the meeting.

The specific objectives of the dialogue were to:

- Appraise various economic constituencies on the WTO MC 11 outcomes, concerns and differences,
- Dialogue on Zimbabwe's position to the WTO, developmental priorities and areas of interests for the country.

The outcomes of the dialogue included:

- Enhanced appreciation of the processes taking place at WTO,
- A consolidated work plan towards strengthening government and non-state actors' engagement in negotiating for trade agreements that address the needs of Zimbabweans

Background

The WTO MC 11 was held from the 10th to the 13th of December 2017 in Buenos Aires, Argentina. During the build up to the conference, demands were high for the conference to deliver important outcomes on agriculture issues such as domestic support to agriculture, export restrictions, market access and cotton issues. The meeting was also critical in that it had to decide on addressing the unfinished Doha Development Agenda (DDA) and to incorporate new issues that were being introduced by the developed world economies. The conference however pronounced ministerial decisions on fisheries subsidies, electronic commerce, TRIPS non-violation and situation complaints, and work programmes on small economies.

The MC11 took place at a time where there is rising inequality with global trading having been paralyzed. The Argentina government banned at least 60 CSOs representatives to proffer their advice. The members of the WTO also failed to find a lasting solution to public stockholding for food security purposes as mandated by MC10 which was held in Nairobi in 2015. This alone portrays how members remain constrained by WTO rules despite being a desperate quest to improve their livelihoods.

It is against this background, that issues that portray the deep rootedness of the neo-liberal agenda must be interrogated, thus dialogue remains a fundamental aspect. In relation to Zimbabwe discussing such issues is quite important considering that the country is pursuing a new development trajectory that has been introduced by the new Government. A fair-trade system is what the ordinary citizens are calling for.

1.1. Welcome remarks -SEATINI Board Chairperson

Evangelista Mudzonga, one of SEATINI Board members, convened the meeting, welcomed the participants and encouraged participants to take part in the discussions as the outcomes of the WTO impacts on the communities' livelihoods especially in the agriculture and informal sector.

Mr Collin Gwiyo, the SEATINI Board Chairperson, welcomed the delegates and noted that SEATINI is an institution that advocates for fair trade and justice, aimed to see the building of a strong popular movement that advocates for fair trade. He went on to state that often; the government officials would travel to WTO Ministerial Conferences to negotiate without representation from various stakeholders. He also noted that there was a missing link between what the government delegation goes to negotiate and what the ordinary entrepreneur in the informal sector, would be expecting. He shared the experience he encountered when he engaged in negotiations within the trade union movement and noted that if one wanted to have a win win situation in a negotiation, one must have the backing of a movement with membership.

Mr Gwiyo urged the stakeholders to work together and build consultative forums on trade issues, to have concerted effort when engaging the government. He encouraged for advanced planning in preparation for future MCs well before the MCs are convened. Mr Gwiyo hoped that the cooperating partners would take note that from time to time, there is need to develop relevant capacities in the different sectors. He also acknowledged the fact that trade is a technical area, but over a period, he noted that on state actors would develop and equip its skills in negotiating agreements that are people centred.

He concluded his remarks by reminding the meeting that effective trade takes place when local industries and citizens benefit at the end of the day. He also hoped that the parliament would play its legislative role in monitoring the trade agreements that the Zimbabwean government would sign.

Session A

1.1.2. Multilateral Trading System and the Doha Development Agenda- Ministry of Industry, Commerce and Enterprise Development – Mr Kwenda (Min of Industry, Commerce and Trade)

Mr Kwenda mentioned that, the World Trade Organization (WTO) is the only global international organization dealing with rules of trade between nations whose goal is to ensure that trade moves freely and noted that, Zimbabwe has been a member of the WTO since its inception and the past 50 years have seen an exceptional growth in world trade, GATT and the WTO have helped to create a strong and prosperous trading system contributing to unprecedented growth

