

# **Ratification of the Protocol of Accession of South Africa to the Advisory Centre on World Trade Organisation (WTO) Law (ACWL)**

**Presentation to the Portfolio Committee on Trade and  
Industry**

**by**

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# Purpose

- To request the Portfolio Committee to consider and approve South Africa's Accession to the Advisory Centre on WTO Law (ACWL).



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# Background

- Use of tariff as protection being reduced.
- Increase of use of non tariff barriers.
- Need to effectively use policy space available under WTO commitments.
- Challenging of measures under Dispute Settlement Understanding (DSU) in WTO.

# Purpose of the ACWL

- The ACWL is an international organisation established in 2001.
- It is an independent, impartial and non-political source of legal advice.
- The mission of the ACWL is to provide developing countries and Least Developed Countries (LDCs) with the legal capacity necessary to enable them to take full advantage of the benefits and opportunities offered by the WTO.



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# Services offered by the ACWL

- Provide free legal advice on and training in WTO law to developing countries and LDCs.
- Provide support to these countries in WTO dispute settlement proceedings at a discounted rate.
- Currently 33 developing countries are members of the ACWL.



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# Process to join the ACWL

- Article 16 of the Agreement provides that any Member of the WTO may become a Member of the ACWL by acceding to the Agreement on terms and conditions agreed between it and the ACWL.
- On 26 August 2015 Cabinet approved that South Africa become a member of ACWL.



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# Process to join the ACWL cont.

- Following Cabinet approval South Africa officially requested to become a member of the ACWL pursuant to Article 16.
- On 7 July 2016 the General Assembly of the ACWL approved South Africa's membership and the terms and conditions thereof are contained in the Protocol of Accession.
- In November 2016, Cabinet approved that the Protocol be submitted to Parliament for ratification.



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# Financial implications

- According to Annex II of the ACWL treaty, South Africa is on the category “B” list, which means a lower once-off membership contribution.
- The contribution for Category “B” countries is set out as Swiss Francs (CHF) 162 000. The once off contribution is now approximately R 2 175 920 depending on the “Swiss Franc-S.A Rand Exchange Rate” at a given time.



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# Financial Implications cont.

- This is a once-off contribution and once it is paid, Members are not required to make any further payments to receive services (except the discounted fee charged in dispute settlement proceedings).
- Funds have been budgeted for this purpose.

# Benefits for South Africa

- As a member of the ACWL, South Africa will be able to source free legal advice on the compatibility to WTO Law of trade measures of other countries that effect South African exports and of trade measures that South Africa wants to introduce. This will enable SA to fully utilize industrial development tools, without violating WTO rules and opening itself to legal challenge.
- The ACWL can also assist South Africa in WTO dispute settlement cases at a discounted rate.



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# Benefits for South Africa cont.

- A robust and equitable trading system based on respect for rules, which are upheld for all concerned, is important to South Africa's interests.
- The ACWL comprises highly skilled and highly regarded lawyers who contribute effectively to strengthening the WTO dispute system, as well as prosecuting their developing country clients' interests.



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# Benefits for South Africa cont.

- By joining and contributing to the ACWL, South Africa will be helping to increase its access to legal services and the WTO dispute settlement system.
- This will foster a sense of confidence and equity in the multilateral trading system, allowing developing members to enforce their rights under international trade law.



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# Recommendation

- It is recommended that the Portfolio Committee considers and approves South Africa's Accession to the Advisory Centre on WTO Law (ACWL).



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