

**REGIONAL MEETING ON PROMOTING SERVICES SECTOR DEVELOPMENT AND TRADE-LED GROWTH IN AFRICA**

organized by UNCTAD in collaboration with the African Union Commission (AUC) and the UN Economic Commission for Africa (UNECA) and in partnership with the International Organisation of La Francophonie

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**Presentation by Ms. Viola Sawere Nanyaro  
Regional Trade Policy Expert, GFA/GIZ SADC Trade in Services Project**

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# Development Partners, Public & Private Sector in Services Sector Development: Case of GIZ/SADC Support

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Presented by: Viola Sawere-Nanyaro  
vsawere@sadc.int  
sviolla@gmail.com

# Challenges Encountered Services Sector in Southern Africa

- Insufficient resources (monetary and human resources)
- Limited coordination at national level
- Un-organised/disintegrated stakeholder
- Lack of national consultation mechanism and
  - permanent structures Vs ad hoc structures
  - Shift of resources
- Involvement in multiple fora involving services agenda (in most cases) with no clear & strategic vision
- In ability to identify real challenges (issues for negotiations) in the sector
- Uncoordinated/ policies in the services sectors
  - Often sector development policies don not speak to other sector policies
  - value chain?
  - Limited sector stakeholder involvement
  - Limited services statistics
    - Mostly from the BOP which is highly aggregated
    - Trade restrictions

# Role of DPs support in the SADC Trade in Services Programme

- Two main DPs and 2 ad hoc support
  - GIZ and EU
  - Others (world bank, UNCTAD & ILEAP)
- GIZ & EU Main focus: support of the regional trade in services negotiation on liberalisation commitments
  - Support during the request offer process
  - Technical support (two fulltime experts at SADC Secretariat)
  - A couple of Short-term experts
  - Support is provided both at regional level and MS level
- Others (World bank, UNCTAD & ILEAP)
  - Sector policy development
  - Private sector involvement (capacity building)

# SADC TiS Programme

2000

Services Annex to SADC Trade Protocol

Liberalisation of 6 priority sectors

2006

Standalone Protocol instead of Annex

Build on other Protocol (TiS relevant)

2009

Adoption of Draft Protocol by CMT

Adoption of Negotiating Guidelines TNF -Services)

2011

CMT approved the Negotiating Guidelines

CMT approved the start of negotiations

2012

Roadmap & start of negotiations

Clearance of Protocol by MOJ

MS signed the Protocol

# 1<sup>st</sup> Round of Negotiations (3years)

## Sectors of Focus

- Communication
- Finance
- Tourism
- Transport

## Sectors of Focus

- Construction
- Energy related

Roadmap

Offer in  
at least  
2/4

Offers in  
the 4

Offer in  
the 6 (4+2)

Requests  
in at least  
2/4

Requests  
in the 4

Request  
in 6  
(4+2)

