



UNITED NATIONS  
ECONOMIC AND SOCIAL COUNCIL

ECONOMIC COMMISSION FOR AFRICA



Distr. : General

E/ECA/TRADE/96/10  
14 November 1996

Original: ENGLISH

THE URUGUAY ROUND: CHALLENGES AND OPPORTUNITIES FOR  
AFRICA



E/ECA/TRADE/96/10

## THE URUGUAY ROUND: CHALLENGES AND OPPORTUNITIES FOR AFRICA

### I. INTRODUCTION

1. The First World Trade Organization (WTO) Ministerial Meeting will be held in Singapore in December 1996. This will be the first time the Ministers will be meeting since the signing of the Marrakesh Agreement on the Uruguay Round of Multilateral Trade Negotiations on 15 April 1994, and the coming into force of the World Trade Organization on 1 January 1995. The meeting will be dominated by discussions on outstanding issues that have emerged since the signing of the Marrakesh Agreement; the need to create a level playing field in international trade and the role of the WTO enforcing rules of competition and fair play; and the position of developing countries in the emerging globalized and liberalized world economy.
2. For the African countries the need to develop effective strategies for integration of their economies in the world economy, to improve internal competitiveness, to open up markets among themselves and globally, and to take advantage of the opportunities being generated by globalization and liberalization of the world economy are all acknowledged. Equally, the urgent need for the continent to play a more active role in the international trading system and in the new World Trade Organization is recognized, as duly reflected in the Tunis Declaration by African Ministers of Trade on the Uruguay Round of Multilateral Trade Negotiations adopted in October 1993 and the Tunis Framework for Action for Implementation of the Uruguay Round Agreements by African Countries, adopted by the International Conference on the Uruguay Round and African Economics held in October 1994. The concerns for adequately preparing Africa for the forthcoming Singapore WTO Ministerial Meeting were also voiced by the African Heads of State and Government of the Organization of the African Unity (OAU) during their Thirty-Second Ordinary Session, held in Yaounde, Cameroon from 8 to 10 July 1996.
3. It is within this framework that the Economic Commission for Africa has prepared this background paper to focus on Africa's concerns, analyze the challenges and opportunities facing African countries, draw attention to lessons from other developing countries, and discuss possible African positions on the issues that will be discussed at the First World Trade Organization (WTO) Ministerial Meeting in Singapore in December 1996. The paper also benefitted from the series of regional seminars organized by the ACP Secretariat, in collaboration with the European



E/ECA/TRADE/96/10

Page 2

Union and the World Trade Organization in Gaborone, Yaounde, Accra, Abidjan, Kampala and Brussels.

4. This paper reviews the steps so far taken by African countries towards the implementation of the Uruguay Round agreements, and the challenges and opportunities they face in the implementation of the agreement. Part II of the paper reviews the preparatory process of the implementation of the Uruguay Round agreements. Part III discusses how Africa can cope with the challenges and opportunities arising from the Uruguay Round, while Part IV attempts to draw some pertinent lessons from the experience of other developing regions in the implementation of the Uruguay Round agreements. In Part V, the paper turns attention to the implementation modalities of the Uruguay Round agreements. Part VI highlights Africa's position on the new issues for negotiations in the WTO while part VII is devoted to the implementation of the African framework for action on the Uruguay Round. The conclusion is given in part VIII.

5. The paper aims to apprise African governments about the main issues to be discussed at the Singapore meeting, draw attention to Africa's concerns on those issues, and review possible strategies that might contribute to the effective participation of African countries at the meeting. It is hoped that it will contribute to a better appreciation of the issues on the agenda for the Singapore WTO Ministerial Meeting, and provide a basic framework for effective participation by African countries at the meeting. While Africa acknowledges that, in the context of a globalizing and liberalizing world economy, its survival depends to a large extent on its ability to effectively integrate its economies into the world economy, the challenges to be surmounted are indeed formidable but not impossible to overcome. Furthermore, a "level playing field" has yet to emerge in international trade and hence the need for Africa to clearly articulate its position on a number of the issues under discussion.

## **II. IMPLEMENTING THE URUGUAY ROUND AGREEMENTS IN AFRICA: PREPARATORY STEPS**

6. The implications of the Uruguay Round for Africa have been discussed in various fora by African governments before and after the formal signing of the WTO agreement in Marrakesh in April 1994. At its twelfth session held from 22 to 24 October 1993, the ECA Conference of African Ministers of Trade adopted resolution 783 (XXIX) on the Uruguay Round of Multilateral



E/ECA/TRADE/96/10

Page 6

i) The Uruguay Round agreement and Africa's position in the world economy

15. The Agreement has come at a time of continuing concern about the decline of Africa's participation in the global economy and trade. According to the ECA's Economic Report on Africa 1996,

"...even with the recovery in GDP growth rates in Africa, the share of the continent in aggregate world trade and output remains far below its share of world population. Africa's share in world trade has fallen steadily over the years to 2.2 per cent in 1995 from 2.3 per cent in 1994, 3.1 per cent in 1990 and 5 per cent in 1980. The decline of Africa's share in the trade of developing countries as a whole has been even more dramatic, from 14.9 per cent in 1980 to 10.9 per cent in 1990 and 6.4 per cent in 1995. Africa's GDP has in the 1990s accounted for less and less of the GDP in the global economy (about 2.04 per cent on average) and of the developing countries share of it (10.24 per cent), compared with the 1980s. By contrast, Africa's share of world population is on the increase, estimated at 12 per cent in 1995."<sup>1</sup>

16. In spite of this situation, African countries will now have to face the challenge of adapting to a more liberal trading environment, and their import regimes will be subject to greater discipline. On the other hand, the general lowering of tariff and other barriers provide new trading opportunities for African countries in the world market. Therefore, Africa's response to the Uruguay Round should consist not only of measures to mitigate the negative effects of the Round, but also to explore areas where there may be growing opportunities for expanding their exports of goods and services. To this end, individual African countries, as well as subregional groups should be encouraged to undertake export promotion efforts in those areas where there may be promising prospects. In spite of the loss of special preferences, African countries could, at least, endeavour to maintain export shares in traditional exports of agricultural products, including tropical beverages and sugar, most especially by improving the technology of production and ensuring that their current structural adjustment programmes have a favourable effect on the supply situation of these products. They should also endeavour to increase the level of exports of processed agricultural goods and raw materials, by ensuring adequate resources for

---

<sup>1</sup>UNECA, Economic Report on Africa 1996, paragraph 3, page 1.



the improvement of production, and easing the bottlenecks to domestic processing, such as poor infrastructure, unsatisfactory marketing arrangements and unattractive foreign exchange regulations. African countries will require assistance in identifying and exploiting the market opportunities contained in the Uruguay Round schedules through support to selected sectors, export financing facilities, assistance in trade promotion and establishment of marketing and distribution networks, assistance in conformity with standards and quality control, packaging and labelling, and assistance in establishing information systems on trade flows and barriers to trade with the necessary analytical software. Such systems must be accessible to both government and the private sector.

