



**National Training  
On preparing to negotiate a potential CAREC-wide FTA**

**Session 3:  
Preparing for Negotiations |  
Process, Organization and Strategic Considerations**

**Instructor:**

**Almaty, Kazakhstan  
May 2023**



# Outline

**01**

**Preparing for Negotiations  
& Managing workflow**

**02**

**Objectives & Mandate  
of Negotiations**

**03**

**Process & Techniques  
of Negotiations**

**04**

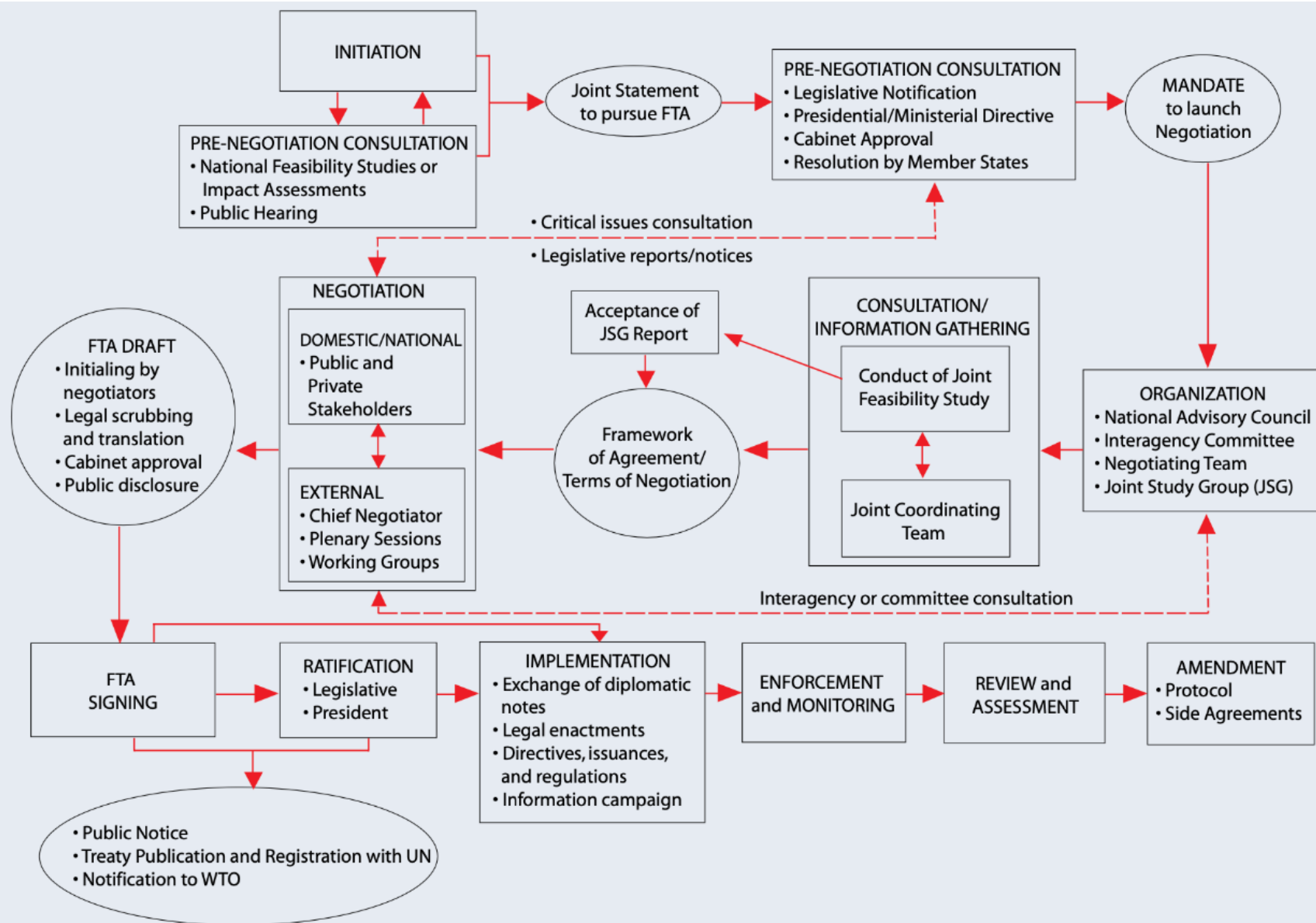
**Implementation, M&E**



**01**

## Preparing for Negotiations & Managing Workflow

## Trade Negotiations & Workflow



FTA = free trade agreement, JSG = Joint Study Group, UN = United Nations, WTO = World Trade Organization.

