

JITAP

Joint Integrated Technical Assistance Programme
Programme Intégré Conjoint d'Assistance Technique



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JITAP: CAPACITY BUILDING IN ASSURING DEVELOPMENTAL GAINS
FROM THE MULTILATERAL TRADING SYSTEM

DISCUSSION PAPER: UGANDA

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THE UGANDA INTER INSTITUTIONAL TRADE COMMITTEE

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1.0: BACKGROUND

When the World Trade Organisation was established on 1 January 1995, it came with new obligations, challenges and requirements. Technical assistance was therefore crucial to enable the disadvantaged members to integrate and beneficially participate in the multilateral trading system. This is reflected in the three overall objectives of The Joint Integrated Technical Assistance Programme (JITAP)

The first phase of JITAP was implemented under 15 Clusters with individual agencies leading on those clusters where they had the most competencies. Cluster 2 directly responded to the objective of better and effective participation of the country in multilateral trade negotiations and to do so meant better trade policy coordination and a consultative approach to its formulation. The concept of the Inter Institutional Committee originates from this cluster, which was led by UNCTAD. Under JITAP 2 the two year consolidation period is embodied and will be implemented through Module 1 with UNCTAD as the lead Agency. However it is important to recognise that all the 15 Clusters of JITAP 1 made valuable contribution to the economy of Uganda and both the mid term review and the summative evaluation recognise this fact

2.0: INTRODUCTION

The three objectives of JITAP clearly provide the basis for mainstreaming trade into National Development Plans and bring out the strategic importance of trade as a vehicle for creation of wealth through economic growth and poverty reduction. The three objectives are:

- Strengthening the legal and institutional infrastructure for the implementation of WTO Agreements, trade negotiations and trade policy formulation and implementation.
- Deepening the knowledge base on the Multilateral Trading System
- Enhance export readiness

The attainment of the three objectives is reflected in Uganda's institutional, human and entrepreneurial capacities. In particular the extent to which Uganda's negotiating priorities are included in the results of the various trade negotiations, the level of understanding negotiation issues and the integration of trade policy into the overall economic policy. These have to be complemented with production and marketing strategies that have built in mechanisms for the sustainability of such capacities. Under JITAP 2 the five modules seek to consolidate the gains and the level of achievements in JITAP 1

3.0: THE ESTABLISHMENT OF THE INTER INSTITUTIONAL COMMITTEE

Uganda is now better placed and understands her obligations under the WTO and is as well responding with appropriate policy and legal frameworks and formulating negotiating positions that form the basis for beneficially participating in the MTS. All these are resultant from a good forum for stakeholders to provide and input into the process of trade policy formulation and implementation as well as that of formulating negotiating positions.

The Inter-institutional Committee (IIC) was set up in Uganda as a national forum with the following mandate:

- To co-ordinate the formulation and implementation of trade policy relating to the implementation of WTO obligations in the country and to WTO negotiations,
- To backstop Uganda's negotiators at the WTO,
- To provide a platform for the formulation of policy relating to the utilisation of export opportunities, and
- To assist in sensitising relevant stakeholders about the WTO.

The Ministry of Tourism Trade and Industry being the focal point for the WTO led in the establishment of the IIC in 1998. Various stakeholders from all sectors were identified and under the chairmanship of the Permanent Secretary in the ministry responsible for trade, a meeting was convened to launch the IIC. With guidance from UNCTAD, the IIC drew up its Terms of Reference

Over time the IIC has proven to be a vital forum for trade policy matters and has been renamed the Inter Institutional Trade Committee. The process of legally establishing this Committee is now well advanced, and will also provide for its funding

4.0: THE TERMS OF REFERENCE FOR THE IIC

The objective of the IIC is to provide for the coordination and management of trade information and national policy coherence for the implementation of MTAs and preparation for future trade negotiations with a view to strengthening the country's effective participation in and maximisation of benefits from the MTS.

The specific TORs are:

- 1.1 To study and analyse in-depth the provisions of the WTO Agreements and their likely effects on the country's economy ;
- 1.2 To initiate policy changes required to comply with the provisions of WTO Agreements ;
- 1.3 Review all matters related to notifications and transparency requirements in order to facilitate compliance with the relevant provisions of the WTO agreements;
- 1.4 Identify all provisions on special and differential treatment in favour of Developing and the Least Developed Countries in the Agreements and recommend ways and means of maximizing the opportunities offered by them;
- 1.5 Monitor and review the implementation of the WTO agreements with a view to assessing the benefits derived or problems faced by the business community in making use of the provisions of the agreements including taking advantage from market access opportunities;
- 1.6 To prepare a Positive negotiating agenda and negotiating objectives for Uganda and provide support for the Country's negotiators;
- 1.7 To provide a forum for analysing Uganda's negotiating positions;

- 1.8 To ensure consistency between regional and multilateral policy objectives;
- 1.9 Prepare and adopt work plans aimed at implementing the above;
- 1.10 In performance of its functions, the IIC may establish specialised working groups to assist it in carrying out in-depth analysis's to be carried out in this body, the National Steering Committee established to coordinate the Project activities should bring to the attention of the IIC activity reports which are pertinent to its work.

The IIC originally set up five sub-committees of Agriculture, Sanitary and Phytosanitary Measures and Technical Barriers to Trade; Trade Related Aspects of intellectual Property Rights and Legal Issues; Services; Singapore Issues; and Trade Remedies and Trade Facilitation. The sub committees were set up in line with the WTO Agreements because at the time to principal thinking was for the IIC to respond to the challenges of these agreements. The Chairmanship of these sub committees was determined by the relevance of the issue that the sub Committee was mandated to work on. However it took into account the involvement of all the stakeholders.