- GATT is now the WTO's principal rule-book for trade in goods. The Uruguay Round also created new rules for dealing with trade in services, relevant aspects of intellectual property, dispute settlement, and trade policy reviews.
- Through these agreements, WTO members operate a non-discriminatory trading system that spells out their rights and their obligations. Each country receives guarantees that its exports will be treated fairly and consistently in other countries' markets. Each promises to do the same for imports into its own market. The system also gives developing countries some flexibility in implementing their commitment
- Banks, insurance firms, telecommunications companies, tour operators, hotel chains and transport companies looking to do business abroad can now enjoy the same principles of freer and fairer trade that originally only applied to trade in goods.
- These principles appear in the new General Agreement on Trade in Services (GATS). WTO members have also made individual commitments under GATS stating which of their services sectors they are willing to open to foreign competition.
- On dispute settlement, the system encourages countries to settle their differences through consultation. Confidence in the system is borne out by the number of cases brought to the WTO — around 300 cases in eight years compared to the 300 disputes dealt with during the entire life of GATT (1947–9).

Mr Kwenda also highlighted that the Doha Development Agenda was launched in November 2001 in Doha. Amongst the decisions, Ministers approved the decision on how to address the problems developing countries face in implementing the current WTO negotiations.

He noted that it is pleasing to note that DDA placed the needs of developing countries at the heart of the DDA work programme and pledged to make positive efforts designed to ensure that

developing countries and especially the least developed among them secure a share in the growth of world trade commensurate with needs of their economic development.

Negotiations items under DDA include special safeguard measures on agriculture, public stocking, and food security including discussions on special products while trade facilitation focuses on ease customs procedures and how to facilitate the movement, release and clearance of goods. This was an additional to the overall negotiation since it would cut bureaucracy and corruption in customs procedures and would speed up trade and make it cheaper.

In the Doha Declaration, ministers agreed that all special and differential treatment provisions should be reviewed in order to strengthen them and make them more precise, effective and operational.

Discussant –Mr Mutizwa (SEATINI)

Mr Mutizwa noted that developing countries need to find ways of extracting the most benefits from the multilateral trading system. He also noted that there is need to reflect on the fact that the WTO is a multilateral trading system which is rule based, why bilateral trade system is mostly power based. The relations between 2 countries in that agreement are based on power.

He noted that one of the current debates on Multilateral trade system is on whether there should be a continuation of multilateral or bilateral or regional trade system. He stated that the Doha trade agenda had been stalled for many years, hence most countries were opting for the bilateral and regional, so that they address contesting issues through bilateral and regional trade regimes such as EPAs.

Mr Mutizwa noted that the Global North offer comprehensive package of subsidizes such as production subsidies, export credits, export insurance and export guarantees. He noted that these subsidies exist to enable its farmers to better compete on the global market of which this was not the case with the farmers in the Global South.

Under the Doha Development Agenda, Mutizwa stated that the Global South have been advocating for a reduction of export supports and in terms of market access, there is the component of negotiating for access. He noted that through tariff peaks, tariff escalations and non-tariff barriers, the Global North had been protecting domestic industries and farmers. He stated that this was key because of the need to look at the commodities that have market access to the EU. He went on to state that the Global North tend to charge progressive high tariffs, depending on the processing of the product, which also affect the ability of the Global South to export their products.

On intellectual property rights issues, the discussant said developing countries felt that if IPRs were enforced under the WTO system, they would reduce access of people to public health as countries need to be patented to produce pharmaceuticals. He went on to state that pharmaceutical industries in Africa would not be able to produce the medicinal products-.e.g. generic medicines.

He concluded by noting the need for non-state actors to focus on how trade negotiations on agriculture impact on rural transformation, given that the global south economies hinge on agriculture. He also encouraged the meeting to reflect on the recent Twitter chat which the US President Donald Trump stated that trade wars are easy to win.. He noted that President Trump's remarks would force other countries to engage in trade wars. Importantly, the emerging trade wars in the developed nations highlight the primacy of protection to domestic industries for convergence of industrialisation.

Session B

1.1.3. WTO MC 11 Outcomes: Issues and Challenges-Mr Nhara (SEATINI Country Director)

Highlights of the Presentation

Introduction

The 11th Ministerial Conference of the WTO held in Buenos Aires, Argentina has been generally described as a disappointment since no new deals (negotiating mandates) were concluded and no hopes were raised for the adoption of the DDA as a multilateral package. The lack of a Ministerial declaration also shows the ineffectiveness of the Conference.

The concerns of African countries as articulated by Ambassadors and Experts and mandated under the Doha Work Program pertain to: agriculture, cotton Special and Differential Treatment (SDT), fisheries subsidies and services.