## Requests –Offers Process

April  
2012

Aug  
2012

Nov.  
2012

March  
2013

June  
2013

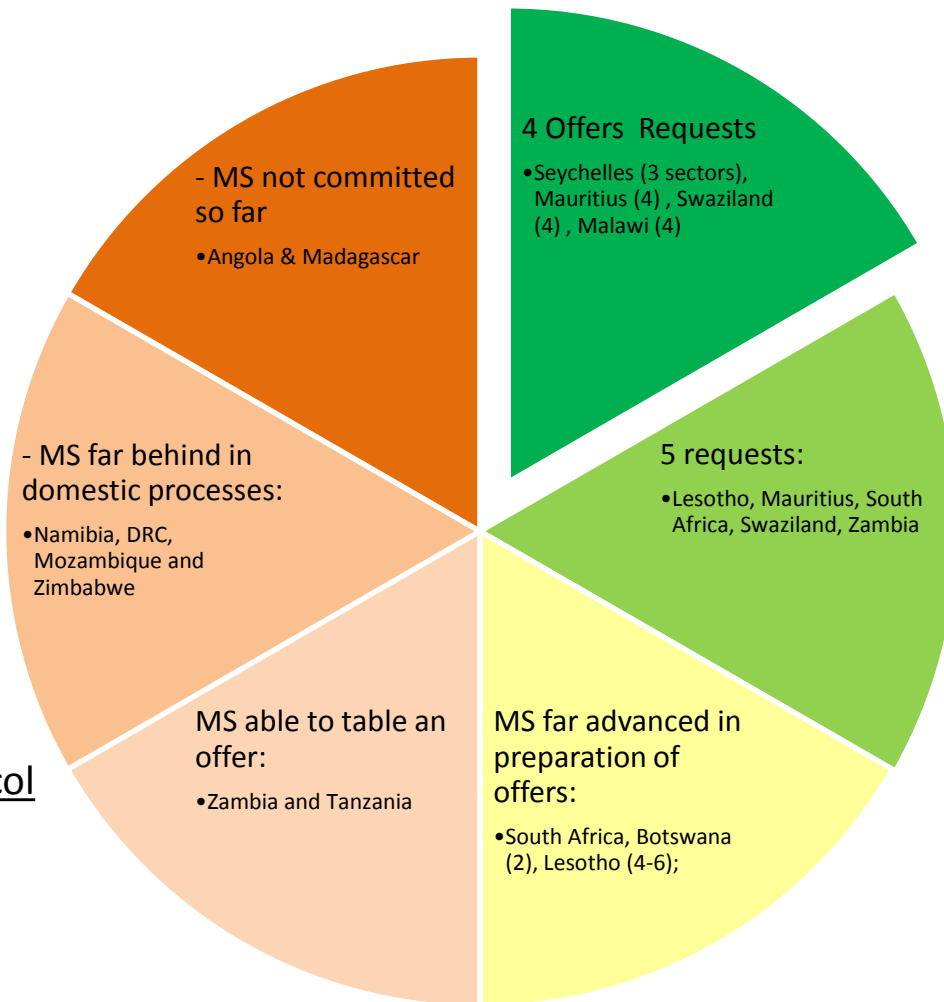
Aug  
2013

Nov.  
2013

Mile stones

