

**DEPUTY DIRECTOR-GENERAL ALAN WM. WOLFF****4 DECEMBER 2020**

## DDG Wolff calls for deepening work on "Trade for Peace" efforts

At a concluding session of the WTO's "Trade for Peace" week on 4 December, Deputy Director-General Alan Wolff outlined potential future actions to deepen cooperation between the WTO and the humanitarian and peace communities so that multilateral trade can contribute to peace efforts. He particularly underlined the role trade can play in Africa to help the continent realize more of its potential and live in peace. His remarks are below.

Thank you, Axel for your kind introduction. Axel is an original skilled practitioner of Trade for Peace as the chief negotiator of Liberia's entry into the WTO, someone from whom we have learned much.

I am pleased to be with you for the last and concluding session of the first edition of the Trade for Peace Week. I met some of you and your colleagues during my trip to Addis Ababa for the African Regional Dialogue on WTO Accessions in February, just before the introduction of travel restrictions due to the pandemic. Back then, we had never imagined how drastically our lives would change from one month to the next and how the virus would affect different parts of the world.

There is no doubt that we are experiencing many challenges as a result of multiple crises whose scale humanity has rarely experienced, certainly not in our generation. But with the challenges also come new opportunities, especially for the African continent. This is a time of change for Africa and for the WTO. The continent provided three out of the eight outstanding candidates to lead the multilateral trading system. The energy, ideas, and commitments brought by these individuals have energised the WTO membership during the last few months. It has injected in our Members and the Secretariat a renewed sense of optimism that the future of the multilateral trading system will be strong and bright. To arrive at that sunny upland of achievement, the WTO must be more responsive to the world's needs, dealing with crises such as this pandemic, supporting the desperately needed economic recovery and benefitting from the institutional reforms necessary to deliver the promise of its founding.

This afternoon, I will focus on two points: first, Trade for Peace in the Horn of Africa including the complementarities between the AfCFTA and WTO membership; and second, some reflections on the Trade for Peace Week which we are concluding today, with suggestions for the way forward.

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## Trade for peace in the Horn of Africa through AfCFTA and WTO membership

The path to a positive future of trade on the African continent is at a crucial juncture. The socio-economic impact of the COVID-19 pandemic has exacerbated existing insecurities in Africa, strengthening barriers to peace and stability, undermining the progress made in trade and development over the last two decades. These effects have been experienced irrespective of national borders. The pandemic has demonstrated clearly how interconnected we all are and highlighted the importance of cooperation at the local, regional and multilateral levels.

In the face of many challenges, with firm determination, many African leaders acted to ensure the timely entry into force of the African Continental Free Trade Area (AfCFTA). We at the WTO look forward to the implementation of the AfCFTA set to begin in less than one month, on 1 January 2021. We pledge the WTO's support within our capabilities to respond to requests for assistance to make the FTA deliver all the value that it can deliver to its signatories. AfCFTA has the potential to play a strong role in driving the post-pandemic economic recovery both within Africa and for the world, as well as laying a solid foundation for longer-term growth and addition of value to Africa's trade.

Currently, Africa's inter-regional trade stands at only 18% of its total exports, compared to 58% and 67% for Asia and Europe. Through the elimination of tariffs, it is believed that the AfCFTA will boost intra-African trade by 52.3 per cent upon full implementation of the agreement. This figure may be doubled if non-tariff barriers are also removed<sup>(1)</sup>. Those are impressive goals and every effort should be made to make sure that they are met.

With the AfCFTA coming into force, the WTO Secretariat is ready to expand and deepen collaboration with our partners in the continent, including the African Union Commission, UNECA and the AfCFTA Secretariat, not only in the implementation of the AfCFTA, which is built on WTO principles and rules, but also in areas where the two memberships — we have about 30 members in common — are negotiating new trade rules, such as for e-commerce.

We also look forward to working together to support the accession of African countries that still remain outside the WTO, providing training on WTO rules and procedures and facilitating coherence and complementarities between the AfCFTA and the WTO. There are nine African countries which are in the process of accession to the WTO. Countries within the Horn of Africa are highly active.