The Ministry of Tourism Trade and Industry being the focal point on WTO matters provided the secretariat to the IIC within the trade department and specific officers were identified to be secretaries to the various sub Committees. The Permanent Secretary of the Ministry responsible for trade chairs the IIC.

5.0: COMPOSITION, SIZE OF THE IITC and ITS WORK PROGRAMME

The composition and size of the IITC, ensures inclusiveness of all stakeholders without being blotted by large numbers. The Membership is capped at 55 persons representing various institutions. The Members of the trade department were automatically ex-officio members by the nature of their work and the fact that they provided a Secretariat. Some of the members originally had no knowledge of the WTO Agreements so the department of trade, together with the three agencies, organised national awareness seminars to ensure that all members had a minimum knowledge of the WTO. This called for consistency in the membership so as to build on this minimum position and therefore responsible officials in the nominating institutions were encouraged to keep the same person(s) as member(s) of the IIC

There are 4 sub committees each with a membership of 20 persons, although a person could belong to more than one sub committee. This brought out the need to coordinate the meetings of the sub committees to ensure that those interested do not miss out on important meetings. The sub committees are:

- Sub Committee on the WTO
- Sub Committee on the Cotonou Agreement
- Sub Committee on regional and Bilateral Arrangements
- Sub Committee on Domestic Initiatives

The IITC meets at least twice a year and also holds an annual retreat while the sub committees meet once in a month. UNCTAD in the past used to hire a local consultant to arrange and supervise these meetings as well as the preparation of working papers for the various meetings. The partnership built around the IIC by the stakeholders has very important bearing to the work and sustainability of the Committee.

The IITC highlighted the importance of mainstreaming trade policy into National Development plans and has greatly catalysed the process of doing so.

6.0: FUNDING OF THE IITC

A major constraint in the work of the IIC and its sub committees was the funding aspect. Government will make a provision for funding in the new Law that will establish the Committee. This is seen as important in view of the fact that the IITC has a vital role in trade policy. The committee is also designated the national negotiating team, the national institution to oversee the implementation of the WTO Agreement in the country and generally to discuss and recommend positions for WTO negotiations and all other trade negotiations. It has therefore been a major forum of action within the country for all trade negotiations and became advisor to Government on this sector. The decisions of the IITC are communicated to Government through the Minister of Trade in the form of a Cabinet paper

7.0: THE COMMITTEES EXPANDED MANDATE

The negotiating objectives of Uganda in the various trade negotiations are co-ordinated, the positions on the common issues harmonised across the board and internally, there are initiatives that have very strong bearings on the dynamics of

trade policy. The IIC is a co-ordinating framework for trade policy. At the regional level, trade negotiations in the East African Community and the Common Market for Eastern and Southern Africa became critically important. Negotiations within the Cotonou Agreement have commenced so Regional and global markets are increasingly important factors in meeting the requirement for export markets. At the bilateral level, there were initiatives like that of the United States under its African Growth and Opportunity Act and the EU Everything but Arms (EBA). In the domestic scene, trade policy issues were scattered in various ministries, some of which were only marginally involved in WTO issues. With the IITC in place, all these national institutions now usefully play an active role.

The IITC is the apex advisory institution on trade policy formulation and implementation, including trade negotiations, to Cabinet. It has developed modalities for best protecting the interests of the country and for achieving trade objectives in trade arrangements at all levels. The IITC has contributed significantly to capacity building under JITAP. By setting up a trade policy framework and process, Uganda is now capable of identifying her trade interests in the context of our overall development and poverty eradication strategy. The inclusive and consultative trade policy formulation and implementation gives national ownership to trade policy reform proposals, identification and articulation of trade negotiation objectives and implementation of negotiated rules.

8.0: MAJOR CONSTRAINTS TO THE FUNCTIONING OF THE IITC

The IITC was set up administratively and has been reformed and shaped on the basis of decisions taken by the plenary sessions; notably the decisions to expand its terms of reference to all trade negotiations, to re-constitute the subcommittees and make the IITC also the Trade negotiating team. The IITC has performed quite well but nevertheless, certain shortcomings and constraints have been there and have to be addressed.

The legal standing of the IITC and its modalities, particularly the structure and funding sources, remained unclear for sometime and this had a bearing on its funding and administration. The committee has also faced serious difficulties in harnessing a sufficient pool of experts that can service its activities. Under JITAP, one consultant was recruited as a resource person for the committee to deal with its

administration, and from time to time UNCTAD and the WTO would provide resource persons on specific topics.

9.0: CONCLUSION

Where Uganda has not been successful, lessons can be learnt on what to avoid and possibilities on alternatives. These could include:

- the difficulties of putting in place a statute that formally establishes the inter-institutional committee (IITC);
- the need to stream line the structure, administration and funding of the IITC;
- the need for a ready pool of experts to be resource persons for the IITC; and
- the need for streamlined management of the programme.

However, in the overall, JITAP made and continues to make substantial contribution to capacity building for Uganda in the area of trade policy, especially its coordination, the development of negotiating objectives, improvement of knowledge and resource base as well as improvement in export capacities. The sustainability of the continuing programmes is essential for higher levels of economic growth and faster eradication of poverty