Time lines

# Request-Offer Process: State of Play



## NB: Yet to sign the Protocol

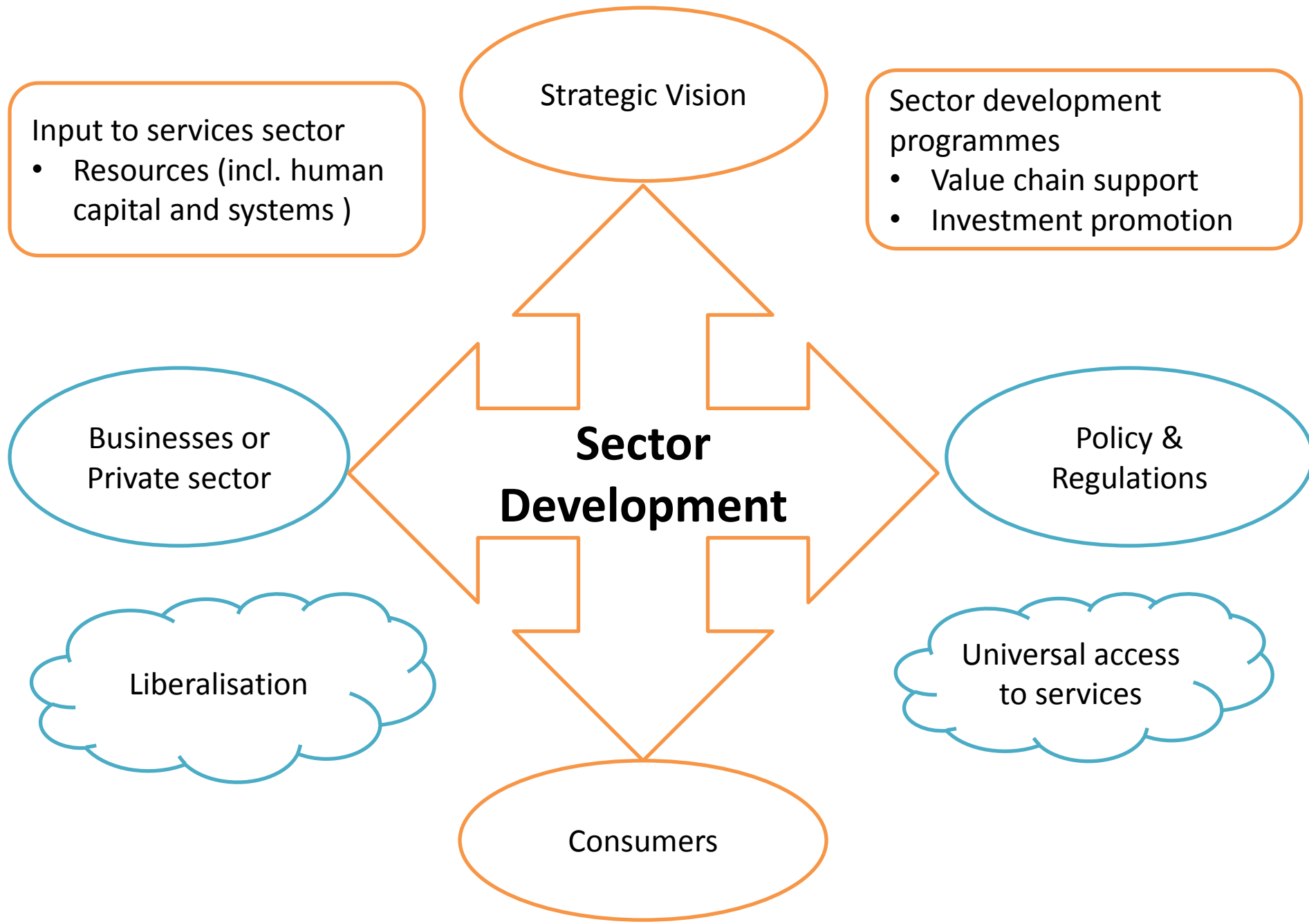
- Namibia
- South Africa
- Angola
- Madagascar

