



# Trade & Economic Development

Katrin Kuhlmann

President and Founder, New Markets Lab

Lecturer on Law, Harvard Law School

Adjunct Professor Georgetown University Law Center

# What is Trade and Development?

- International Level
  - Special and Differential Treatment
  - WTO Agreements, Negotiating Approaches
- Regional/Bilateral Level – RTAs, FTAs, & Trade Preference Programs
  - Market Access
  - Negotiating Issues/Rule of Law Aspects
  - Trade Preference Programs (GSP, AGOA, etc.)
- National Level – Market Regulation
  - Non-Tariff Issues (Sector-specific Regulation, Standards, SPS)
  - Services (Financial, ICT, Transport, Distribution)
  - Other Aspects Business Enabling Environment (IPR, Labor)
  - Related Issues (Land, Energy, Environment)
- Aid for Trade (technical assistance, market development, infrastructure)

## Trade & Development in the WTO: Special & Differential Treatment

- **Elements:**

- **Reciprocity Not Required**
- **Flexibility in Implementation:** GATS, TRIPS, Agreement on Agriculture (extensions for LDCs)

- **Legal Standards:**

- **Part IV GATT 1965:** Best endeavor language to increase developing country market access; exercise restraint in introducing duties or NTBs; reciprocity not required
- **Enabling Clause 1979:** Provided permanent legal authority for GSP, special & differential treatment in agreements, south-south RTAs, special treatment LDCs, non-reciprocity
- **Trade Preference Programs**(since 1964): US, Europe, and other countries maintain preferences, both general (under Enabling Clause 1979) and specific (e.g. U.S. AGOA program; require WTO waiver)
- **LDC Services Waiver**
- **Trade Facilitation Agreement** (Tiered Approach w/ Aid for Trade)
  - Includes transparency in rules, border measures, border agency & customs cooperation

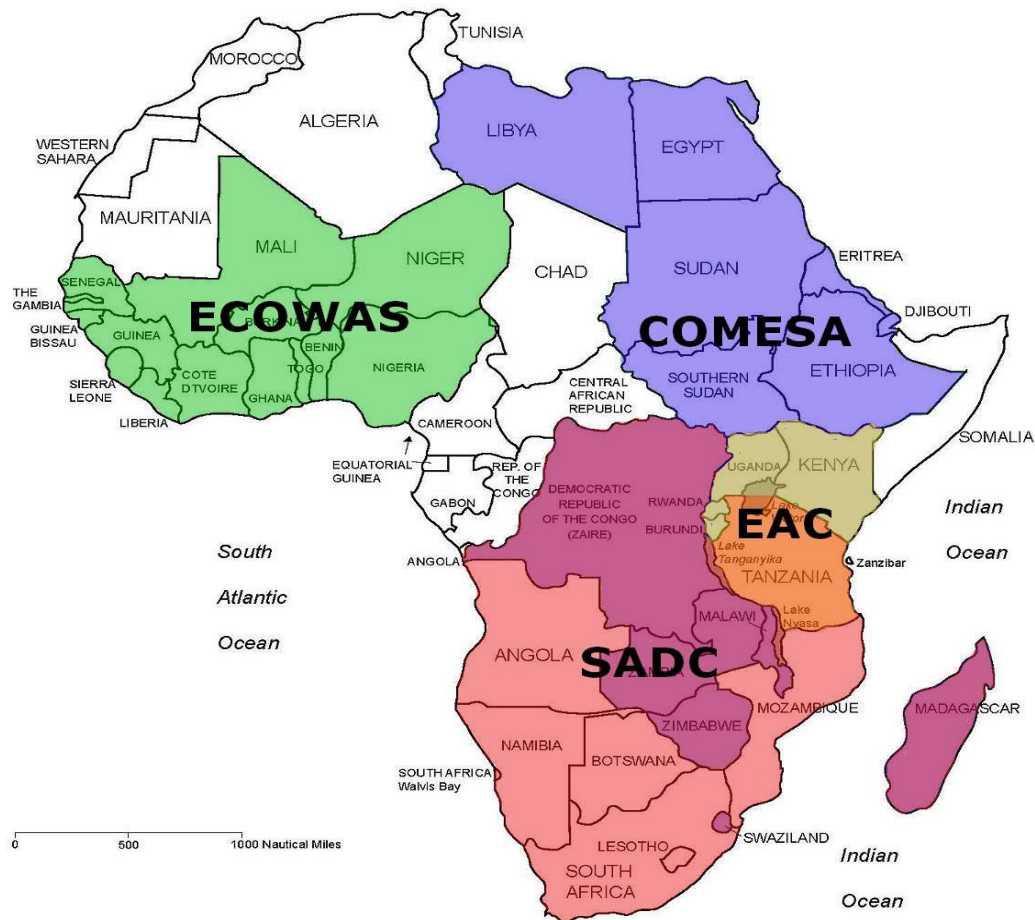
# Trade & Development in FTAs/RTAs

- Market Access for Goods & Services
- Negotiating Issues: Rule of Law/Building Block Issues
  - Rules of Origin
  - SPS
  - TBT
  - Trade Facilitation
  - Investment
  - IP
  - Labor & Environment
  - Regulatory Coherence (TBT)
- Capacity Building (CAFTA-DR; TPP)

