



**United Nations Conference on
Trade and Development**

Division for Africa, Least Developed Countries
and Special Programmes (ALDC)



5th Meeting of the Continental Free Trade Area Technical Working Group on Rules of Origin

Presentation of the technical workshop

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Background

- Improved participation of African countries and LDCs in the global economy depend not only on the political will of these countries, but also on their capacity to evaluate, draft and implement sound legal instruments
- UNCTAD has been assisting GSP and LDC beneficiaries on rules of origin since 1975
- Most recently, we assisted RTAs such as SADC (1997-2001), ASEAN and China (2005-2010), TFTA (2008-2012) as well as individual countries in Latin America, Asia and Africa.
- Following the Hong Kong Decision (2005) we assisted the LDC group in Geneva and LDC Capitals to develop the built-in agenda contained in the Bali (2013) and Nairobi (2015) Decisions on preferential rules of origin.



The UNCTAD/EUI partnership

- The initiative is delivered through a partnership between UNCTAD and the Global Governance Programme (GGP) of the European University Institute.
- UNCTAD has been supporting the LDCs through research and training in both the context of the WTO and regional trade initiatives.
- The EUI's Global Governance Programme has developed an active program of research and executive training in the area of trade, investment and development

Work After the Bali Decision 2014-2015

The most difficult issue after the Bali decision was how to reopen the discussion on RoO for LDCs in the CRO since para 10 of the Bali decision only referred to *annually review the developments in preferential rules of origin applicable to imports from LDCs*.

So what if there are no developments ?

- On April 2014 UNCTAD with support of the Dutch Government organized a workshop in Geneva
- The workshop was instrumental for the rescue of the LDC RoO issue by the CRO Chairman who was able to persuade WTO members to accept an agenda item on LDCs rules of origin for discussion
- The Chairman also welcomed the study on difficulties of LDCs to comply with RoO presented at CRO in October 2014

CRO meeting of October 2014

In October 2014 Uganda as LDC coordinator presented the Study on challenges drafted with the assistance of UNCTAD

The study outlined for the first time:

- 1) the concept of utilization rates as a tool to measure the stringency of RoO,
- 2) pinpointed the low preferential trade value under US and Japan GSP
- 3) a series of technical issues were raised

The study was extremely valid as it contained a number of arguments supported by empirical evidence that were reiterated on the road to Nairobi in 2015



Work After the Bali Decision 2015 (2)

- Two Executive Trainings on Negotiation and Drafting Rules of Origin for LDC Geneva based and capital based delegates organized at EUI
- April CRO 2015-series of questions elaborated to donors
- Acceptance of a July dedicated session of the CRO where a number of detailed presentations were made by LDC delegates
- On the way to Nairobi 42 hours of TNC discussion to get to the Nairobi decision

The organization of this workshop

- The course is structured on three stints
 1. This morning, we will focus on the overall scenarios on Rules of Origin
 2. In the afternoon, we will focus on the three technical criteria to define substantial transformation, namely (i) ad valorem percentage, (ii) change of tariff classification, (iii) specific working or processing
 3. Tomorrow, we will concentrate on drafting rules of origin according to new trends and techniques.

- We will conclude with a possible way forward for defining the criteria and eventual PSRO for the CFTA

Thank you for your attention

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