## ii) The Uruguay Round and the Lome Convention

17. Developments within the EU and the conclusion of the Uruguay Round agreements have prompted a new look at the working of the present Lome Convention as well as earnest discussions about ACP future relations with the EU after the expiration of the present Convention in the year 2000. The decline in the share of European imports accounted for by the ACP countries, in spite of the special preferences, has also underlined the need for a re-examination of the present Convention.

18. Most of the assessments of the consequences of the Uruguay Round Agreement have pointed to the losses that ACP countries will experience from the erosion of the present preferences under the Lome Convention. The EU will cut MFN duties on imports from all countries, and this will reduce the preferential margins previously enjoyed by the ACP countries in EU markets over other suppliers. The loss of preferential margins by the ACP on EU markets will be about 30% (50% on tropical products, 16% on natural resource-based products and 47% on other manufactured goods). This will increase the competitiveness of rival suppliers at a time when many African countries are already experiencing declining shares of world trade in those commodities. Some estimates of the extent of erosion of preferences, presented in a recent OAU report, show that the percentage erosion of preferences on all dutiable items range from 29.6 to 59.4 per cent. On the other hand, the post-Uruguay Round average tariffs on imports of industrial products (excluding petroleum) from ACP countries into the EU, Japan and US, remain fairly high only in the case of textiles and clothing; fish and fish products; and leather, rubber, footwear and travel goods. Therefore, a number of ACP exports might still gain from



lower post-Uruguay Round average tariffs.

19. One of the difficulties of making a precise assessment of the impact of the loss of preferences on ACP trade is the fact that many ACP countries did not, in any case, take full advantage of the preferences. For example, in Africa, only Mauritius has made significant use of the concessions on textiles and clothing, while hardly any of the other countries took significant advantage of the concessions on other manufactured goods. The problem was partly one of supply, and partly one of lack of competitiveness. The major lesson of the Lome experience for African countries is that preferences are of little value if the countries enjoying them have supply difficulties, and that non-preferred but more competitive suppliers can do better than those enjoying preferences.

iii) Issues to be considered in future negotiations with the EU

20. The ACP and EU are to discuss a possible successor to the Lome Convention that will be compatible with the WTO Agreement. However, African countries should count much less in the future on special tariff preferences, and put more emphasis on measures that will improve the competitiveness of their economies, such as economic diversification, the expansion of infrastructure and the improvement of productivity. They should pursue the issue of appropriate compensation for the loss they will sustain on account of the erosion of preferences, as agreed in the Framework for Action, but they could agree that any such compensation should be devoted almost exclusively to economic restructuring and diversification. To promote this approach, the provisions of a new Lome Convention could give more emphasis to industrial cooperation and development finance, improvement of productivity and competitiveness of African exports, and trade development.

21. The shape of future discussion with the EU on possible new relationships after the expiration of the present Convention will be clearer when the EU issues an expected Green Paper on the subject later in the year. However, some broad ideas on the subject were expressed by the EU Commissioner, Professor Pinheiro, when he addressed the Joint Assembly of ACP and EU in Luxembourg on 23 September 1996. He noted, in part,

"The Lome Convention has been a bridge between Europe and the ACP countries for



iv) The Uruguay Round Agreement and African economic integration

23. It has been said that trade among nations is the most efficient integrating factor. The issue of integration in the framework of multilateral trade is governed by Article XXIV of GATT 1994. The Article acknowledges the increasing number of customs unions and free trade areas and their contribution to the expansion of world trade through "closer integration between economies..." It stresses that the aim of integration should be to facilitate trade among "integrated" entities and not to raise barriers to trade with third party territories, members of GATT. At an IMF sponsored seminar, participants shared the view that the recent trend towards increased regional trading arrangements had net trade-creating effects and had complemented multilateral trade liberalisation <sup>2</sup>.

24. The need for regional integration in Africa is unquestionable. Reconciling this need with exigencies of the emerging multilateral trading system is one of the issues Africa will have on its agenda for negotiations within the WTO. Economic integration should be regarded as part of the adjustment process through which Africa should build the necessary capacities and competitiveness for a meaningful participation in the emerging multilateral trading system.

25. In the light of the new situation created by the Uruguay Round agreements, African countries should accelerate the process of regional and subregional integration to widen their regional markets, enhance the mutual complementarity of their economies, and encourage their industrial, agricultural and service producers to adapt progressively to increasingly competitive trading environments.

26. In this connection, in the light of new pressures for more trade liberalization under the Uruguay Round Agreement, and the extensive liberalization measures that most of African countries have had to undertake in implementing structural adjustment programmes, one crucial question they should consider is whether they still need to maintain any tariff and non-tariff barriers on their intra-regional trade. There is a strong view that, with barriers (on extra-regional and intra-regional trade) already substantially reduced across the board (in the implementation

---

<sup>2</sup>See IMF Survey, May 22, 1995.



of Structural Adjustment Programmes, and with the further liberalization that they have to accomplish in the implementation of the UR results), African countries should now aim to accelerate the removal of all tariff and non-tariff barriers on goods of regional origin entering intra-regional trade. To this effect, the OAU and ECA, in cooperation with the regional and subregional economic communities, should sponsor technical assistance programmes which would be directed to assisting African countries to assess the possible impact of such a measure, and how to deal with any transitional problems that may arise. African countries need to give most serious attention to this issue in view of the fact that the achievement of regional free trade is now high on the agenda of all the major regional and subregional trade blocs.

27. Africa needs time to adjust to the new system; its partners within the WTO should take into account the Abuja Treaty for the establishment of the African Economic Community and its trade liberalisation time frame<sup>3</sup>. Notwithstanding the provisions of Article XXIX:12(13) regarding the responsibility of "each Member under the GATT 1994 for the observance of all the provisions of the GATT 1994..." a mechanism for consultation between the WTO and the OAU/AEC Secretariat monitoring the implementation of the Abuja Treaty should be instituted to agree on any adjustments needed for a smooth implementation of both Agreements. The establishment of a Working Party to this effect should be considered<sup>4</sup>. In their negotiations, the two parties may be guided by the Understanding on the Interpretation of Article XXIV of the General Agreement on Tariffs and Trade 1994, especially in its provisions contained in paragraph 12 on dispute settlement and paragraph 15 on consultations among Members.