# Why do Member States have difficulty to comply with the Roadmap?

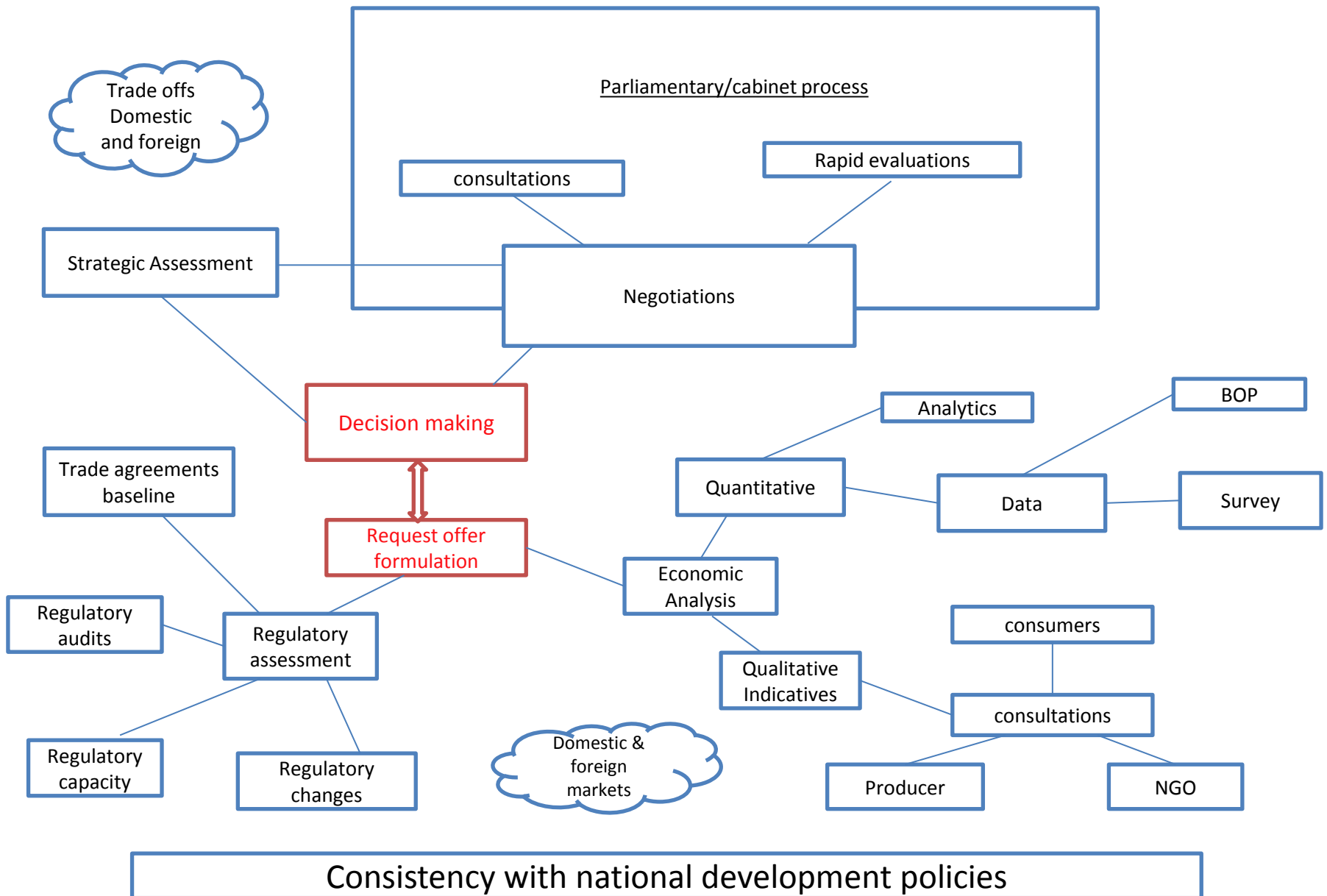
- The **ownership paradox** of the negotiations: Trade Ministry runs the negotiations but is not a substantive stakeholder
- Lack of one internalized **strategic position** for the country at the outset, ...and lack of mandate and capacity for Trade to develop such a strategy
- Difficulty to obtain **cooperation/coordination** from *public sector stakeholders* (line ministries, investment authority, immigration/labour department, attorney general, economic planning agency) and *private sector stakeholders* (sectoral associations, Chambers of Commerce, consumer associations, etc.)
- Lack of analytical capacity by Trade (regulatory audits & reform)
- No discernible **resource** shift with the beginning of the negotiations to support the process
- ...and all the other reasons typical for public administrations (communication, flexibility, accountability, etc.)