Issues such as e-commerce, investment facilitation and micro small and medium enterprises do not have any mandate and according to the African Ambassadors the issues where there is no mandate are meant to capture regulatory control by the global north through binding multilateral rules.

(NB- there was no consensus at the WTO MC11, Buenos Aires Dec 2017)

Challenges with respect to MTS

- ✓ It is becoming increasingly difficult to adopt new multilateral agreements to cope with the trade policy challenges and technological advances of the 21st century,
 - ✓ Longstanding issues of concern to the developing countries largely remain unresolved while the agenda is becoming broad (against a back drop of limited negotiating capacities),
 - ✓ Multiplicity of trade negotiations taking place simultaneously placing a burden on the financial and human technical resources (EPA, TFTA, CFTA and WTO),
 - ✓ Challenge of trying to catch up with developed countries especially in understanding new issues being proposed for the multilateral agenda,
 - ✓ Irrespective of the possibility of a transformation of global trade governance architecture, our policy makers need to remain involved, informed and responsive to the needs of the times
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Plenary Discussion 1

During the plenary, participants asked a number of questions such as how feasible are our demands when it comes to WTO given the different levels of development in the Global South? Why are we failing to secure our gains as African states? This has to do with the leaders we elect. Zimbabwe has a dominant population of informal economy. Zimbabwe must first address the plight of informal economy internally before signing onto trade agreements related to MSMEs. This is also related to lack of policy framework to address SMEs in Zimbabwe. The timelines in terms of the working group- there are challenges to meet them. How do we have a 2001 discussion, we are overtaken by events? we need to be serious and be proactive. Multiplicity in the trade negotiations is based on the need to scramble for natural resources in Africa. We need to be radical as Africans to preserve our resources

Responses from panelists

- ✓ **On budget allocations to agriculture**, the panelists noted that there was need to differentiate between budget allocation of 10% of GDP to agriculture and the issue of subsidization.
- ✓ **Regarding failure to take advantage of trade agreements at multilateral level**, countries need to know what they are negotiating for, as it would be difficult to secure advantages from the multilateral system.
- ✓ **On MSMEs and the informal economy**, the panelists noted the need for the government to address the plight of the informal sector and stated that there was need to prioritise the

production of local goods that would meet the standards at the regional and international level, so that the local economies would grow.

- ✓ **Regarding Timelines**, the panelists noted that this would be a challenge for the multilateral trading system; hence so much effort had gone into this process to reach finality on the Doha Work program. The panelists reminded the meeting that they needed to be cognisant of the evolving nature of the global trade and economic landscape, including the evolving of negotiating positions.
- ✓ **On E-Commerce**, the panelists stated that the Global South was concerned with the development of multilateral rules in e-commerce where the Global South was still developing its own e-commerce and forced to compete with the Global North (reference to Microsoft and Google). The panelists noted that the e-commerce agenda should be deliberated at national, sub regional and continental level, and assessing how e-commerce would impact on local and regional economies before committing to implement it at multilateral level.
- ✓ **General comments**: The panelists noted that the WTO is for rule setting, hence government negotiators from the Global South have within their right to delay in signing onto trade agreements until their local economies are strong to compete at the global level. The panelists also stated that the SDGs had specific goals that can be addressed through global trade, as means to end poverty.

In the second plenary discussion participants asked if all members are adhering to the declarations/rules and the spaces that exist for non-state actors to submit their demands? In addition, it was noted that the WTO is a neo liberal structure hence it's high time that we develop our own economies. We need a deliberate assessment/consultation that involves every stakeholder (constructive criticism/ dialogue) to be clear that the negotiators negotiate on behalf of every Zimbabwean citizen. The parliament needs to be vigilant and support the law-making process that favors the interests of the informal economy. How are we feeding as a country to the trade negotiations taking place in Geneva? The government should priorities agriculture mechanization in cotton farming which should be implemented gradually.

Responses from Panelists

- ✓ There is need to actively engage the business community so as to know whether other WTO members are following the rules. If there is an incident where the rules are not followed, these issues should be raised through appropriate authorities, such as the Ministry of Industry, Trade and Commerce.