28. Such negotiations should address the problems of compatibility between WTO and African

---

<sup>3</sup>This issue is developed in more details in OAU document EDECO/TD/11/656.94 of 14 October 1994 entitled: The Uruguay Round agreement and its Possible Impact on Regional Economic Integration in Africa in the Light of the Abuja Treaty.

<sup>4</sup>This has been the case with the Fourth Lome Convention. A Working Party was established to analyze conformity of the Convention's provisions with those of Article XXIV of GATT 1994. Since the Working Party could not agree unanimously on the compatibility of the Convention with Article XXIV, it was urged to seek a waiver as a way to bring this matter to a conclusion (See for more details the minutes of the Meeting held in the Centre William Rappard, GATT, on 4 October 1994 under the Chairmanship of Mr. M. Zahran of Egypt).



subregional groupings' objectives. The following issues are among those which should be considered: (i) conditions under which member States of the African Economic Community can be exempted of the strict application of the MFN clause due to the integration process provided for by the Abuja Treaty; (ii) When the African Economic Community reaches the stage of a free trade zone, there may be incompatibilities with the WTO liberalization scheme; this should be looked into now; (iii) some protocols adopted within the framework of the Abuja Treaty may also conflict with provisions of the Uruguay Round; for instance, in many areas, the rules of origin as defined within the Abuja Treaty do not necessarily correspond to the WTO definitions; and (iv) in the light of the provisions of the Abuja Treaty, a common external tariff has to be instituted to protect the common market; this in contradiction with WTO's liberalization scheme; and (v) granting the OAU an observer status to WTO to facilitate interaction between the two institutions and work as of now on the modalities for preventing these potential clashes between the WTO and the African Economic Community provisions.

**v) The need for improved national mechanism for trade policy**

29. There is a need for the establishment of improved national mechanisms for the management of trade policy in order to cope with the wide scope and complexity of the Uruguay Round agreement. In order to benefit from the various decisions and agreements, individual countries would have to improve existing mechanisms for the management of their international trade, utilizing all available information about trade trends and prospects that are now available in convenient forms (CD-Rom etc.) from relevant international organizations, such as UNCTAD, WTO and ITC, and for monitoring the implementation of the results of the Uruguay Round on a continuous basis. To the extent that they succeed in doing so, they may be able to minimize substantially the expected losses from the Round, and take advantage of the opportunities which it provides.

**vi) Expanding trade in services**

30. The General Agreement on Trade in Services (GATS) has entailed the acceptance of specific but limited sectoral commitments by African countries. Owing to financial and technical constraints, African countries are not actively participating in the continuing negotiations in the sectors of maritime transport, financial services, and basic telecommunication services. It is to



E/ECA/TRADE/96/10  
Page 13

be noted that the Agreement provides for future negotiations within five years.

31. In order to derive benefits from the GATS, African countries must strengthen their services sectors and their export capacity in services. To this end, African countries will require increased technical assistance to strengthen their analytical and policy making capacity in the services sector, including technical support in the continuing negotiations and in preparing for future negotiations on trade in services within the framework of GATS and in the context of regional agreements.

32. However, as stated by the Addis Ababa Declaration on UNCTAD IX, "In the implementation of commitments under the Uruguay Round agreements, the developed countries should, as far as possible, provide more favourable treatment for exports and services from developing countries". Developed countries should faithfully implement the General Agreement on Trade in Services (GATS) in letter and spirit, particularly Article IV, Article XIX and the Annex on Telecommunications which aim at facilitating the development of the domestic services capacity of developing countries and their increased participation in world services trade.<sup>5</sup> In this connection, UNCTAD has noted that "policy options for fostering competitive services sectors in developing countries and for their gaining an increased share of international trade in services will have to confront the questions of (a) financial resources; (b) the use of market mechanisms; (c) human resources; (d) access to new technologies; and (e) the participation of foreign providers."<sup>6</sup> These observations lead to the conclusion that, in order to make rapid strides in this area, African countries would have to mobilize fully their regional and subregional integration mechanisms, and negotiate collectively with foreign service providers in many services sectors.

**vii) Coping with the impact of agricultural liberalization and the rise in food prices**

33. The Agreement will result in higher prices for imports of essential foodstuffs. In this connection, the Ministerial Decision on Measures Concerning the Possible Negative Effects of

---

<sup>5</sup>UNCTAD Op Cit, paragraph 38.

<sup>6</sup>The Addis Ababa Declaration on UNCTAD IX, paragraph 51.



E/ECA/TRADE/96/10

Page 14

the Reform Programme on Least Developed and Net Food Importing Developing Countries provides for food aid in grant form, combined with financial and technical assistance for improving agricultural productivity and infrastructure. The implementation of these commitments will be monitored by the WTO Committee on Agriculture. It is essential that these commitments be faithfully implemented.

34. Also, African countries would be confronted with the obligation to reduce their domestic support for agriculture, although the special provisions for developing and least-developed countries (LDCs) would exempt those below a certain level of GNP from some of the obligations while allowing others to delay implementation.

**viii) Agreement on the Application of Sanitary and Phytosanitary Measures**

35. African countries would have to cope with two main problems, namely:

- meeting the more stringent sanitary and phytosanitary standards imposed by the Agreement;
- the possibility of using increased sanitary and phytosanitary standards as disguised non-tariff barriers to imports.

36. African countries should take advantage of the special and differential treatment of developing countries, and call for technical assistance to review their needs in this connection. They should consider the establishment of regional mechanisms for the exchange of information on coping with sanitary and phytosanitary problems and for monitoring the experience of countries with regard to the implementation of such measures affecting the exports of the region.

37. At the national level, national mechanisms should be established for the monitoring of sanitary and phytosanitary problems of exports, and for promoting measures, with the assistance of relevant international agencies, for improving the conditions of such exports.



### ix) Textiles and Clothing

38. Although manufactured textiles and clothing are at present not very important in African exports, apart from Mauritius, there is a strong possibility that several African countries, in particular Botswana, Côte d'Ivoire, Kenya, Lesotho, and Nigeria, could become major exporters as Multifibre Arrangement (MFA) restrictions are phased out. It was noted that an important strategy for successful export development in this area is to undertake careful market research and development with a view to taking advantage of special designs based on local arts and patterns, which are already becoming popular in the United States and the Caribbean countries.