Source: ADB 2008

# CAREC Context

01

## Trade Negotiations & Workflow

01

### General Technical Skills

The basic principles, rules and operation of international trade agreements.

02

### Substantive Areas of Expertise

Detailed knowledge on how trade agreements incorporate different obligations in specific sectors.

03

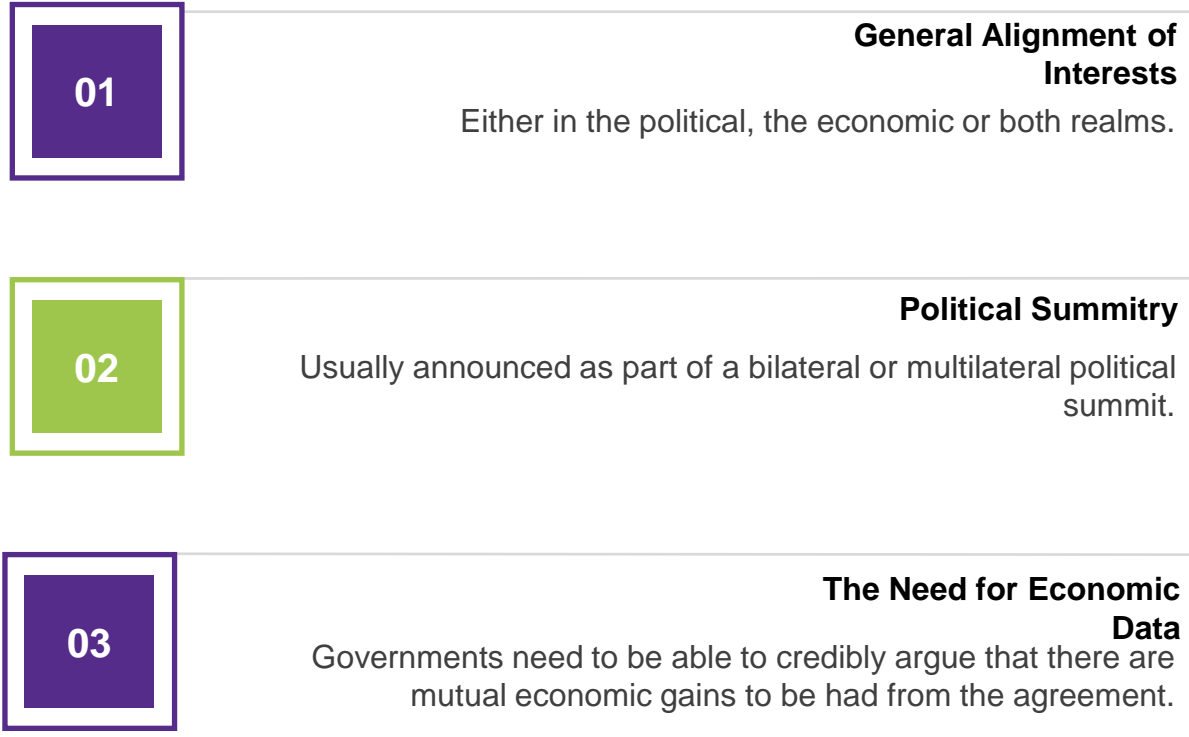
### Soft Skills

How to prepare for, organize, execute and implement trade negotiations at the domestic and international levels.

# 01

# Pre-negotiation Phase

## Trade Negotiations & Workflow



# Economic Impact Assessment

01

Trade  
Negotiations  
& Workflow

01

## Independent vs Joint studies

Countries either embark on these studies separately or jointly.

02

## In-house vs Outsourced studies

Some countries prefer to do these studies in-house, while others prefer to outsource this work.

03

## Different Analytical Models

There are different modeling techniques that can be used to predict the economic impacts of an FTA.

# 01

# Stakeholder Consultations

## Trade Negotiations & Workflow

01

### Sharing the Results of Economic Impact Studies

The results of the initial studies need to be sound-boarded with stakeholders and interest groups.

02

### Consultations and Legitimacy

Consultations also serve an important legitimating function for future negotiated outcomes.