Early this year, Ethiopia resumed its accession process after nearly 8 years of dormancy by holding its 4th Working Party Meeting. Sudan and South Sudan are in regular contact with the Secretariat in preparation for the next set of activities in their respective Working Parties.

Somalia participated in a session yesterday which included a presentation by its Deputy Prime Minister. Somalia submitted its Memorandum of the Foreign Trade Regime in April, with the hope of holding its first Working Party Meeting in the first half of 2021. To the south of the Horn in the Indian Ocean, Comoros is one of the most advanced among all 23 on-going accessions.

The Horn of Africa is not a stranger to conflicts, whether in the past or in the present. This circumstance puts a premium on policies and measures that create stability and improve the prospects for peace, both at the national or regional levels. In recent years, we have witnessed substantial successes in peace efforts. However, we have also seen some setbacks in efforts on the ground. What is clear is that leaders in the region have embraced the idea and reality that trade and regional integration can support the achievement and maintenance of peace and stability in the Horn of Africa. This is reflected in the active participation of the region's countries both in AfCFTA<sup>(2)</sup> and WTO accessions. The accession process is completely complementary

with national regional integration agendas. I look forward to hearing from the speakers from Ethiopia, Sudan and South Sudan on their visions for Trade for Peace through AfCFTA and WTO membership.

The case has been made repeatedly throughout this week how the multilateral trading system in general, and the WTO accession process in particular, can contribute to peace efforts. One senior representative from the peace community said earlier this week that "WTO accession is itself a peace-building process". I could not agree more.

Where does the AfCFTA fit in fulfilling the Trade for Peace objective? The AfCFTA is a model trade agreement which makes an explicit link between trade and peace, as did the 1948 International Trade Organization, the precursor of the multilateral trading system, which reflected a vision for a peaceful post-War world order based on shared economic prosperity through increased inter-connectedness.

The first of the general objectives set out in Article 3 of the Agreement of the AfCFTA, states that the Agreement should:

(a) create a single market for goods, services, facilitated by movement of persons in order to deepen the economic integration of the African continent and in accordance with the Pan African Vision of "An integrated, prosperous and peaceful Africa" enshrined in Agenda 2063.

The Agreement has been described as a means to "silence the guns", to reduce the impact of conflict on the continent<sup>(3)</sup> The AfCFTA has built on the regional economic agreements and commissions which aim at increasing interdependence among members, raising the opportunity cost of war and incentivising the preservation of peace<sup>(4)</sup>

International cooperation, channelled through WTO membership, is a complement to the AfCFTA. The ability of the regional trade agreement to act as a mechanism for peace will only be increased through broader multilateral cooperation. To meet the challenges facing our international trading system, the WTO membership must reflect the needs and aspirations of all. Through regional and multilateral integration under the auspices of the AfCFTA and the WTO, Africa can realize more of its potential, it can live in peace, and through its example amplify its voice on the global stage to promote trade and peace. Strong positive voices from Africa can also help impel the WTO forward toward necessary reforms. <sup>(5)</sup>

## Trade for Peace: The Way Forward

Turning to some reflections on the rich substantive discussions we have had during the course of the Trade for Peace Week, how can we take the Trade for Peace initiative to the next level, that is "a more structured WTO cooperation with its partners in the humanitarian and peace communities and beyond".

We had ten sessions this week. All together they included the representatives of seven international organisations and hosted 59 panelists, representing 32 organisations and 15 countries. The panels were conducted jointly with our partners. Many of these co-sponsors have not been associated with the WTO before. They brought fresh, important perspectives to the Trade for Peace conversation. I hope that you share our feeling of being energised, excited and encouraged by the potential of the Trade for Peace initiative in going forward.

Let me lay out a few potential actions to build on what was achieved this week:

- ❑ First, the development of a White Paper on Trade and Peace, based on inputs from experts and practitioners from the trade, peace and humanitarian communities. This paper could set out, for instance, ideas for trade policy instruments and practices supportive of building

and maintaining peace; and for inclusive consultative processes with stakeholders — those engaged in commerce with special attention to hearing the voices of MSMEs and women, who play a critical role in peace building. It is hoped that the White Paper can lay out a new agenda for the Trade for Peace initiative. The discussions from the session on Empirical Evidence this week can help anchor the activities of the Trade for Peace initiative to a strong conceptual foundation.

