

Developments Since the Fourth WTO Ministerial Conference

The International Centre for Trade and Sustainable Development (ICTSD) and the International Institute for Sustainable Development (IISD)

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Doha Mandates

Paragraphs 38-41 of the Doha Ministerial Declaration deal exclusively with overall technical assistance and capacity-building. Paragraphs 42-43 focus more specifically on assistance to least-developed countries.

Para. 38 instructs the Secretariat "to support domestic efforts for mainstreaming trade into national plans for economic development and strategies for poverty reduction. The delivery of WTO technical assistance shall be designed to assist developing and least-developed countries and low-income countries in transition to adjust to WTO rules and disciplines, implement obligations and exercise the rights of membership, including drawing on the benefits of an open, rules-based multilateral trading system. Priority shall also be accorded to small, vulnerable, and transition economies, as well as to Members and Observers without representation in Geneva."

Para. 39 underscores the importance of co-ordinated delivery of technical assistance with relevant bilateral, regional and multilateral institutions and calls for consultations with relevant agencies, bilateral donors and beneficiaries to identify ways of enhancing and rationalising the Integrated Framework for Trade-related Technical Assistance to Least-developed Countries and the Joint Integrated Technical Assistance Programme (JITAP).

Para. 40 instructs the Committee on Budget, Finance and Administration to develop a plan for adoption by the General Council in December 2001 that will ensure long-term funding for WTO technical assistance.

Technical Assistance and Capacity-building

Background

Technical assistance (TA) and capacity-building (CB) are among the key foundations on which consensual support for the Doha mandate rests. It was the oil that smoothed the way towards developing countries' acceptance of a broad-based new round of talks including, for the first time, issues such as the environment and — at least potentially — investment, competition policy, transparency in government procurement and trade facilitation.

Mandated Deadlines

- December 2002, the Director-General was to provide an interim report to the General Council on the implementation and adequacy of the technical assistance and capacity-building commitments identified in different paragraphs of the Declaration;
- December 2002, the Director-General was to provide an interim report to the General Council on all issues affecting least-developed countries (LDCs);
- Fifth Ministerial Conference (10-14 September 2003 in Cancun, Mexico), the Director-General shall report on the implementation and adequacy of the technical assistance and capacity-building commitments identified in different paragraphs of the Declaration; and
- Fifth Ministerial Conference, the Director-General is to provide a full report on all issues affecting LDCs (para. 43 of the Doha Declaration)

Current State of Play

WTO Director-General Supachai Panitchpakdi has issued two interim reports to the General Council: one on the implementation and adequacy of the technical assistance and capacity-building commitments identified in different paragraphs of the Doha

Ministerial Declaration, as required by para. 41 of the Declaration, and the other on issues affecting least-developed countries (Doha Declaration para. 43).

In the first of these documents (WT/GC/W/484), he highlighted the Secretariat's Annual Technical Assistance Plans as the organisation's main response to the many demands arising from the Doha documents. This Plan for 2003 is described in more detail below.

He went on to outline progress made in the implementation of the Joint Integrated Technical Assistance Programme for African Countries (JITAP)² and the Integrated Framework of Trade-related Technical Assistance focused on least-developed countries (LDCs), underlining closer collaboration with regional development banks, the UN Regional Economic Commissions and other institutions in designing, delivering and monitoring technical assistance/capacity-building activities.

Dr Supachai also noted with satisfaction WTO Members' response to the requirement to "ensure long-term funding for WTO technical assistance." The *Doha Development Agenda Global Trust Fund*, which relies on voluntary contributions to finance technical assistance activities, was established in December 2001. Members pledged more than 21.5 million Swiss francs (about US\$15.7 million) to the Fund in 2002. About CHF4.5 million have been pledged in advance for 2003.

Many developing country Members and civil society groups view these donations as developed countries' only important contribution towards addressing the 'development' dimension of the Doha Round. However, as one developing country delegate put it, the Trust Fund's success will depend less on the amount of money or number of activities available than on the *appropriate nature and the quality* of technical assistance provided.

The Interim Report on LDCs is described in the last section of this paper.

Doha Mandates

Para. 41 instructs the Director-General to report to the fifth Session of the Ministerial Conference, with an interim report to the General Council in December 2002, on the implementation and adequacy of the technical assistance and capacity-building commitments identified in different paragraphs of the Declaration.

