

## Enhancing the contribution of preferential trade agreements to inclusive and equitable trade

### 1. Background and rationale

While multilateral liberalization—with sufficient flexibility for developing countries—has long been considered the optimal response, the lack of progress in concluding the Doha Round of negotiations has prompted many countries to pursue preferential trade agreements.<sup>1</sup> It is likely these will continue to be negotiated even if there is renewed progress with multilateral efforts. It is therefore vital that developing (and especially the least developed) countries have the capacity to: identify the potential benefits and costs of PTAs; effectively negotiate development-focused PTAs; utilize already negotiated concessions, and understand linkages between PTAs and multilateral trading system in order to use PTAs as a stepping stone to improved and enhanced multilateral trade liberalization. This need is particularly acute for least developed countries, landlocked developing countries, and other countries with special needs, which have not benefited from trade as much as some other developing countries.

The most significant output of the project will be enhanced capacity among government officials and trade negotiators to formulate inclusive development-friendly preferential trade agreements so that trade arising from such policies has inclusive and equitable results: enhanced employment opportunities; positive impacts on gender equity; and enhanced contribution to general welfare, in particular for excluded groups.

### 2. Project Activities

This country- and regional-level project will be executed by ESCAP, in partnership with ECA and ECLAC and building on lessons and experiences accumulated by UNCTAD (and other relevant agencies) in this area. The brief details of the planned collaboration modalities and the budgets involved are shown in the next section.

Planned activities will increase the capacity of governments in selected member States to enhance the contribution of preferential trade agreements to inclusive development. The project will include:

- The development of training programmes for evidence-based policymaking related to PTAs;
- Training and workshops will be implemented in the pilot countries which all have urgent capacity development needs in this area;<sup>2</sup>
- Regional workshops which will share the best practices learned from the pilot countries with the whole region;
- The creation of knowledge-sharing platforms to provide a permanent repository of materials and guidance and also to allow the ongoing exchange of knowledge and expertise, both among countries and with a dedicated group of experts.

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<sup>1</sup> Asia-Pacific economies are parties of the 150 bilateral and regional trade agreements that are in force and notified to the GATT/WTO (out of the total number of 282 notifications). There are close to 30 other PTA being implemented by regional economies that are not yet ratified to the WTO, undermining the transparency principle of the multilateral trading system.

<sup>2</sup> The project has identified nine potential countries, out of which up to six will be targeted during the project implementation. The final selection will be based on an assessment of the overall political and economic situation at the time of implementation. Countries with the greatest potential for impact will be selected. In the Asia-Pacific, the identified countries are: Bangladesh, Myanmar and Viet Nam; in Africa: Burkina Faso, Ethiopia and Mauritius; and in Latin America: Ecuador, Jamaica and Nicaragua.