03

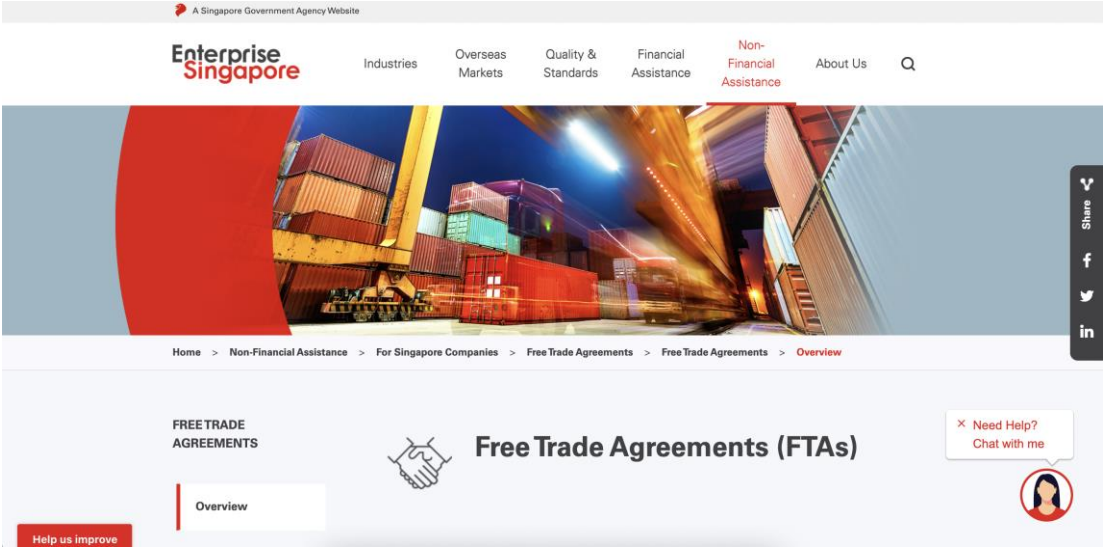
### Consultations and Negotiating Positions

Consultations can also give governments insights they would not have on their own.



# National Trade Portals

## Trade Negotiations & Workflow



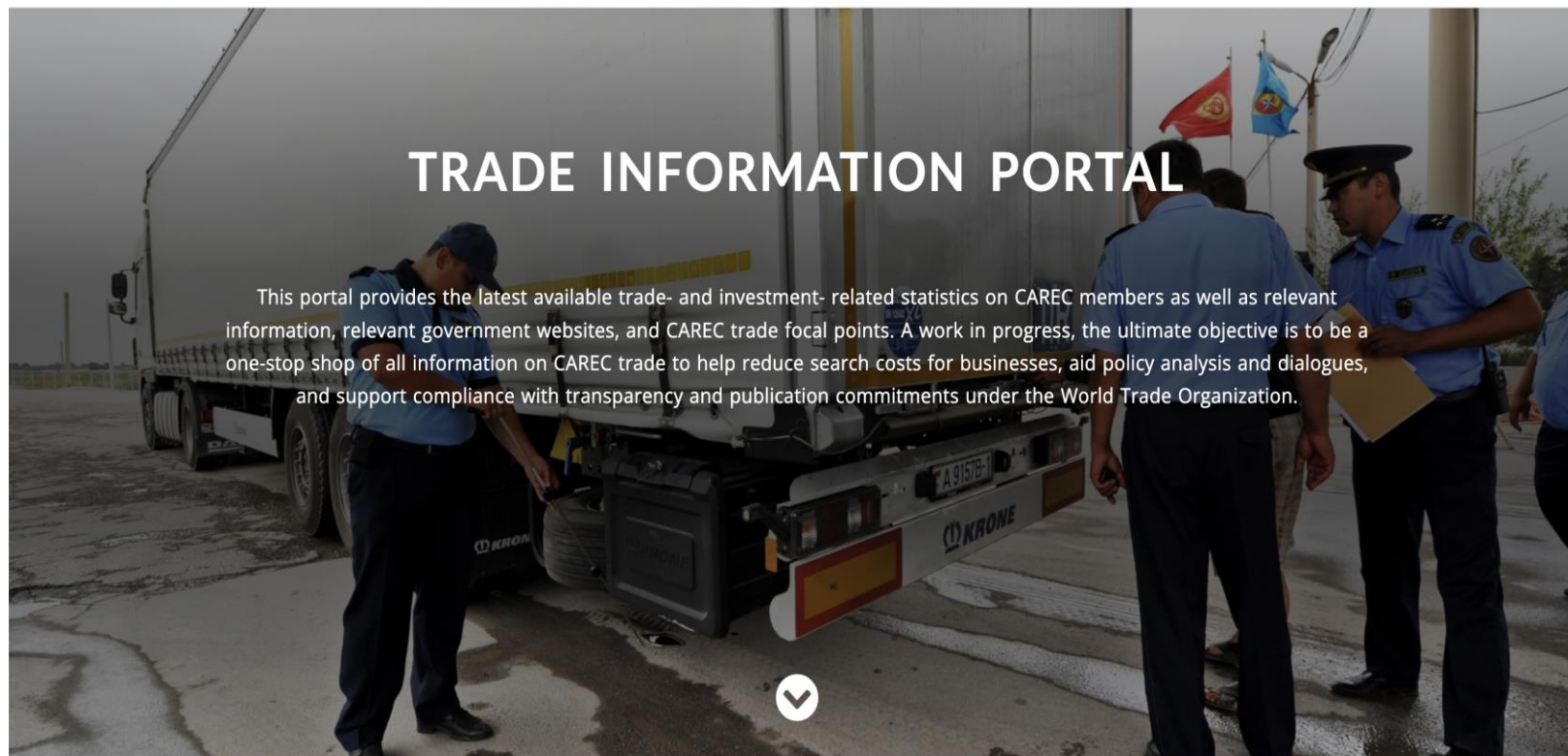
# International and Regional Trade Portals

