

# TRADE NEGOTIATIONS AND THE INTERNATIONAL TRADING SYSTEM

## SUPPORTING TRADE-LED GROWTH STRATEGIES AND INTEGRATION INTO THE MULTILATERAL TRADING SYSTEM



### GLOBAL CONTEXT

Trade remains an important instrument for economic growth and development. However, it is a necessary but not sufficient condition for triggering and sustaining development. Reaping effective development benefits from participation in the multilateral trading system, as well as coping with proliferating bilateral, regional and subregional trade integration processes, remains a big challenge for national policymakers and trade negotiators. Under the 2030 Agenda for Sustainable Development that calls for revitalizing the global trade partnership in achieving the Sustainable Development Goals, a universal, rules-based, open, non-discriminatory and equitable multilateral trading system continues to be the cornerstone of such a partnership, particularly to contribute to achieving Goal 17.

Within this global context, UNCTAD provides capacity-building support to developing countries, including the least developed countries (LDCs), small and vulnerable economies; countries with economies in transition and regional groupings in the areas of bilateral, regional and multilateral trade negotiations (such as accession to the World Trade Organization) and the implementation and utilization of trade agreements, including trade preference, such as the Generalized System of Preferences. UNCTAD assistance addresses specific substantive areas, including agriculture, non-agriculture market access, services, rules, special and differential treatment, dispute settlement and other trade-related rules, disciplines and procedures. UNCTAD support relating to trade negotiations and the international trading system aims to help beneficiary countries enhance their human, analytical, regulatory and institutional capacities in trade negotiations and agreements. The ultimate objective is to allow them to better draw benefits from the international trading system and increase their participation in the international trade for the interest of their development.



### HOW DOES UNCTAD DELIVER SUPPORT FOR TRADE NEGOTIATIONS, MARKET ACCESS AND TRADE PREFERENCES?

UNCTAD support for trade negotiations and the international trading system is initiated at the request of a Government or a regional grouping. Emphasis is placed on building the capacities of national governments and regional groupings to establish negotiating priorities and identify practical positions and policy options in bilateral, regional and multilateral trade negotiations. This is done through research to support evidence-based decision-making, along with advisory and capacity-building support to regional coordinators, national negotiating teams and regional institutions.

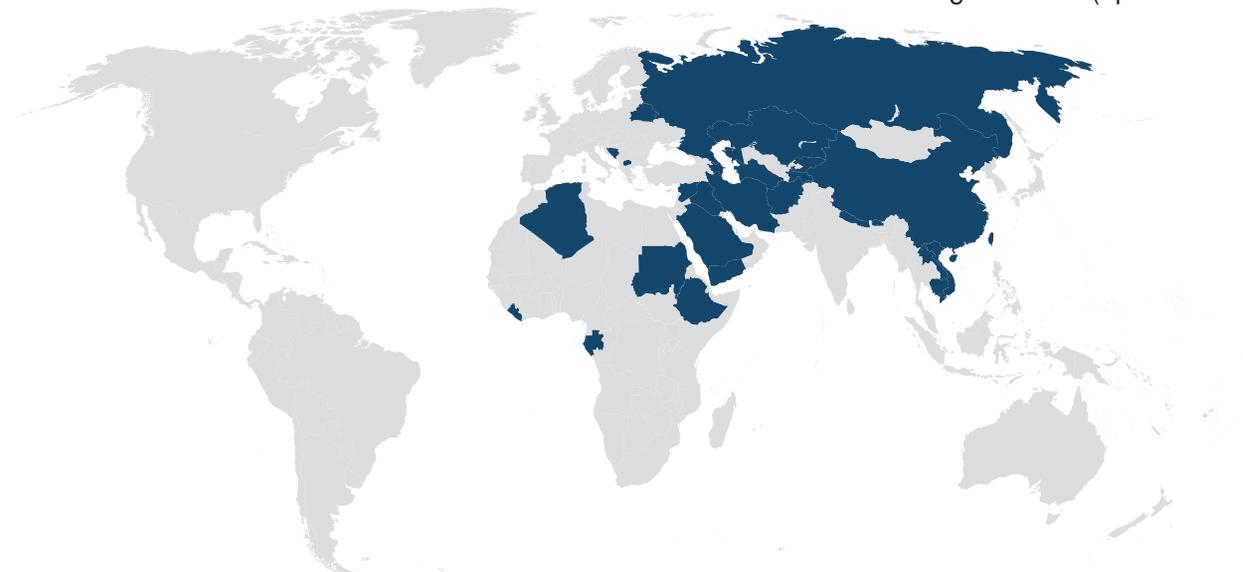
At the multilateral level, UNCTAD works closely with the regional coordinators of developing country groupings, such as Africa, LDCs and the African, Caribbean and Pacific Group of States, as well as individual countries, to provide analytical and advisory support for their consideration of negotiating issues, implications and options, upon request. One example is UNCTAD assistance to the LDC group in negotiating the LDC services waiver. For countries acceding to the World Trade Organization, UNCTAD provides hands-on support to national negotiating teams to build national capacities and institutions to effectively conduct policy reform and manage all stages of accession (before, during and after accession).