39. This is an area where African countries should endeavour to make rapid strides, since they are all heavy consumers of textiles, while several of them produce cotton and could become even bigger producers with more attention to agricultural production and extension services. Through the phasing out of the MFA as spelt out in the Agreement on textiles and clothing, African exports of textiles will be exposed to intensified competition in world markets. Technical assistance will enable some African countries to build upon their comparative advantage in this sector, allowing them to increase their competitiveness in world markets, including through the improvement of their design capabilities and the transfer of technology.

40. To take full advantage of the new situation African countries should consider taking the following actions:

- Set up regional and subregional mechanisms for monitoring the implementation of the Agreement, to advise member States of the specific measures to enable them to take maximum advantage of the various provisions;
- Free intra-regional trade in textiles and clothing, and promote linkages between textile producing industries in the respective subregional markets;
- Strengthen national industries in textiles and clothing, so that they can benefit from the progressive liberalization under the WTO Agreement and expand Africa's market share.



E/ECA/TRADE/96/10

Page 16

**x) Trade-Related Aspects of Intellectual Property Rights (TRIPS)**

41. The Agreement on Trade-Related Aspects of Intellectual Property rights (TRIPS) provides for higher levels of protection of Intellectual Property rights. African countries will, within the time-frame specified in the Agreement, have to amend their existing intellectual property laws and, in certain fields, enact new ones to conform to the TRIPS Agreement. Financial and technical assistance, including training, will be needed for the establishment or strengthening of the infrastructure required for the implementation of the Agreement on intellectual property rights.

42. The crucial issue here is how African countries can protect their biodiversity wealth from the powerful chemical and pharmaceutical companies of the industrialized countries. They need to organize themselves to participate effectively in future negotiations in order to ensure that their concerns are fully taken into account. In the words of the Global Coalition for Africa (GCA), 1996, "The recognition of traditional knowledge, or the rights of farmers, will require adaptations or the creation of a specific legal framework, different from the classic patent legislation."<sup>7</sup>

43. To promote these objectives, African countries will have to take the following actions:
- Set up regional and subregional mechanisms for the exchange of information and the monitoring of developments on the protection of biodiversity wealth;
  - Develop and maintain a database on Africa's biodiversity wealth, and encourage each country to introduce appropriate legislation regulating access to its biodiversity sources and laying down conditions for the conclusion of agreements with chemical and pharmaceutical companies on the terms of access to the country's biodiversity wealth.

---

<sup>7</sup>Global Coalition For Africa, The forthcoming WTO Ministerial Meeting: Implications for Africa, Document GCA/EC/NO.6/8/1996.



E/ECA/TRADE/96/10

Page 17

**xi) Trade-Related Investment Measures (TRIMs)**

44. Here, as in the case of TRIPS, there was a good deal of argument as to whether the issue was appropriate for negotiations by the Uruguay Round, with developed countries favouring such negotiations while the developing countries were against. In the end, recognizing that "certain investment measures can cause trade-restrictive and distorting effects", it was decided that the agreement should apply to "investment measures related to trade in goods only", in conformity with Articles III and XI of GATT. The aim of the agreement is to prevent measures which compel a local investor to purchase or use products of domestic origin in its production process in preference to imported substitutes, or to compel the investor to export a certain proportion of its domestic production. Both measures are usually designed to discourage imports and encourage exports.

45. The Agreement provides that "not later than five years after the date of entry into force of the WTO Agreement, the Council for Trade in Goods shall review the operation of the Agreement and, as appropriate, propose to the Ministerial Conference amendments to its text. In the course of this review, the Council for Trade in Goods shall consider whether the Agreement should be complemented with provisions on investment policy and competition policy."

**xii) Protection against unfair trade practices**

46. In the light of the extensive liberalization programmes they have undertaken, African countries will find it necessary to make use of the provisions of the Agreements on Subsidies and Countervailing Measures and on Anti-Dumping Duties to protect themselves against unfair trade practices. They will likely also find it necessary to apply the provisions of the Agreement on Safeguards to prevent their domestic industries from injury as a result of the rapid increases in imports. On the other hand, African countries may also find their exports confronted with such actions in export markets.

47. In this connection, they should take necessary steps to prepare the required domestic legislation needed for the use of these provisions. For countries that have bound their tariffs at high levels in their commitments within the WTO liberalization context, they can easily use this



arrangement as a protection instrument since putting in place anti-dumping legislation has proved to be a very complex and costly undertaking.

#### IV. LESSONS FROM OTHER DEVELOPING REGIONS

48. Other developing countries, including Asian countries, are also concerned about the increased competition in the world market that the WTO Agreement will engender, but they happen to be in a far better position to face the challenge. For example, Asian countries have become so competitive in their industrial production that even some developed countries are concerned about the level of their imports of industrial products from those countries.

49. The Asian experience has shown that there are several conditions necessary for the success of a country or a region which will enable it to take better advantage of the emerging international trading system. These include high level of productivity; highly developed infrastructure, particularly transport and communications; effective participation in the increasing globalization of the world economy; a high level of intra-regional trade, with extensive linkages between industries in the various countries of the region; growing participation in the production and export of a wide range of services, including computer-based services; an attractive environment for foreign private investment; and a literate and skilled population that is capable of managing the increasingly complex processes of modern industries.

50. First, the experience reflects the importance of a high level of economic and social infrastructure in the improvement of productivity and competitiveness. On the whole, the capital stock and the level and quality of infrastructure - roads, communication facilities, and educational and health infrastructure - are significantly lower in Africa than in Asia. Agricultural productivity, particularly in non-export food crops, though improving, is still very low, because there was inadequate research, particularly on agricultural problems peculiar to tropical Africa. The green revolution, which occurred in Asia several decades ago has not been replicated in Africa to the same extent. Some of the countries have begun spending heavily on giant infrastructure projects - highways, subways, power plants, expanded communication services - that will modernize their economies and build the foundation for future growth in the next century.