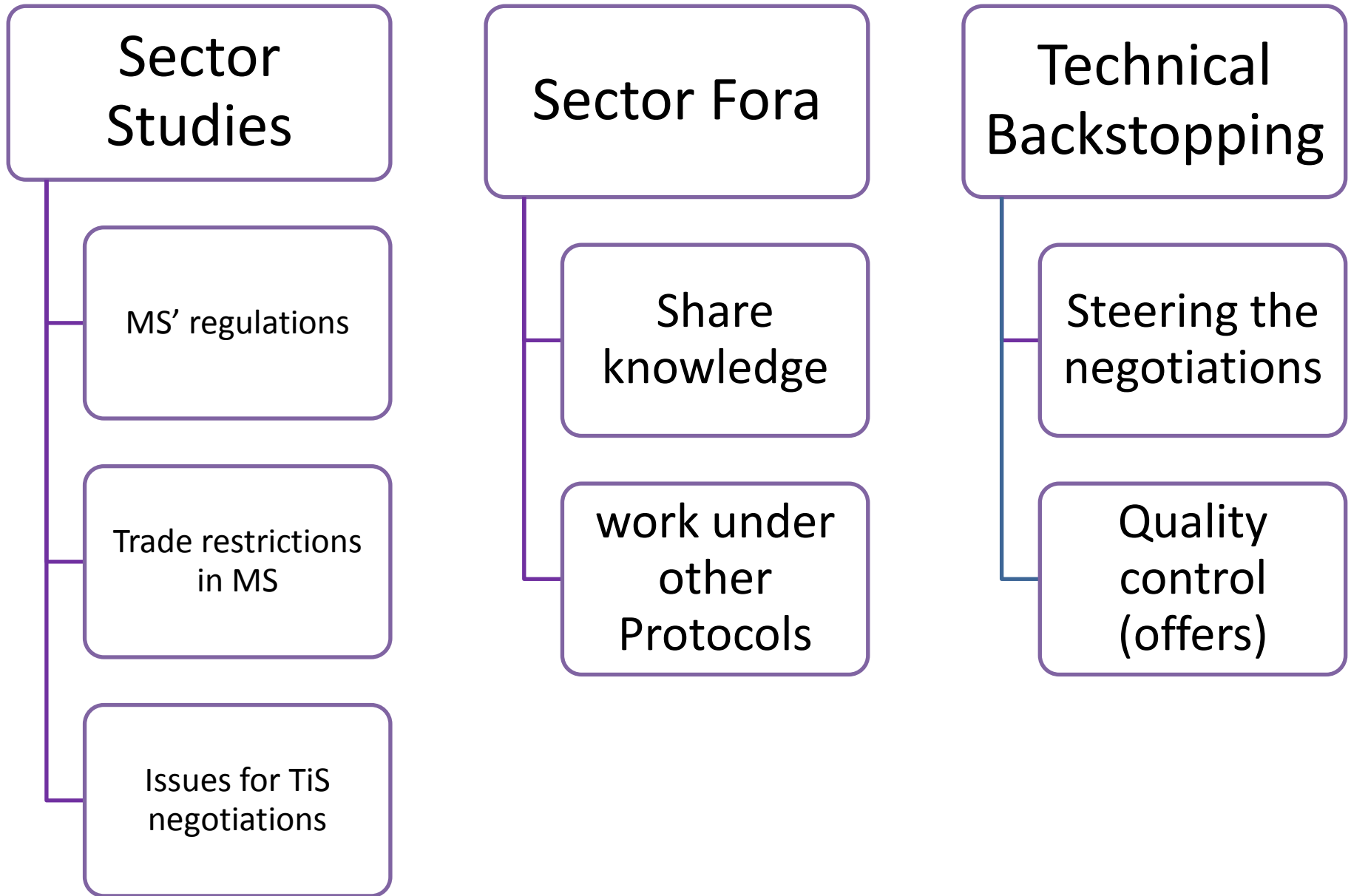
# Balancing Services Sector Development



# Services negotiations: complexity



# GIZ Support at regional level



# GIZ Support for National Activities

**Demand driven, flexible, and quick wherever needed**

## Training and consultative workshops

- Address specific needs as requested

## Legal & technical analysis

- Short paper analysis by the Secretariat

## Combined Consultations and analysis by STE

- Sector/regulatory analysis
- Stakeholder consultations
- Draft requests and offers

# Involvement of the Stakeholders

- Appointment of focal points
  - Legally provided for in the Protocol
  - Formally submission by MS (incl. alternates)
- Capacity building
  - Establishment of services coalitions
  - Technical training to private sector associations (both national and regional levels)
- Decision making
  - Give options and guidance
  - Brainstorm together
  - Remind them of early decision on the issues under discussion

# Coherence in services agreement

- Same teams deals with all services agreement
  - Establish national system (committee representing all sectors)
  - Defined role for the team
- Development of new offers must always use existing commitment as basis
  - Verify existence of restrictions in the laws in operation
  - Add new interests not capture in the previous agreement
  - Policy objective must always guide any re-direction to obtain stakeholder buy-in before deciding
- Analyse compatibility, economic and legal implication of new agreement with existing
- important to know who is doing what and when?

# Strategic issues: Engaging DP

- Know their strategic area of support by the DP
- Seek clarity every time
- Do not ask for same support to two or more DPs
- Avoid duplication (target request per DPs strategic area of support)
- Ensure effective participation in from design to implementation of programme design
- De-brief your stakeholder regularly

# Areas where no support currently

- Improvement of services statistics
- SADC data base for trade restriction:  
monitoring implementation
- ???????



Thank you