Para. 42 lists meaningful market access, support for the diversification of their production and export base, and trade-related technical assistance and capacity-building as essential for integrating least-developed countries (LDCs) into the multilateral trading system. Priority has also been attached towards reflecting accession-related technical assistance for LDCs in the WTO's annual TA plans. Para. 42 also instructs the Sub-Committee for Least-developed Countries to design a work programme taking into account the trade-related elements of the Brussels Declaration and Programme of Action adopted at LDC-III.¹

Para. 43 endorses the Integrated Framework for Trade-related Technical Assistance to Least-developed Countries (IF) as a viable model for LDCs' trade development. It also requests the Director-General to provide an interim report to the General Council in December 2002 and a full report to the fifth Session of the Ministerial Conference on all issues affecting LDCs.

In addition, the Declaration is peppered with specific technical assistance and capacity-building provisions related to the various negotiating mandates, notably in market access for non-agricultural products (para. 16), trade and investment (para. 21), trade and competition policy (para. 24), transparency in government procurement (para. 26), trade facilitation (para. 27) and the environment (para. 33).

Yet more specific technical assistance provisions are to be found in the Decision on Implementation-related Issues and Concerns (WT/MIN (01)/W/10) also adopted in Doha, notably in paragraphs 2.2, 3.5 and 3.6, 5.1, 5.3 and 5.4, and 14.

Towards More Streamlined and Effective Technical Assistance

Pre-Doha, the WTO's technical assistance and capacity-building activities suffered from a certain lack of coherence. For instance, Members complained about insufficient or inadequate co-ordination among the organisations providing the assistance, such as the World Bank, the International Monetary Fund and the International Trade Centre. Particularly troublesome is the type of co-ordination that leads to undermining an individual developing country's negotiating stance, as might have happened during the Uruguay Round and the concurrent structural adjustment programmes promoted by international financial institutions. Inadequate co-ordination also resulted in developing countries adopting World Bank or IMF mandated policies and measures, which further reduced their spaces for development policy, including through effectively giving up flexibilities available in WTO provisions. Furthermore, technical assistance occurred largely in the form of one-off seminars in response to *ad hoc* demands; the seminars were not systematically organised, and lacked specific objectives. Since the increase in funding, the organisation seems to have begun addressing the challenge more professionally.

This is no easy task, however, as Members' views diverge widely on what the WTO should deliver by the way of technical assistance. For instance, a Deputy US Trade Representative has stated that technical assistance and capacity-building relate "strictly to assisting these countries in negotiations and does not require broader development aid." He noted the need for "clarity in terms of the division of labour between what the WTO can do and what the larger development organisations such as the World Bank and Inter-American Development Bank can do."

At the same time, many developing — and even some developed — countries feel that the WTO is not an adequate or desirable provider of technical assistance in preparing governments for negotiations or the formulation of trade policies that support their individual development strategies. WTO assistance in such areas is particularly controversial given that strategic advice provided to one Member may adversely affect the interests of another, and that the advice may not be based on an adequate understanding of the economic realities within the country or effectively support the country's particular development strategies taking into account vulnerabilities at the national or sub-national levels

Members and observers alike continue to press the WTO to seriously consider these critical views. Other organisations, includ-

ing UNCTAD, are already doing valuable work to enhance developing countries' negotiating capacity. A number of non-governmental organisations and academic and other institutions in developing countries themselves also provide credible and important inputs in this regard and their role needs to be given more attention, prominence and recognition within the technical assistance work programme.

Technical Assistance Plan for 2003

The *Co-ordinated WTO Secretariat Technical Assistance Plan for 2003* (WT/COMTD/W/104/Rev.2), adopted on 22 November 2002, attempts to respond to the various Doha mandates and to address shortcomings in the WTO's 2002 technical assistance plan.

For instance, the 2003 Plan particularly highlights the need for greater rationalisation of technical assistance needs and the need for TA to be integrated into overall development plans and poverty-reduction strategies. It also recognises the acute co-ordination challenges at the national level, among agencies and among bilateral donors and the need to address these as a key objective of the 2003 TA plan. However, owing to differences in donors' institutional mandates and the consequent variance in setting priorities, many recipient countries (and some donors) do not necessarily view such co-ordination as positive. For instance, experience with the 'Integrated Framework' model, which will be outlined later, has revealed a number of possible pitfalls in this regard.