51. Second, the Asian experience illustrates the importance of intra-regional trade and investment in the development of international competitiveness. Even without formal economic integration, the level of inter trade among Asian countries is large and growing, because they have attained a high level of industrial development and interlinkages among industries in various countries. With increased prosperity, the internal market has grown and is fuelling new boom.
52. Third, many Asian countries have been able to stabilize or improve their terms of trade by reducing their dependence on exports facing weak global demand, whereas the adverse terms of trade experienced by African countries reflect the failure of internal economic structures to respond to changing demand conditions in world markets.
53. Africa has had great difficulty in overcoming a number of unsuccessful starts in economic planning and strategy. For example, for decades, agriculture was relatively neglected in preference for industry. And in industry, inappropriate priorities were set, and industrial production was heavily dependent on imports. The protection of infant industries did not achieve the desired results in many cases, while the basic infrastructure that is essential for a high level of productivity was weak.
54. The poor quality of government intervention has been discouraging to private enterprise. Controls, even where they were necessary, were not properly managed. Asian governments, too, intervened extensively in economic management, but they were more efficient at it than others. The quality of government intervention in African societies would be substantially improved through measures to increase accountability.
55. Finally, the Asian experience also indicates that there is scope for those African countries with relatively well developed industrial sectors to play a catalytic role in the development of African industries, in the promotion of inter-regional trade, and in achieving improved competitiveness.
56. If Africa is to learn the right lessons from other developing regions especially from Asia, in the field of international trade and development, policy options for the future must aim to improve the response to market signals. Among others, they must raise the level of productivity and reduce the cost of production, reduce the dependence of industrial production on imports,



establish a new relationship between government and private enterprise, improve facilities for technical training, in collaboration with private enterprise. They must also aim to improve the quality of government intervention and make economic integration more effective. Specific policy measures should include remedying the physical inadequacies, particularly in the field of power, transportation, and communication, and improving human capital, through emphasis on primary education and literacy, expanding training facilities, and improving management skills. Approaches to industrial development need to be revamped, with the privatization of most of the loss making heavy and capital intensive industries, and renewed emphasis on support for small-scale industries.

57. Appropriate laws, regulations, tax policies and removal of artificial distortions, should be established to create a climate favourable to private investment. Foreign investment inflows will in particular be encouraged by removing legal and bureaucratic impediments to investment, expanding public investment that is complementary to private investment, and ensuring sufficient external financing. Measures to promote domestic and foreign investment must be accompanied by efforts to mobilize domestic savings. However, it has been noted that in many countries, the prevalence of capital flight indicates that stagnant investment often results from inadequate demand for investment rather than from the unavailability of saving.

58. Increasing agricultural productivity is absolutely vital, and it requires substantial improvements in rural infrastructure and extension services. Unless substantial efforts are made to raise the performance of agriculture, the potential for growth elsewhere, particularly in agro industries and transport, could be restricted through intersectoral linkage.

59. Government intervention in the economy need not be much less than at present, but the nature of that intervention would have to be significantly different, with more emphasis on close cooperation between the public and private sectors, and on improving the environment for improved productivity and competitiveness. The macro-economic framework would need to emphasize market incentives more than regulation.

60. The obstacles arising from fragmented African domestic markets, as well as poor linkages among those markets, need to be overcome by creating larger markets through economic integration, which would aim to achieve the following major objectives in the next few years.:



- negotiating a harmonized approach to macro-economic management, including the establishment of a harmonized framework for attracting foreign investment;
- making the subregional market a free-trade zone (including trade in raw materials, intermediate products and finished goods produced in the integrated market);
- accelerating present plans for the coordinated improvements of basic infrastructure (power, water, transport and communication).

61. The debt overhang often creates uncertainties about the sustainability of the balance of payments situation and about macroeconomic stability, and, therefore, retards the recovery of private investment. Debt and debt-service reductions in the context of adjustment programmes can help reduce these uncertainties. This will be assisted by credible economic environment and sustainable reforms, in particular macroeconomic stability, including a predictable and competitive real exchange rate, a low budget deficit, and low rates of monetary growth and inflation.

## V. IMPLEMENTATION MODALITIES

### i) Fulfilling the Obligations of Membership

62. Currently, about a third of African countries are not members of the WTO. The modalities for accession to the WTO for non-original members are governed by Article XII of the Agreement establishing the World Trade Organization. It states that the terms of accession need to be agreed between the applicant country and the WTO. To be eligible, a country must submit to the latter its Schedules of Concessions and Commitments as well as its Schedules of Specific Commitments in the framework of the General Agreement on Trade in Services (GATS). Membership to the WTO is of contractual nature which entitles members to rights but also subjects them to obligations.

63. Unlike in many other international organizations, accession to the WTO is subject to payment of a membership fee which varies according to the economic importance of the country. The minimal fee for small countries represents a percentage of total international trade in goods,



services and intellectual property rights. In addition, the country contributes the same percentage to the Working-Capital Fund. African countries which have not joined or in the process of becoming members of WTO are encouraged to complete their accession requirements.

ii) **Taking advantage of special and differential treatment for developing countries**

64. The Uruguay Round Agreements provide for special treatment of developing and least developed countries. The Decision on Measures in Favour of Least-Developed Countries - provides, *inter alia*, that such countries "will only be required to undertake commitments and concessions to the extent consistent with their individual development, financial and trade needs, or their administrative and institutional capabilities". In the same decision, the Ministers agreed on the expeditious implementation of all special and differential measures taken in favour of least-developed countries, autonomous implementation, in advance and without staging, of MFN concessions on tariff and non- tariff measures on products of export interest to this group of countries, application in a flexible and supportive manner for the least-developed countries of the various agreement and instruments and the transitional provisions in the Uruguay Round, and substantially increased technical assistance for the least-developed countries, in the development, strengthening and diversification of their production and export bases including those of services, as well as in trade promotion, to enable them to maximize the benefits from liberalized access to markets.

65. Furthermore, within the context of the Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least-Developed and Net Food-Importing Developing Countries, the Ministers "agree to establish appropriate mechanisms to ensure that the implementation of the results of the Uruguay Round on trade in agriculture does not adversely affect the availability of food aid at a level which is sufficient to continue to provide assistance in meeting the food needs of developing countries, especially least-developed and net food-importing developing countries".

66. African countries should undertake the exploration of the policy options involved in deriving full benefits from these provisions. This would call for technical assistance, for example in designing strategies to take advantage of the time based derogations.



67. African countries will require assistance in drawing up legislation and the accompanying institutions to apply these agreements in the national context. This would involve the training of officials and establishment of information systems on prices and markets. African countries will also require assistance in acquiring a greater familiarity with the legislation and administrative procedures of their main trading partners with a view to defending more effectively their exporters against restrictive measures.