## Trade Negotiations & Workflow



Trade Information Portal

Regional Summary Country Statistics Trade Process Directory



[trade.carecprogram.org](https://trade.carecprogram.org)

# International & Regional Trade Portals

Trade  
Negotiations  
& Workflow

- [aric.adb.org](http://aric.adb.org)
- [atr.asean.org](http://atr.asean.org)
- [unescap.org/our-work/trade-investment-innovation](http://unescap.org/our-work/trade-investment-innovation)
- [trainsonline.unctad.org](http://trainsonline.unctad.org)
- [globaltradehelpdesk.org](http://globaltradehelpdesk.org)
- [tina.trade](http://tina.trade)
- [wits.worldbank.org](http://wits.worldbank.org)
- [rtais.wto.org](http://rtais.wto.org)
- [tfadatabase.org](http://tfadatabase.org)
- [epingalert.org](http://epingalert.org)
- [i-tip.wto.org/services](http://i-tip.wto.org/services)
- [marketanalysis.intracen.org](http://marketanalysis.intracen.org)

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**02**

## Objectives & Mandate of Negotiations

**03**  
Negotiating  
Team

# Official Launch of Negotiations

**02**

Objectives &  
Mandate  
of Negotiations

**03**  
National  
Procedures

**01**  
Announcement

# Negotiation Objectives

## Objectives & Mandate of Negotiations

01

### Economic Growth Objectives

These objectives result from an assessment of a country's offensive and defensive interests.

02

### Reform-Oriented Objectives

This involves identifying difficult areas of domestic reform that can be facilitated by international trade agreements.

03

### Other Objectives

These can range from other economic objectives but also include political objectives.

# Negotiating Mandate

02

## Objectives & Mandate of Negotiations

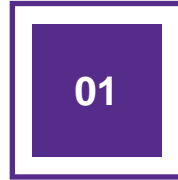
- 01** **Development of Negotiating Objectives**  
Based on the assessment of national interests and stakeholder consultations.
- 02** **Appointment of Negotiating Team**  
Authorizing group of negotiators headed by the chief negotiator.
- 03** **Red Lines and Negotiating Positions**  
Setting limits for the scope of the agreement and positions in the negotiations.



# 02

## Negotiating Team

### Objectives & Mandate of Negotiations



#### Lead Negotiator

The backbone of a negotiating team is a lead institution (ministry, agency, etc) responsible for trade policy implementation.



#### Advisory and Consultative Committees

Other committees to guide and give technical support to the negotiators are essential .