- ✓ The parliament should put more effort in ratifying trade agreements and it must appreciate the implications of ratifying and delays in doing so.
- ✓ Appreciation of the need to strengthen the capacity of all stakeholders involved in trade related issues, which is an ongoing process and requires resources. The panelists acknowledged the increased brain drain that negatively impacted on the government's ability to fully negotiate on its demands at the WTO. SEATINI informed the meeting that it will be organizing future workshops on the Cotonou Agreement /ACP We Want in preparations for EU-ACP Trade processes.
- ✓ The panelists noted that the meeting needed to have a clear understanding of failure by WTO member states to reach agreements vs. Zimbabwe's need to be part and parcel of the global community vis a vis Zimbabwe as an already existing member of the WTO.
- ✓ The panelists noted that the Doha Development Agenda exists to rectify some imbalances which emanated from the Uruguay Package, where those provisions bind Zimbabwe, although there had been no progress in implementing the Doha Work Program. This would not mean that Zimbabwe was free to violate global trade agreements.
- ✓ The panelists stated that Zimbabwe can only input in the WTO negotiations in a meaningful manner if the underlying issues that are being negotiated were understood by the state and non-state actors.
- ✓ The panelists recommended the need for increased resources at government level, to allow more trade negotiators to participate in future WTO MCs and other negotiation meetings taking place in Geneva. The panelists also noted that the reason why the Doha Round has not been concluded, is partly explained by the fact that the developing countries are understanding the issues better and resisting to sign trade agreements that are detrimental to their survival
- ✓ The panelists gave an example of how the cotton 4 countries in West Africa were able to negotiate at WTO on reduction of cotton subsidies in the Global North as they actively engaged in massive value addition and beneficiation in their home countries, where they have vibrant textile industries unlike in Zimbabwe where the textile industry has not been revived since the onset of the economic crisis.

1.1.4. Zimbabwe's Position Statement to the WTO MC 11- Mr Kwenda-

Mr Kwenda managed to take participants through Zimbabwe's position. In the statement, the Government of Zimbabwe underscored the pre-eminence of rules based on fair and transparent Multilateral Trading System and pledged support to make WTO a successful organisation.

The statement acknowledged that the WTO is a rules based, fair and equitable MTS that upholds the principles of transparency, inclusiveness, bottom up and a member driven process and Zimbabwe as an agriculturally based economy with over 70% of the population living in the rural areas depending on agriculture. Agriculture contributes significantly to employment, GDP, export earnings and is a source of livelihoods. In this regard, outcomes in all elements of agriculture remain a priority for the country.

The country also emphasised on the need for meaningful outcome on elimination of agricultural trade distorting domestic subsidies including having an outcome on an effective and accessible Permanent Solution on Public Stockholding for Food Security at MC 11 as Zimbabwe maintains a Public Stockholding Program to cushion itself against price volatility and effects of climate change and drought that the country continues to face, and which has resulted in periods of chronic food insecurity. This permanent solution should have no burdensome, onerous, ex-ante or conditional transparency provisions. The permanent solution should not be linked to domestic support as this has a separate mandate and track.

Regarding new issues, Zimbabwe was not in support of any negotiations on MSMES, Investment Facilitation and E-Commerce as there is no mandate on this. In the case of Investment Facilitation, this is a Singapore issue which, in line with paragraph 1g of the 2004 July package should not be discussed before the DDA is concluded. In line with paragraph 34 of the Nairobi Declaration, negotiations on new issues require consensus of the WTO membership. The country underscored that the DDA is very much alive and it can only be concluded by consensus.

Visit seatini.org.zw to read the detailed statement

Plenary Discussion 3

The following points were expressed during the plenary discussions.

- ✓ As parliament, we need to show interest and push for outstanding trade issues. For the economy to grow, it's about agriculture. We need to copy best practices from other countries, so that we are in the same boat with our counterparts, in terms of strengthening the financing for agriculture (cotton, maize, etc)
- ✓ What are the consequences of getting out of WTO and be aligned to like minded trade bodies until at a time when we are financially strong enough to be on the same level with other members?
- ✓ Ministry of Industry, Commerce and Trade has not brought any trade protocols for ratification to the parliament since 2014. This is a cause for concern. It's a disservice to the country.