## VI. AFRICA'S POSITION ON NEW ISSUES FOR NEGOTIATION IN THE WTO

68. At the Marrakesh meeting, a number of delegations stressed their wish to see other issues included in the list of those proposed to be negotiated in the next Round of Multilateral Trade Negotiations. They pertain to: "the relationship between the trading system and internationally recognized labour standards, between immigration policies and international trade, trade and competition policies, including rules on export financing and restrictive business practices, trade and investment, regionalism, the interaction between trade policies and policies relating to financial and monetary matters, including debt, and commodity markets, international trade and company law; the establishment of a mechanism to compensate for the erosion of preferences; the link between trade, development, political stability and the alleviation of poverty, and internal or extra-territorial trade measures."<sup>8</sup>

69. Of these, only a few have crystallized into actual proposals for inclusion on the agenda for the forthcoming Conference of Ministers in Singapore in December 1996. The ECA secretariat has also prepared a document on "Africa's participation in future multilateral trade negotiations within the framework of the World Trade Organization" (document E/ECA/TRADE/95/13) which reviews most of the items for future negotiations.

70. African countries would have to play a more active role in future negotiations on the pending issues within the Uruguay Round Framework as well as on the new items now being proposed for future multilateral trade negotiations.

---

<sup>8</sup>UNCTAD, *The Outcome of the Uruguay Round: An Initial Assessment, Supporting Papers to the Trade and Development Report*, 1994, p. 221



E/ECA/TRADE/96/10

Page 24

71. The last eight Rounds of MTNs, and specially the experience of the Uruguay Round, have shown the weakness of Africa's participation in multilateral trade negotiations. This continues to be the case, particularly with respect to negotiations regarding unfinished agenda of the Uruguay Round. Although as many as 39 African countries were in Marrakesh to sign the Final Act of the Uruguay Round, very few of them participated actively and regularly in the negotiations. Some of the reasons explaining this fact are: (i) the contribution of trade to economic growth has not yet been well integrated in most African countries development policies; as a result, trade is not a priority issue and the WTO operations and agenda are not accorded priority attention. For instance, WTO has not been accorded the same attention as the other international organizations such as the World Bank, IMF, and the United Nations system; (ii) Africa's representation in Geneva (headquarters of WTO) is weak: more than half of African countries do not have representation in Geneva and most of those that are represented do not even have a single economist in their mission. In these conditions, it is impossible to participate in the various WTO groups of negotiations, in addition to covering other matters discussed in other international institutions located in Geneva; (iii) many of the issues discussed during the Uruguay Round of MTNs were highly technical and several African countries lacked the technical expertise to substantively contribute to the negotiations; (iv) due to financial constraints facing most African countries, they could not afford to send to Geneva teams of competent negotiators, in the sectors where expertise was available in home countries.

72. As a result of this, most African countries had no global and coherent strategy for negotiations. Some of the countries had not even a clear idea of what was at stake in the different sectors of the negotiations. Consequently, many countries were just "attending" some negotiating sessions on an "on-and-off" basis, observing rather than thoroughly participating in the negotiations.

**(a) On-going negotiations within the Uruguay Round Framework**

73. Both the pending and the new issues were fully reviewed in the ECA document (E/ECA/TRADE/95/13 of 15 December 1995) submitted to the First Session of the Conference of African Ministers Responsible for Trade, Regional Cooperation, Integration and Tourism, held in Addis Ababa from 14-16 February 1996. Brief updates of the various items are outlined below.



i) Basic telecommunications services

74. The Ministerial Decision on Negotiations on Basic Telecommunications, established a negotiating group under the name "Negotiating Group on Basic Telecommunications (NGBT)" which has been carrying on negotiations since the signing of the Final Act. Any member of the WTO can participate on a voluntary basis. At the signing of the Final Act, no African country had joined the NGBT. Negotiations were to be concluded not later than 30 April 1996, but they have now been extended until February 1997. All commitments resulting from these negotiations will be part of the schedules annexed to the GATS and shall be governed by the provisions of the Agreement.

75. The Fourth Protocol and Decision on Commitments in Basic Telecommunications provide for 30 November 1997 as the deadline for acceptance of the Protocol and 1 January 1998 as the date of entry into force of the Protocol and its attached schedules of commitments.

76. The interests of African countries would be better served if they joined in the negotiations and take advantage of the special provisions for developing countries in paragraphs 5(g) and 6(d) of the Annex on Basic Telecommunications Services. These provisions would allow them to restrict access to their telecommunications facilities, and provide them with training, transfer of technology, etc. needed to upgrade their national telecommunications infrastructures and capacity.

ii) Maritime transport services

77. The aim of the negotiations in maritime transport services is to establish commitments among signatories in the area of international shipping, auxiliary services and access to and use of port facilities with a view to eliminating restrictions in this area. Participation in these negotiations is voluntary and a Negotiating Group on Maritime Transport Services (NGMTS) has been established. Until the date of signature of the Final Act of the Uruguay Round, no African country had announced its intention of participation in the negotiations.

78. A number of African countries are quite active in international maritime transport services and operate maritime transport companies that are usually state-owned. Most of these companies



are relatively small as compared with big corporations from developed countries. Implementation of the results of the negotiations in this sector will further marginalise Africa due to the fact that African countries most active in maritime transport did not join the GNMTS to defend their specific interests as developing or least developed countries. This status would have enabled them to secure a preferential treatment. The negotiations scheduled to be concluded not later than June 1996, have been suspended. They are to resume with the commencement of comprehensive negotiations on services under Article XIX of GATS not later than 1 January 2000. This provides African countries with the opportunity to prepare for their active participation and take advantage of the special provisions for developing countries.

### iii) Financial services

79. The Ministerial Decision on Financial Services provides that, six months after the date of entry into force of the WTO Agreement, members may improve, modify or withdraw all or part of their commitments in this sector without offering compensation. The Committee on Trade in Financial Services was established to monitor the progress of negotiations undertaken in this context and should report no later than four months after the entry into force of the WTO Agreement.

80. An interim agreement was reached at the end of July 1995 with the exception of the United States, Columbia and Mauritius and would be implemented for an initial period up to 1 November 1997. It was envisaged that another round (or a continuation) of the negotiations will take place before the interim agreement expires at the end of 1997. Up until that time countries can withdraw.

81. African countries have not participated actively in the negotiations, notwithstanding the fact that their interests in this sector were of paramount importance. They should continue to strengthen their financial services sectors so that they can feel more confident to participate in the next round of negotiations.



iv) Movement of Natural Persons

82. The Decision on Negotiations on Movement of Natural Persons provided for the creation of a negotiating Group to continue the negotiations beyond the conclusion of the Uruguay Round. An essential question to be elucidated by the Negotiating Group was the definition of the modalities of differentiating between a person considered to be seeking an entry for a temporary stay for the purpose of supplying a service and from one seeking access to the employment market. This distinction is very important because, according to the Annex on the Negotiations on Movement of Natural Persons Supplying Services under the GATS Agreement, paragraph 2 states that "The Agreement shall not apply to measures affecting natural persons seeking access to the employment market of a Member, nor shall it apply to measures regarding citizenship, residence or employment on a permanent basis".