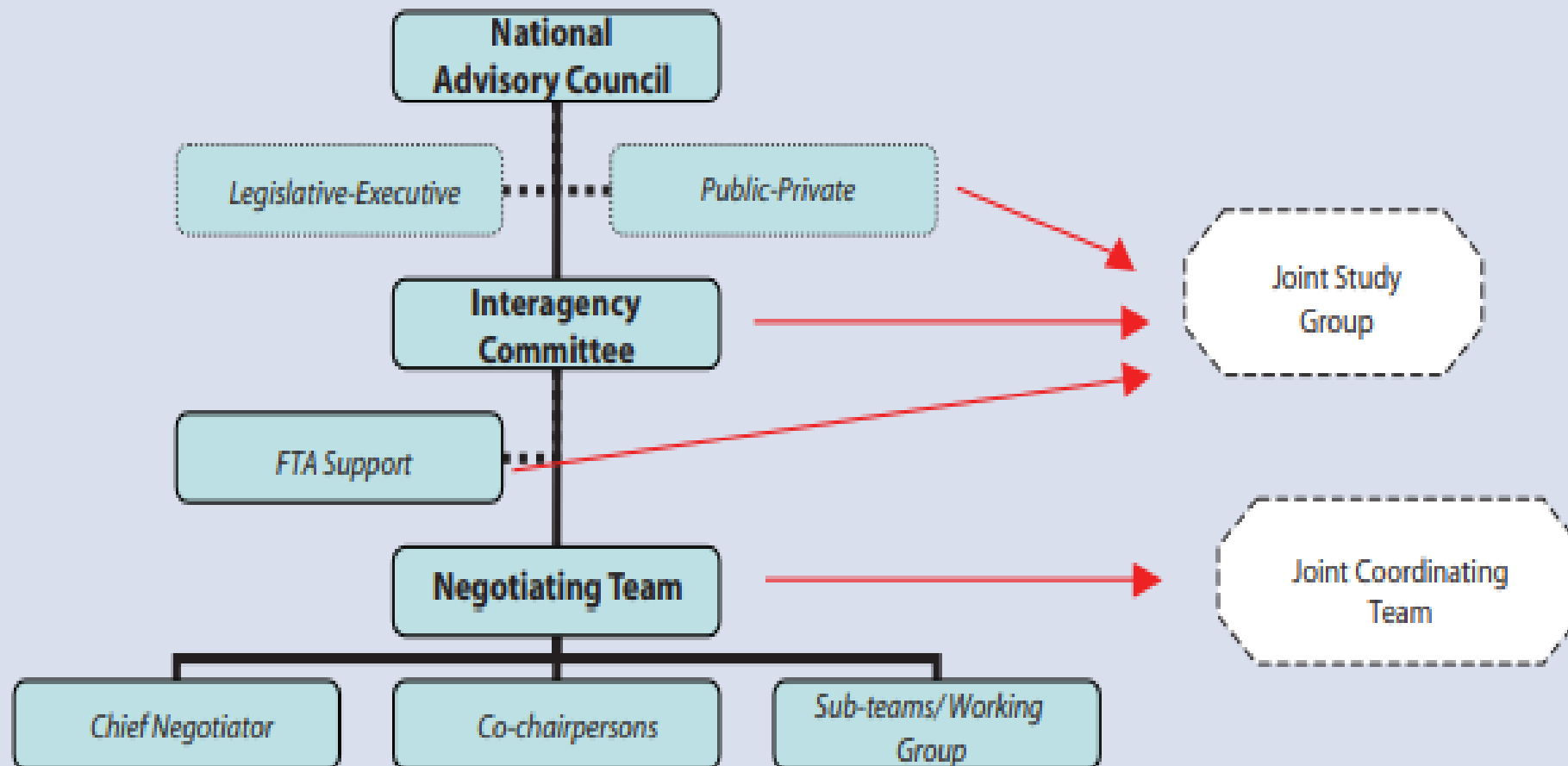
#### Respecting Turf

Setting limits for the scope of the agreement and positions in the negotiations.

