

Final Technical Report

PROJECT CAPAS III: ISSUES IN IMPLEMENTING THE GENERAL AGREEMENT ON TRADE IN SERVICES (GATS) IN AFRICA

Two specific objectives for CAPAS III:

- ◆ Implementation of the CAPAS PROJECT in a new group of countries;
- ◆ Analytical assistance in preparation of the new round of negotiations on trade in services (GATS 2000). This exercise involved all WTO-members sub-Saharan African countries (both CAPAS and non CAPAS countries).

I. IMPLEMENTATION OF THE CAPAS PROJECT IN A NEW GROUP OF COUNTRIES

- ◆ Launching of the CAPAS project in a new group of countries: Zambia, Swaziland, Lesotho, Namibia, Burkina Faso, Cameroon, and Cote d'Ivoire.
- ◆ The countries developed analytical studies which covered an overview study of the size, importance and regulations of the service sector in each national economy, as well as national sectoral studies covering banking and telecommunications services.

1. Set up phase

- ◆ Set up missions by UNCTAD and UN-DDSMS staff with participation of the ITU to assist the countries to form an Inter-institutional working group (IWG) on services and a National Research Team.
- ◆ Outcomes of the set up missions
- ◆ National IWGs installed and their coordinators identified.
- ◆ National research teams formed and their leaders identified.

2. Regional meeting to launch the programme

- ◆ Regional meeting to launch CAPAS III in the participating countries took place on 27, 28 and 29 November 1997, in Helderfontein Estate, Johannesburg.
- ◆ The meeting was attended by all the nine countries each represented by a National IWG coordinator and a National Research team Leader except for Cameroon for which the RTL failed to show up.
- ◆ Countries represented: Burkina Faso, Cameroon, Cote d'Ivoire, Lesotho, Madagascar, Mali, Namibia, South Africa, and Zambia.

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South Africa participated in the programme at its own cost.

- ◆ A former national IWG coordinator from Senegal was invited to share experience gained from the implementation of CAPAS I and CAPAS II.
- ◆ Outcomes of the meeting: an understanding on the time table of work for the duration of the CAPAS III (deadlines for the completion of the reports, midterm reviews of the national studies, and the convening of the final regional meeting to examine the findings and policy recommendations from the national studies).

3. **Midterm review mission**

- ◆ Midterm review missions to the nine countries took place in April-May 1998
- ◆ Countries visited: Burkina Faso, Mali, Cote d'Ivoire, Lesotho, Madagascar, Namibia, and Zambia.
- ◆ In the case of Cameroon, the institutions formed during the set up missions were not able to function properly for internal reasons. Therefore, the national research team never produces a report and the midterm review mission did not visit this country.

Mauritius was included in the list of participating countries of CAPAS III following the failure of the research team of Cameroon to undertake the work.

4. **Regional meeting to conclude the implementation of the CAPAS project in the new group of countries**

CAPAS III Regional meeting took place in Mauritius from 7 to 9 December 1998 to:

- ▶ Review the results of the research undertaken by the participating countries (Burkina Faso, Cote d'Ivoire, Lesotho, Madagascar, Mali, Mauritius, Namibia, South Africa and Zambia);
- ▶ Discuss the finalization of the studies and ensure their contribution to policy making process;
- ▶ Discuss GATS 2000 negotiations and contribution of CAPAS to facilitating development of negotiating positions;
- ▶ Discuss the future of the CAPAS programme, including dissemination of studies, holding of regional meetings and evaluation of the programme.

II. **PREPARATION OF SUB-SAHARAN AFRICAN WTO-MEMBERS FOR THE YEAR 2000 WTO SERVICE TRADE NEGOTIATIONS**

A series of three regional meetings was organized between end of 1998 and early 2000 for government officials in preparation for the year 2000 WTO service trade negotiations.

- Sub-regional Seminar for Member Countries of UEMOA with participation of Ghana. Abidjan 14-16 December 1999.

- Sub-regional Seminar for Member Countries of East African Cooperation (EAC) with the African economic Research Consortium (AERC) and with participation of Burundi, Eritrea, Ethiopia and Rwanda. Nairobi, March, 2-3, 2000
- Sub-regional Seminar for Member Countries of SADC, Maseru, 16 June 2000, took advantage of the holding of the SADC Trade Negotiating Forum (TNF) on Trade in Services.

The three meetings focused on the followings:

- (1) Examination of service sectors that have not been examined previously under the CAPAS project and are likely to be the focus of the WTO negotiations.

Sectoral studies were prepared for these meetings by CAPAS researchers on individual sectors, examining primarily the situation of their own countries and the issues involved in negotiations in the WTO and liberalization in the sub-regional context. The sectors selected are: air transportation, maritime transportation, tourism services; professional services/movement of persons, environmental services, road transportation, e-commerce, audiovisual services, and government procurement of services.

In addition to reviewing the state of play in services negotiations for each participating country, national and regional negotiating interests of each subregion were discussed.

- (2) The roles that sub-regional integration in services could play to both promote sub-regional development and formulate common positions on services in the WTO services negotiations. The second objective of the meetings has been examined from the perspective and experience of the sub-regional integration groupings.
- (3) The UNCTAD MAST (Measures Affecting Service Trade) database was presented during the meeting and countries were advised to develop their own MAST, as an important tool for negotiations.

These three regional seminars were organized around the resources of the government officials and national researchers that have been associated since the early 1990 with the CAPAS network focusing on developing capacity in African countries in the area of trade in services.

The outcome of the regional meetings was found highly positive by participating countries which recommended that the resources of CAPAS should be increased in order to assist them in this crucial phase of negotiations on trade in services both in WTO and at the sub-regional level.

From the UNCTAD point of view, the followings are suggestions as regards the future activities of CAPAS to support the negotiating capacity in services.

- i. To make an assessment of the implementation of the GATS and of the Commitments taken at the national, and sub-regional levels;

- ii. identify national and sub-regional interests for each service sector;
- iii. prepare the list of offers and request for each sector;
- iv. extract from the national studies the elements which are necessary to prepare the negotiations
- v. prepare the teams of negotiators for trade in services , including training of negotiator under the Positive Agenda of negotiations by developing countries, and support to the local capacity of local research institutions, taking the CAPAS network as a basis.

A Project proposal for CAPAS phase IV has been prepared accordingly.

UNCTAD/Geneva
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