83. Negotiations were concluded on 28 July 1995. Six members submitted their revised schedules which will be annexed to the Third Protocol to the GATS and open for acceptance by Members concerned until June 1996.

(b) Beyond the Uruguay Round: Trade Agenda for Future MTNs

84. Trade agenda for future MTNs will evolve around, among others: Trade and Environment; Trade and Competition Policies; Trade and Investment; and Trade and Labour Standards.

i) Trade and Environment

85. From a trade point of view, the main environmental concerns arise in three different instances: (a) ensuring that the production of goods traded by an exporting country conforms to environmental standards; (b) use of trade measures to allow only imports of products that conform to the importing country's environmental standards and regulations and; (c) the fact that the existence of difference in environmental standards is viewed as providing unfair advantages to countries with lower standards at the expense of those with higher standards.

86. From the developing countries' point of view, the attempt of the developed countries to link trade and environment is an additional burden to the former's already weak competitiveness. The



fear is that developed countries may use this conditionality to prevent access of products from developing countries to their markets. Some Uruguay Round agreements such as the Agreements on: Subsidies and Countervailing Measures; Technical Barriers to Trade; and Sanitary and Phytosanitary Measures directly or indirectly refer to environmental concerns.

87. Whereas Africa is fully supportive of the fact that countries must take measures aimed at protecting "human, animal or plant life or health", developed countries should refrain from the temptation of using environmental standards as a form of trade protection.

ii) Trade and Competition Policies

88. Whereas the multilateral trading system has attained very substantial progress in the field of liberalisation, it has not yet come up with a comprehensive framework to deal with trade and competition policies in a coherent and global way. Indeed, even though Chapter V of the Havana Charter and subsequent decisions within GATT recognised the need for Contracting Parties (CPs) to "take appropriate measures to prevent business practices affecting international trade which restrained competition, limited access to markets or fostered monopolistic control..." and made provisions for "consultations among CPs on a bilateral or multilateral basis as appropriate", the issue of competition has always been dealt with on a rather bilateral basis and at a limited scale throughout the history of GATT. The issue of trade and competition was addressed in an isolated way under a number of agreements of the Uruguay Round, mainly in the scope of eliminating Restrictive Business Practices (RBPs). The agreements dealing with this issue include: TRIMs, Article 9; Implementation of Article VI of GATT 1994 (Anti-Dumping); Subsidies and Countervailing Measures; Safeguards (Article 11.2 and 11.3); GATS (Articles VIII and IX); TRIPs (Articles 6, 8, 31 and 40).

89. Today, there seems to be a general consensus on the need for negotiating an Agreement on trade-related competition policies within the framework of the WTO. This Agreement would emphasize the link between trade liberalisation and competition policies and bring about greater convergence of these two aspects of international trade. Proposals have now been put forward by the EU to launch, at the forthcoming Singapore Conference, exploratory work in WTO on

---

<sup>90</sup>The Outcome of the Uruguay Round: An Initial Assessment...  
p.239.



E/ECA/TRADE/96/10

Page 29

a framework of competition rules. In view of the low level of development of African economies, it is obvious that they cannot fairly compete with developed economies on an equal footing. African economies will need more time to enhance their competitiveness and be able to compete with other economies.

iii) Trade and Internationally Recognized Labour Standards

90. This is a highly contentious issue and therefore, so far, there is no consensus regarding its inclusion within the framework of WTO. Developing countries perceive of this issue as another form of trade protection. However, developed countries contend that the "social clause" has nothing to do with trade protection but is about protection of people. WTO members should therefore allow themselves more time to investigate this issue. It is not desirable, therefore, to include this issue in the WTO agenda but confine it to the ILO. However, should it be part of the Singapore agenda, Africa's negotiators should insist on preserving the continent's relative comparative advantage in terms of labour costs.

iv) Trade and Investment

91. Investment was introduced in the WTO through the General Agreement on Trade in Services (GATS), by including "commercial presence" or "establishment" within the scope of GATS. It should also be noted that the Trade Related Investment Measures (TRIMs) Agreement under the umbrella of the Uruguay Round was only limited to strict adherence to GATT articles III and XI which apply to investment measures on trade in goods. Unlike the proposed multilateral agreement on investment, TRIMs has no ambition to regulate flows of foreign direct investment.

92. The worry of developing countries with respect to this issue is that harmonization of investment policies resulting from a multilateral agreement on investment would deprive them of the ability to frame their national investment policies in the light of their development objectives and priorities. This is why some developing countries have been firmly opposing any move towards establishing a Multilateral agreement on investments. In this context, a group of developing countries have even gone further to argue that investment should not be treated as a trade issue and a multilateral agreement on investments should be kept out of the WTO.



93. African countries will have to follow very closely the developments in this area. The continent will have to ensure its representation in eventual committees that may be formed to look into the matter within the WTO as a result of the Singapore Ministerial Conference.

## **VII. IMPLEMENTING THE AFRICAN FRAMEWORK FOR ACTION ON THE URUGUAY ROUND**

94. The implementation of the Uruguay Round agreements by African countries calls for special measures by the international community and for follow up actions in support of Africa's efforts. To this end, the African Ministers of Trade, in their meeting of 27 October 1994 in Tunis have identified several technical assistance needs with a view to dealing with the various challenges arising from the outcome of the Round.

### **1. The main elements of the framework**

The main elements of the framework can be thus summarized:

- **Identify the national consequences of trade liberalization**

95. The commitments to liberalize access to Africa's markets and the multilateral discipline regarding many domestic policy measures may have an adverse impact on certain sectors of the populations of African countries, such as those involved in the informal sector. Technical assistance will therefore be required to appropriately identify which sectors may suffer significantly as a result of the implementation of the Uruguay Round Agreements and to devise appropriate adjustment measures, including through education and training.

96. A prerequisite to the effective setting up of technical assistance programmes in this area would be for each African country to conduct an assessment of the implications of the Uruguay Round agreements on its national economy and the policy measures and legislation required to effectively respond to the post-Uruguay Round situation.