- ❑ Second, to support the development of the White Paper, we could consider the establishment of a platform to bring together experts, negotiators and practitioners from the trade and peace communities on a regular basis. It could be a Working Group or Commission, with a focus squarely on the country-level, in realising the Trade for Peace vision in practice through WTO membership and other elements of a trade integration agenda including regional agreements such as the AfCFTA.
- ❑ As the first step in institutionalising our collaboration, we would like to officially establish a Trade for Peace Network, with all organisations and individuals associated with the Trade for Peace Week.
- ❑ The WTO is ready to respond to the invitation from the UN in New York to brief the UN Peace-Building Commission on the Trade for Peace initiative, together with the g7+. I hope that this occasion can help bridge another gap in the international community, in this case, between the trade/economic community and the political/UN community that is essential for realising the peace-building agenda which has been evolving over time.
- ❑ In parallel to the White Paper and the Trade for Peace Network, it would make sense to develop training materials and modules on Trade for Peace, which could equip trade practitioners and peace builders to use trade and economic integration as an instrument to promote inclusive and sustainable peace on the ground. There are some good examples which we heard this week, for instance, from Somalia and Yemen.
- ❑ One of the best parts of the Trade for Peace Week has been hearing the stories of those using trade and entrepreneurship to build and contribute to peace. Several sessions brought local stories and experiences into the spotlight, highlighting the role of the private sector and the importance of including local actors (particularly MSMEs and women) in these efforts<sup>(6)</sup>. Some of these conversations have been new to the Trade for Peace initiative. The session with the UN Technology Bank, for instance, was crucial in introducing, perhaps for the first time, the role of innovation and infrastructure in the Trade for Peace effort. These stories and perspectives have given us hope, inspiration and direction as to where the multilateral trading system can make real contributions in the future. I would therefore like to ask our WTO team to start a series of Trade for Peace Podcasts which can record these stories and perspectives in full. I am hoping that these Podcasts can help those interested in Trade for Peace to "connect", "share" and "stay engaged" with each other, building toward the second edition of the Trade for Peace Week.
- ❑ Finally, each of us, the participants and the sponsoring international organizations, should mainstream the Trade for Peace agenda into their respective areas of work. We stand ready to work together with you in this effort.

With these thoughts now shared with you, I will end my remarks. I look forward to our discussions today, and continuing exchanges of views and experiences going forward.

Thank you.

## Notes

1. See more information at:  
[https://au.int/sites/default/files/documents/36085-doc-qa\\_cfta\\_en\\_rev15march.pdf](https://au.int/sites/default/files/documents/36085-doc-qa_cfta_en_rev15march.pdf). [back to text](#)<sup>↑</sup>
2. Ethiopia submitted the instrument of ratification in April 2019. Somalia ratified the AfFTA in August 2020, while Sudan and South Sudan are signatory to the Agreement. [back to text](#)<sup>↑</sup>
3. *Ibid.*, 3. [back to text](#)<sup>↑</sup>
4. Jaime de Melo and Yvonne M. Tsikata, “Regional Integration in Africa: Challenges and Prospects,” *UNU-Wider* (2014). [back to text](#)<sup>↑</sup>
5. I have previously spoken on WTO Reforms on numerous occasions: see for example,  
[https://www.wto.org/english/news\\_e/news20\\_e/ddgaw\\_28sep20\\_e.htm](https://www.wto.org/english/news_e/news20_e/ddgaw_28sep20_e.htm)  
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([https://www.wto.org/english/news\\_e/news20\\_e/ddgaw\\_24nov20\\_e.htm](https://www.wto.org/english/news_e/news20_e/ddgaw_24nov20_e.htm)) [back to text](#)<sup>↑</sup>
6. Particularly Session 3 (in collaboration with ITC and ICC), Session 5 (in collaboration with ILO), Session 6 (in collaboration with the World Bank), and Session 7 (in collaboration with Interpeace), and Session 9 (in collaboration with the g7+ Secretariat and the g7+ WTO Accessions Group). [back to text](#)<sup>↑</sup>

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