
By Sara Ashour
Trade Policy Analyst
Structure

• Introduction: main purpose, questions, logic, and scope
• Questionnaire on utility of preferential RoO and its findings
• Champion provisions and recommendations
• Lagging provisions and recommendations
Introduction

• Not the finest hours for global trade (Us-China Trade wars, global pandemic, beggar-thy-neighbor policies ....etc.)

• **Purpose of study:** Did FTAs raise to the challenge? How useful are the present ROO preferential provisions during the time of the pandemic? **Answer:** Merely pass with a 50 percent

• **Scope:** RoO chapters in several FTA agreements within African and European contexts (ex. EU FTAs - Agadir FTA - GAFTA FTA - COMESA - ACFTA)
Questionnaire structure: ROO Utility in times of crisis

101 women and men traders and governmental stakeholders.
Findings

- No significant changes in the economic operator’s FTA utility before and after the pandemic.
- FTAs represent a competitive advantage for companies.
- **Main Challenges**: logistical challenges, decline in global demand and availability of information.
- **Challenging provisions**: Issuance and verification of origin documents, and transportation provisions
- **Facilitating Provisions**: Issuance of origin documents and national provisions
Champion provisions: What did we do right?

Several regional bodies called for extraordinary meetings and issued communications promoting the activation of following provisions (ex. EU – League of Arab States – COMESA):

1. Submission of Proof of Origin – EU Agreements

“not specifying a precise moment or form in which origin certificates have to be submitted to the customs authorities of the importing country ... or form”

:: submission could be of copy, paper or electronically
Champion provisions: What did we do right?

2. Retroactive issuance provisions:
   “exceptional issuance of certificates after exportation in the case of special circumstances without time limits.”
   · submission could be delayed when conditions are better

3. Approved Exporter
   “Using invoice declaration instead of certificates of origin once the economic operator qualifies for this status”
Champion provisions: What did we do right?

4. E-certification (with its different models)

• **Common model:** digitalizes the issuance process (Ex. Turkey’s MEDOS, Singapore’s GeTS, Saudi and Vietnam’s systems)

• **Future model:** self-certification, where the issuing authority is not involved in every single issuance of proof of origin (ex. REX – COMESA’s E-certificate).

:: less human contact, less paperwork, less bureaucracy
Recommendations: Champion provisions

Do more of what we do well

• Agile steps to harmonization of E-certification on regional level.
• Helping all member states build the needed infrastructure to adopt E-system and learn from the existing best practices
• Investments in relevant regional technical cooperation programs
Lagging provisions: What could be done better?

1. **Territorial requirements provisions:**
   - Present provisions only guarantees direct transportation and the non-alteration of goods in cases of transit through a third country (*normal situation*)
   - Don’t guarantee enough facilitation and protection especially for Landlocked LDCs (*in times of crisis*)

Some efforts done by COMESA & TFTA to draft guidelines on the movement of goods and services across the region but not binding.
Lagging provisions: What could be done better?

2. Cross Border Trade Provisions:

• Not present in several FTAs
• if present, status of implementation, proves common lists were not fully respected or operationalized and excessive charges were applied on traders

**Recommended:** further lodging of the system in new FTAs; waiver of certificate of origin, relaxation of customs documentation, and possibly the expansion of the STR common list.
Lagging provisions: What could be done better

3. Cumulation provisions

All countries encourage it in principle, but it remains one of the least used and less understood even before pandemic.

Recommended: Cumulation provisions, coupled with good investment packages, could be a good chance to establish regional joint agricultural projects to supply essential medical goods and achieve food security especially in times of crisis.
Lagging provisions: What could be done better?

4. Mutual Assistance provisions and dissemination of information

Many tools mapping national and regional measures, but do they truly reach the main beneficiary (i.e. business community)?

Recommended: regional circulation and coordination of new national trade measures and cooperation with national entities and diplomatic missions to market transparency E-tools.
Thank you 😊