97. Priority technical assistance will be required to assist individual African countries as they set out to assess: (i) the domestic requirements (legal, administrative) for compliance with the



agreements; (ii) the economic impact of the various agreements and their policy implications; and (iii) new market access conditions facing their countries' trade, including barriers to trade, impact of the Implementation of Article VII (Customs Valuation); Agreement on Preshipment Inspection; Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs); Understanding on the Rules of procedures Governing the Settlement of Disputes; and the Trade Policy Review Mechanism.

- **Identify new trade opportunities**

98. The concessions and commitments with respect to market access and export subsidization should be studied with a view to identifying opportunities for African countries to increase their market shares.

- **Encourage the liberalization of intra-African trade**

99. Provide technical assistance to facilitate the process of liberalization within and among regional trading arrangements in Africa, through intra-African negotiations in specific goods and services trade related sectors.

- **Mobilize African countries to be more fully involved in future international trade negotiations**

100. African countries should adopt a new approach to multilateral trade negotiations which would permit their full involvement in future international trade negotiations, organizing themselves as a bloc with a view to voicing their collective concerns about future multilateral trade negotiations.

- **Establish a mechanism of technical assistance to African countries with effective international support measures**

101. ECA and WTO should set up a mechanism of technical assistance to African countries for the management of the implications of the Uruguay Round. ECA secretariat should serve as a focal point for providing assistance to African countries so that they can make full use of



expeditiously, so that African members can get full benefits from the Uruguay Round agreements.

• **Action at the regional and subregional level**

105. There are, however, important actions that have to be taken at the subregional and regional levels. For example, each subregional economic community has the responsibility of ensuring that the notification required about customs unions and free trade areas under Article XXIV of GATT 1994 is duly made. More important, the regional economic communities have important roles to play in economic diversification, improvement of infrastructure etc., which are crucial to the greater productivity of African enterprises and improved competitiveness of African exports. Indeed, the conclusion of the Uruguay Round should encourage the regional economic communities to accelerate their plans in these areas.

106. The regional economic communities such as ECOWAS, SADC, COMESA, ECCAS, are better placed to encourage research at the national level on the possible national consequences of accelerating the process of intra-regional trade liberalization, and how some of these consequences can be addressed. The regional economic communities also have a major role to play in the establishment of subregional and regional mechanisms for coordinating Africa's position in future negotiations and in ensuring that African countries become more fully involved in such negotiations.

## VIII. CONCLUSION

107. African countries have to realize that the international trading system is changing dramatically and that the WTO Agreement is only one of the developments contributing to that change. The spectacular changes in technology, the globalization of world production and the proliferation of trade blocs, have all contributed to the radically changing new environment in which world trade will be increasingly conducted. The emergence of an integrated international production system, growing interdependence of the world economy and extensive linkages between production processes and ownership of enterprises, present African countries with both problems and opportunities.



E/ECA/TRADE/96/10

Page 34

108. African countries participated in the Uruguay Round with commitment to a more open and fair multilateral trading system. Presently, they are confronted with the challenge of building their capacities to become active and meaningful players in this new trading environment, through the development of human resources, infrastructure and diversification of production and trade. Africa should be enabled to grow, develop and compete. Hence there is an important responsibility for the international community to see that this is achieved. Africa continues to liberalize its economies, but is aware that there are still obstacles to be removed, both internally as well as externally. It is the expectation that the Uruguay Round will provide them with the required time and resources to adjust before they can fully implement the provisions of the Agreement.

109. As part of this process, African countries are urged to take up the following issues at future negotiations of the WTO:

- Complete elimination of market access barriers that remained in developed countries after the Uruguay Round, including all tariff and non-tariff measures as well as flexible use of the rules of origin as one of the means to offset loss of preferential margins, for products from least developed countries
- concrete commitments to provide adequate food aid to cushion the net food-importing countries and the least developed countries from higher prices as a result of the agricultural reform programme. This should be accompanied by sufficient and additional technical assistance to them in order to improve agricultural productivity and infrastructure which would make them less dependent on food imports in the long term;
- greater flexibility and sufficiently longer time-frames for implementing the provisions of the Uruguay Round agreements, particularly in TRIPs and TRIMs to enable them to use the necessary policy instruments for improving export supply capabilities, including diversification and trade competitiveness. Developed countries could assist through specific measures geared towards promoting technology transfer and foreign direct investment.



110. African countries have to face the reality that sharing in future world growth and prosperity now requires effective participation in the new global linkages and interdependence. Their integration programmes have to be geared to take advantage of the opportunities presented by this development. If such programmes emphasize growing linkages of production units among member countries of their integration groupings, this can provide a valuable basis for their eventual participation in the new global linkages of production processes.



the special provisions available within WTO. The ECA, UNCTAD and WTO should assist African countries to adapt to the world economy, in the aftermath of the Uruguay Round. Other international organizations and agencies, particularly OAU, UNIDO, ITC, IFAD, FAO, CFC, World Bank, ADB, WTO, IDB, WIPO and UNDP are called upon to formulate assistance programmes, as a matter of priority and within their respective mandates, oriented to the fulfilment of these requirements. In this connection, the Ministers emphasized the need for close inter-agency cooperation within the framework of the Inter-agency Task Force for Africa's Development (IATF) so as to ensure the maximum effectiveness of this technical assistance. Technical assistance must be accompanied by international support measures, such as effective debt relief action, structural adjustment to facilitate their adaptation to this overall competitive situation, as well as financial assistance to strengthen and diversify their production capacity.

102. In order that the financial resources required for carrying out the various technical assistance programmes will be commensurate with the challenges, the Ministers invited donor countries and international financial institutions to make such resources available. They also expect that the leading role played by UNDP in providing support to African countries during the Uruguay Round negotiations would continue in the implementation process.

103. The Conference called upon the WTO, in cooperation with UNCTAD, ECA, ITC, UNIDO, OAU, FAO, IFAD, CFC, World Bank, ADB, WHO, WIPO, IDB and UNDP to consider establishing, in the context of its proposed internal structures, a special mechanism entrusted with (a) sensitizing all contracting parties on the impact of the Uruguay Round Agreement on Africa; and (b) providing African countries with the required technical assistance for the implementation of the Agreements.

## **2. Future plans**

### **• Action at the national level**

104. Most of the preliminary actions that need to be taken in implementing the Uruguay Round agreements, have to be taken at the national level and, from information available from the WTO. There is evidence that a number of African countries have started to take the required actions but there is still much more to be done in terms of notification, filing schedules of concessions, domestic legislation etc. It is important that these preliminary steps be completed