# Organizational Chart

02

Objectives & Mandate of Negotiations



Source: ADB 2008

# Working Groups

## Objectives & Mandate of Negotiations

Chapter/Provision	Ministry/Agency (as chair)
Goods (other than agriculture)	Trade and industry/Foreign affairs/Tariff commission
Rules of origin	Trade and industry/Customs
Agriculture and sanitary and phytosanitary measures	Agriculture
Services and investment	Finance/Economic affairs/Investment
Competition policy	Competition bureau/Fair trade commission
Technical barriers to trade	Standards, industry regulators
Trade rules and facilitation	Trade/Customs
Government procurement	Finance
Cooperation and development	Foreign affairs
Dispute settlement, institutional provisions, and intellectual property	Attorney general/Justice department/ International law/Intellectual property bureau

Source: ADB 2008

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**03**

## Process & Techniques of Negotiations

# Negotiation Process

03

## Process & Techniques of Negotiations

01

### Scheduling and Hosting of Successive Rounds

An initial timeframe is adopted and rounds within this timeframe scheduled.

02

### Guidelines and Modalities

Different approaches and modalities exist, such as sectoral approaches, or focusing on market access before turning to rules.

03

### Overarching Principles

These include standstill, confidentiality, consistency with WTO rules, etc.

# Guiding Principles of RCEP

## Process & Techniques of Negotiations

01

### Parallel Negotiations for “Single Undertaking” Effect

Parallel negotiations for trade in goods, services and investment and other areas simultaneously to provide comprehensive and well-rounded overviews on a broad range of issues.

02

### WTO Consistency

Consistency with WTO, including GATT Article XXIV and GATS Article V.

03

### Modelled on existing ASEAN Plus One FTAs

Facilitating trade and investment, enhancing transparency and increasing engagement in global and regional supply chains.

04

### Explicitly considering the needs of least-developed economies

Via special and differential treatment, including technical assistance and capacity building.

05

### Open accession was allowed at the outset

With terms and conditions needed to be agreed by all existing members.

# Conducting Trade Negotiations

03

Process &  
Techniques of  
Negotiations

01

## The Role of Chief Negotiators

The chief negotiator is the overseer and the impasse breaker.

02

## Negotiating Teams

Teams negotiate the substantive and technical details in the trenches..

03

## Parallel Processes

While negotiations are ongoing, its important to keep different constituencies and stakeholders up to date.



# Trade Negotiation Timeline

## Process & Techniques of Negotiations

01

Some negotiations can be concluded quickly under a given set of conditions.

### The Short Game

02

Negotiations involving more than two parties, and that involve many chapters tend to drag on for years.

### The Long Game

03

This is a question of political will, but also carefully managing expectations from the outset and information flow during negotiations.

### Getting to Yes

# Negotiation Techniques

03

## Process & Techniques of Negotiations

01

### Who Needs to Know

It's important that not only the chief negotiator but also everyone involved in the teams has an understanding of negotiating techniques.

02

### Know the Rules and Protocols

There are established rules and protocols of negotiations that need to be adhered to if the negotiations are to succeed.

03

### Negotiate in Good Faith

This is so important and cannot be emphasized enough.

# Role of Negotiators

## Process & Techniques of Negotiations

01

### **Sending and Receiving**

Negotiators should be able to articulate clearly the negotiating positions and understand the positions of the counterpart

02

### **Building and Maintaining Trust**

It is important that the counterparts have good working relationship that establish and maintain mutual trust.

03

### **Back-up Plans**

Chief negotiators need to have a better alternative to a negotiated agreement (BATNA) instead of conceding their red lines

# Negotiation Skills and Habits

03

Process &  
Techniques of  
Negotiations

- Listen actively
- Ask questions
- Use Silence
- Organize brainstorming sessions
- Use objective criteria
- Practice role reversal
- Listen to and record all proposed options
- Be sensitive to cross-cultural dynamics, gender, and language
- Build a reputation for reliability and integrity
- Create a win-win mentality

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**04**

## Implementation, Monitoring and Evaluation

# 04

# Implementation

## Implementation, Monitoring and Evaluation

01

### Legislative Implementation

Most modern and comprehensive FTAs require legislative and regulatory changes to existing laws or the enactment of new laws.

02

### Procedural Implementation

After an agreement takes effect, administrative procedures may also need to be also amended.

03

### Implementation Stakeholders

Chief negotiators need to have a better alternative to a negotiated agreement (BATNA) instead of conceding their red lines

# International Monitoring

04

Implementation,  
Monitoring and  
Evaluation

01

## WTO Committee on Regional Trade Agreements

Preferential Trade Agreements that contain deviations from MFN and non-discrimination obligations must be notified.