As a basic premise, the Plan states that technical assistance forms "an integral part of development plans to contribute to economic growth and poverty reduction", and suggests that the WTO's comparative advantage in TA delivery lies essentially in two areas:

- technical assistance to develop negotiating capacity for the 'Doha Development Agenda'; and
- technical assistance to build institutional capacity to understand the rules and implement WTO Agreements.

According to the Plan, the WTO will also encourage — "through advocacy, co-ordination and coherence" — development and regional institutions to fund trade-related commercial infrastructure needed for revenue generation, employment growth and poverty reduction.

Inter-agency collaboration: The 2003 Plan underlines the importance of inter-agency collaboration, such as the JITAP and the Integrated Framework as a means for fully addressing the technical co-operation mandates in the Doha Declaration. It highlights a May 2002 informal meeting — organised by then-

Director-General Mike Moore — with the World Bank, NEPAD (i.e. the New Partnership for Africa's Development) and, for the first time, six regional development banks as an example of the WTO's effort to enhance co-ordination across the spectrum of intergovernmental agencies involved in trade-related technical assistance to developing and least-developed countries.

Guiding Principles: According to paragraph 15 of the Plan, "systematic and cumulative human and institutional capacity-building based on Members' explicitly determined priorities" is the "key principle" of the 2003 TA Plan. This has involved the creation of a 'programme menu' from which Members can choose those TA/CB activities they would like to benefit from. Among other guiding principles, the Plan proposes to directly link regional activities to "identified and agreed Members' national activities in a manner understood by TA providers (WTO Secretariat) and beneficiary countries." The principles also stress the importance of ensuring the precedence of the TA Plans adopted by Members over *ad hoc* activities.

The Secretariat expects individual country priority preferences (i.e. courses/training on a particular topic) to fit under one of the Programme Menu's seven categories, i.e. outreach; accessions; negotiations; implementation of WTO Agreements; Singapore issues; information technology/WTO Reference Centres; and trade integration, which comprises the Integrated Framework, trade mainstreaming, and Trade Policy Reviews. However, some priority concerns particular to a given developing country Member may not readily fit into one of the proposed categories.

Priorities identified: Of the 1048 TA/CB priorities communicated by Members to the WTO Secretariat, the largest number of activities requested (150) were for the 'Singapore issues' (investment, competition policy, transparency in government procurement and trade facilitation). Fifty-four demands were made for assistance on implementation issues, while 118 concerned capacity-building (internship positions, training-for-trainers programmes, national trade policy courses and trade policy seminars). With more than 50 requests each, trade in services, rules, agriculture, market access and trade-related intellectual property rights (TRIPs) were also high on the list.

Somewhat surprisingly, developing country Members made 46 requests for assistance on the environment. This underscores the importance they attach to the trade and environment linkage in the context of multilateral trade rules, particularly after WTO ministers agreed to a negotiating mandate on the issue in

Doha (see also Doha Round Briefing No. 9 on Trade and Environment).

In response to demands for an explicit module on special and differential treatment (S&DT), the Secretariat is currently preparing a training module which is to include an overview of the basic principles and objectives of S&D; a summary of S&D provisions in existing WTO Agreements; types of problems that developing countries have encountered with the implementation of these provisions; the status of the debate on proposals in the Committee on Trade and Development; and an overview of the systemic issues that have emerged in the course of these discussions.

Capacity-building products: The 2003 Plan lists a number of key products developed towards achieving "systematic, cumulative and sustainable" capacity-building. These include:

- maintaining the 12-week regular trade policy courses for anglophone and francophone Africa initiated in 2001;
- the design of three regional training workshops with a focus on 'training-of-trainers';
- 'Regional Advanced Doha Development Agenda Negotiations Training Courses for Senior Government Officials' (covering 7 regions and non-residents);
- the WTO internship system;
- the development of a *Trade Negotiations Tool Kit for Negotiators* with the purpose of preparing developing and least-developed countries for the Doha negotiations; and
- the development of a technical assistance/capacity-building programme menu (described under 'Guiding Principles' above).