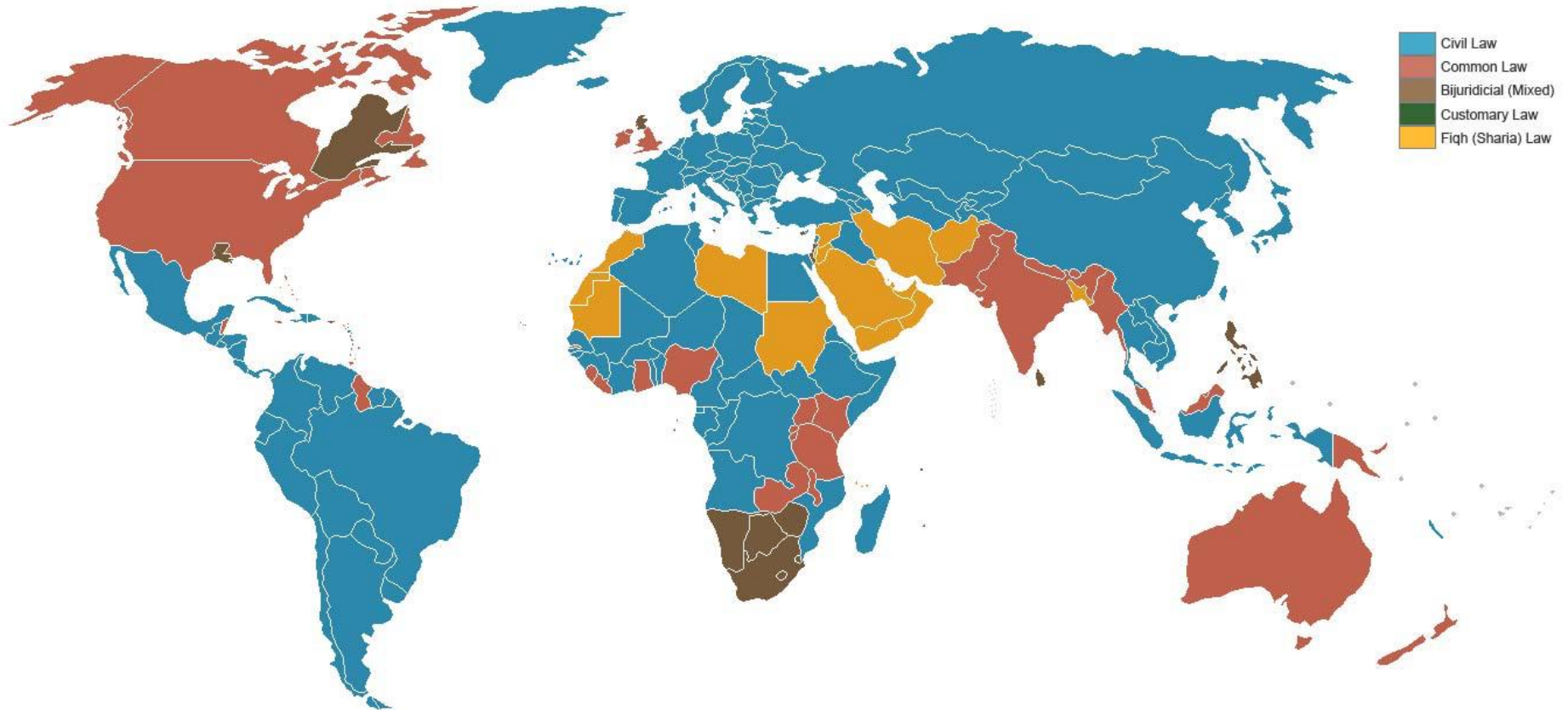
## FTA/RTA Development “Best Practices” (NML & HLS Trade Innovation Initiative)

- **Building Block Approaches:** Cooperation Agreement Among the Partner States of the EAC and US on Trade Facilitation, Sanitary and Phytosanitary Measures and Technical Barriers to Trade and the U.S.-CAFTA-DR FTA (technical advice and assistance for improving risk assessment techniques, simplifying and expediting customs procedures, advancing technical skills, and enhancing the use of technologies that can lead to improved compliance with laws and regulations governing importation)
- **Staged Commitments:** Tailor to market development and changes in capacity, such as the WTO Trade Facilitation Agreement and agricultural chapter of the U.S.-Morocco FTA
- **Focus on Specific Economic Sectors:** Link to development significance; examples include European agreements with developing country trading partners that specifically target transportation, tourism, and energy
- **Provisions to Encourage Private Sector Engagement and Consultation:** Examples include environmental provisions in the U.S.-CAFTA-DR, U.S.-Panama, and U.S.-Peru FTAs
- **Development Issues:** Gender (Canada-Chile FTA; TPP); SMEs; Anti-Corruption; Links to Aid for Trade

# African Regional Economic Communities (RECs)



# Differences in Legal Systems



# Domestic Law: Market Regulation (Example of Agricultural Value Chain)



- **Production**
  - Government Policies
  - Land Tenure
  - Farmer Aggregation Models
  - Regulation of Inputs (Seeds and Fertilizer)
- **Markets**
  - Transport, Storage, Retail, Distribution Services
  - Food Safety and Product Standards (SPS, TBT); Traceability
  - Cross-Border Trade; Customs and Trade Facilitation
- **Cross-Cutting**
  - Financial Services
  - Energy Regulation