At the regional level, UNCTAD partners with regional entities such as the African Union; the African, Caribbean and Pacific Group of States; and regional economic communities, such as the Common Market for Eastern and Southern Africa, Economic Community of West African States and Pan-Arab Free Trade Area, to support their constituencies' effective engagement in regional trade negotiations, such as the negotiations on the economic partnership agreements between the European Union and the African, Caribbean and Pacific Group of States, Arab Customs Union, as well as the African Continental Free Trade Area processes. UNCTAD also assists countries in negotiating bilateral free trade agreements.

UNCTAD provides technical assistance to developing countries, including LDCs, to implement and utilize trade agreements, such as trade remedies in the bilateral, regional and multilateral trade agreements for Mozambique. UNCTAD works with member States to help them understand the challenges in the Generalized System of Preferences and how to use the mechanism effectively, through newsletters, updated schemes, handbooks and advisory services. UNCTAD also administers the certificates of rules of origin of the



## UNCTAD technical assistance on accession to the World Trade Organization (up to 2019)



Generalized System of Preferences. UNCTAD conducts country case studies to help LDCs utilize the LDC services waiver effectively so as to contribute to the Programme of Action for the Least Developed Countries for the Decade 2011–2020 and the Sustainable Development Goals. UNCTAD serves as the secretariat for the Global System of Trade Preferences among Developing Countries and provides administrative and substantive support to participants in the system.



### RESULTS AND IMPACTS AT A GLANCE

UNCTAD assistance to African countries, the African Union Commission and regional groupings in the negotiations concerning the African Continental Free Trade Area, particularly relating to trade in goods and services, contributed to the formulation and adoption of the negotiating modalities in these areas and eventually the adoption of the Agreement Establishing the African Continental Free Trade Area. UNCTAD support to the negotiators was strongly appreciated by all the beneficiaries through letters and statements. The Chair of the African Union Commission thanked UNCTAD for its support during the thirtieth ordinary session of the African Union Assembly of Heads of State and Government in January 2018.

A 2015 external evaluation, in assessing subprogramme 3 (international trade), pointed to recognition of the comparative advantages of UNCTAD: “Stakeholders note that UNCTAD provides valuable support to LDCs and developing countries in pre-accession and accession stages in ways that others cannot...

Unlike [the World Trade Organization], which can only address technical aspects related to rules and must refrain from any policy advice, UNCTAD’s mandate tasks it with providing advice on policy options and alternatives for acceding States and backstopping the accession process.”

Regarding UNCTAD work on the Generalized System of Preferences rules of origin certificates, four country case studies on the use of the LDC services waiver were undertaken for Cambodia, Nepal, Senegal and Zambia in 2018. The studies are expected to help them benefit from the preferences notified by their developed trading partners and developing ones in a position to do so. UNCTAD services to the participants in the Global System of Trade Preferences among Developing Countries ensured the smooth functioning of its Agreement and close follow-up to the São Paulo Round results towards its effective implementation by the signatories so as to further expand and deepen South–South trade and cooperation.



#### PROGRAMME FACTS AND FIGURES

Scope: all developing countries, including LDCs, and countries with economies in transition

Programmes start date: 1980s

Number of countries and country groups assisted to date: majority of developing countries and groups

Programme website: [unctad.org/tncd](http://unctad.org/tncd)



Sustainable Development Goals addressed:

Directly: 10, 17

Indirectly: 1, 8, 9



#### DONORS/FUNDING SOURCE (2014–2019)

Finland, Norway, Poland, Republic of Korea, Saudi Arabia, European Union, United Nations Industrial Development Organization