02

## Notification Requirements

WTO Members must notify any PTAs they have signed and do so before preferential treatment is extended to its FTA partners.

03

## Review Procedure

The CRTA conducts a review of the FTA and makes a factual presentation to other members.



# 04

# National Monitoring

## Implementation, Monitoring and Evaluation

01

### Rationale for National Monitoring

This is a way of determining whether the FTA has met or is meeting its original objectives.

02

### Procedural Modalities

Like the various other phases of the negotiations, this also requires inter-agency cooperation.

03

### Feedback Loops and Actionable Information

Monitoring can also show gaps in implementation that can be actioned at annual review meetings.

01

## Living Agreements and In-built Agendas

Some FTAs have in-built clauses designed to encourage their regular review or renegotiation.

02

## Evaluation Criteria

There are a number of objective and measurable indicators that can inform policymakers as to whether an FTA is working optimally.

03

## Reviews for Deeper Integration

Reviews should serve as mechanisms to improve the implementation of existing agreements but also agree new rules.

# Trade Impact Assessment (TIA)

## Implementation, Monitoring and Evaluation

01

### When to Conduct an Impact Assessment

This is best done after the agreement has had time to exude its intended effects, so several years after entry into force.

02

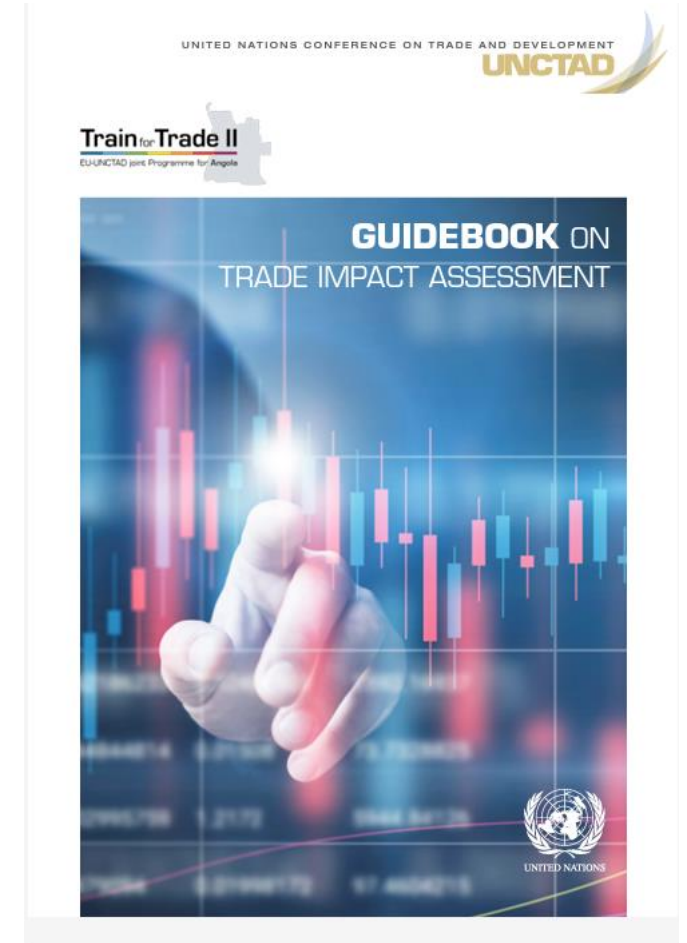
### Indicators and Methodologies

A number of data points and trade indicators exist to help policymakers assess the socio-economic impact of a given FTA.

03

### Applying the Results of Impact Assessments

The results of the impact assessment will show the way forward for the trade and investment relationship in question.



# Summing Up

01

Embarking upon FTA negotiations is a resource-intensive and multi-year undertaking that governments need to adequately prepare themselves for.

02

Political leaders need to articulate and communicate their objectives, meaning they need to know why they want to negotiate a given FTA and make sure they communicate this vision and purpose to everyone involved.

03

Stakeholder consultation is essential but something many governments struggle with, because this can be organizationally challenging and because the private sector and other interests may not be sufficiently organized.

04

FTAs, trade and investment liberalization, and closer economic integration are not ends in themselves but need to serve the interests of the people and improve the economic welfare of the country as a whole.

*Strengthening Knowledge and Capacities for the Design and Implementations of FTAs Involving CAREC Countries*



# Thank you!