- ✓ Is there any institutional mechanism/platform in the Ministry that ensures that there is participation from non-state actors?
- ✓ Can you share a bit more on the nature of the facility that will cushion farmers if global prices fluctuate? How do we access the finances?
- ✓ What measures are taken to protect the farmers against imported agricultural products?
- ✓ Are there any awareness programs on what is taking place on WTO MC 11, publicly especially the grassroots?

Panel Responses

- ✓ There is an institutional mechanism within the ministry- Industry Trade Relations Committee (ITEC) which has various sub committees, from business, line ministries and other non-state actors, hence stakeholders are encouraged to be part of the engagement process.
- ✓ Trade agreements concluded at various forums must be submitted to parliament for ratification.
- ✓ On trade facilitation agreement, there were issues that needed to be addressed so that it could be seen that we are complying before ratification,
- ✓ The Ministry of Industry, Commerce and Trade has been undertaking an awareness programs with small traders on existing trade agreements. Furthermore, various meetings with stakeholders on trade issues are also being convened.
- ✓ Government ministries were encouraged to strengthen their support to farmers, including women farmers in cushioning them against trade agreements that will affect their livelihoods.

2. Mapping the Way Forward

Role of government	Role of parliament	Role of non-state actors
-There is need for inter ministerial coordination in addressing trade related agreement at government level.	-Parliament should create templates for business operations, clear policies and protocols which stakeholders should follow.	-Citizens should be pro active in bringing their concerns to the policy makers, so that they are addressed in the trade agreements
-The government needs to do more beyond putting statutory	-Legislators should engage the electorate to understand the	-Citizens should lobby for meaningful participation in

<p>instruments, by committing to put money into the local economies, and protect the local industries from foreign investors.</p> <p>-the government needs to identify other sectors beyond agriculture that are affected by trade that also need support from the government</p>	<p>impact of global trade agreements on the marginalized communities. They should make demands on behalf of the electorate</p>	<p>fair trade and social justice processes</p> <p>–SEATINI should initiate ongoing engagement processes on trade issues with various stakeholders including the informal sector.</p>
<p>Government ministries need to work with farmer organizations and be more visible at grassroots level (provincial, district, ward), (addressing inputs needs- machines, technical services, etc)</p>	<p>-Legislators should play its oversight role- e.g. scrutinizing Chinese deals/ agreements, etc Parliament should interrogate government ministries</p>	<p>-There is need to build a national movement comprising of different actors and speak with one voice on issues related to trade</p>
<p>Governments need to re align trade policies in SADC, AU, COMESA</p>	<p>-Parliament should re look the special economic zones (SEZ) and their impact on local communities.</p>	

Additional Remarks from the Plenary

- ✓ The meeting also noted with concern, how the state was not prioritizing the revitalization of manufacturing industries by providing financial support,
- ✓ The government representative from the Ministry of Industry, Commerce and Trade noted that between 2013 and 2016 CABS funds supported the companies that were in financial distress, in collaboration with government, though the conditions were stringent.
- ✓ The meeting noted the need for state and non-state actors to enhance transparency and accountability especially in service provision for the rural community. The meeting recommended for a bottom up approach to reach consensus. That would entail engaging

the rural population in policy formulation. There was also need to redefine the specific SMEs and be able to understand them first and their immediate needs.

Closing Remarks -Dr Chimankire (Board member)

Dr Chimankire, one of the board members of SEATINI, acknowledged that the meeting was fruitful and he thanked the participation from different stakeholders including the legislators, given its role in providing oversight on trade agreements. He also thanked the secretariat for organizing the conference. He stated that the academic sector, with reference to the University of Zimbabwe, was committed to capacitate legislators at all levels, so that they could play a critical role in the development of Zimbabwe.

Dr Chimankire noted that the process of engagement in trade issues began in 1947 where GATT was created, so from that period up to 2001, there had been 9 rounds of trade negotiations, and hence he encouraged every stakeholder not to give up in engaging in these trade negotiation issues until the gains are realized.

He also stated that he was glad to note that the discussions centred on the agriculture sector, whereby without prioritizing the role of agriculture in the Zimbabwean economy, the industrialization agenda will not be realized.

Dr Chimankire however bemoaned the increased levels of bureaucracy in government where there is limited engagement between government officials in Geneva and in Harare in preparations for WTO Ministerial Conferences. He concluded his remarks by informing the meeting that SEATINI will continue to organize as many capacity building workshops as possible.