Delivery modes: Although the 2003 Plan does not depart significantly from the 'work-shop/seminar' mode of technical assistance (in addition to internships and trade policy courses), there is some emphasis on the need for long-term trade capacity-building. On the WTO side, the training-of-trainers seems to be the obvious input. On the other hand, the Plan states that the recipients' capacity to absorb TA could be enhanced, *inter alia*, through well-defined national programmes for WTO negotiations and implementation, the identification of institutions for long-term trade capacity-building and the provision of matching hardware and software resources to complement TA delivered by the WTO and other external agencies. The Plan also notes the importance of South-South collaboration in improving the relevance and quality of trade-related technical assistance.

A new concept of "trade clinics" or specialised missions to developing and least-developed countries is introduced in response to trade-policy questions arising from implementation-related problems and other immediate needs. These clinics would — at least in theory — build institutional capacity in the course of providing advisory services. It remains to be seen which institution(s) would deliver this and whether such advice would (or could) be 'neutral' especially with regard to recommendations on the trade policy options open to developing or least-developed country Members.

The Plan also describes a new OECD/WTO project called the *Doha Development Agenda Trade-related Technical Assistance and Capacity-building Database* (available at <http://tcdbdb.wto.org>) as a "central pillar of present and future WTO Annual Plans for TA and CB." The database was formally established in May 2002 to monitor — and ensure the transparency of — the implementation of Doha's technical assistance and capacity-building commitments by showing activities delivered, the agencies involved, and the "cumulation of activities in beneficiary countries."

Regional challenges: The Plan notes that certain regions have particularly acute technical assistance needs, and mentions a number of TA/CB initiatives already underway or being planned for meeting these regional challenges. The NEPAD and JITAP initiatives are highlighted with regard to Africa. Other regions/regional groupings listed include South Asia (South Asian Association for Regional Coordination), the Pacific Island countries, the Caribbean Community (CARICOM), and Central Asia.

Least-developed Countries

As a step towards fulfilling the mandate contained in Para 43 of the Doha Declaration, the Director-General delivered an Interim Report on questions related to least-developed countries to the General Council on 12 December 2002 (WT/GC/W/485/Rev.1).

Thirty-two out of the 49 countries designated by the United Nations as LDCs are WTO Members. According to the Report, the WTO's contribution to facilitating their integration into the multilateral trading system is based on three pillars:

- the Integrated Framework;
- the Annual Plans for Technical Assistance and Capacity-building; and
- the WTO Work Programme for LDCs (WT/COMTD/LDC/11) adopted by the Sub-Committee on Least-Developed Countries on 12 February 2002. This programme focuses on market access;

trade-related technical assistance and capacity-building initiatives; providing (as appropriate) support to agencies assisting LDCs with diversifying their production and export base; mainstreaming the trade-related elements of the LDC-III Programme of Action (see footnote 1) 'as appropriate' into the WTO's work; participation and accession of LDCs in the multilateral trading system; and follow-up to WTO Ministerial Decisions/Declarations.

LDCs have been earmarked to receive 117 national TA activities in 2003, representing 47 percent of the total number of such WTO activities. They will also benefit from:

- 150 regional activities designed for Africa, the Asia-Pacific and the Caribbean;
- four "strategically designed" activities focused only on LDCs, namely WTO Reference Centres activities aimed at 'training-of-trainers'; Internet access for LDC Reference Centres; an annual accessions seminar and a workshop on trade negotiating skills; and, the Advanced Training Programme for Senior Government officials on the Doha Agenda; and
- any activities under the Integrated Framework with an exclusive focus on LDCs.

The Integrated Framework

The Interim Report points to the Integrated Framework (IF) — a programme jointly managed by the WTO, UNCTAD, the World Bank, the International Monetary Fund, the International Trade Centre and the UN Development Programme — as the best response to the challenges faced by least-developed and other low-income countries since the WTO by itself cannot meet the full complexity of LDCs' trade development. IF pilot projects are currently running in three countries.

Diagnostic Trade Integration Studies (DTIS) are the first step of the coherent trade-related technical assistance that the Integrated Framework aims to provide.

These studies should identify the structural weaknesses and constraints impeding a country's integration into the multilateral trading system and the global economy. Based on an assessment of relevant economic sectors and indicators, they are to recommend policy reforms, as well as identify institutional capacity implications and TA priorities for eliminating constraints and taking advantage of the opportunities.

While this sounds good on paper, the IF has suffered since its inception in 1997 from the sometimes conflicting mandates of the institutions involved. Recipient countries have also criticised it for emphasising technical assistance over direct aid and infrastructure development, as well as a lack of organisation (i.e. confusion regarding which organisation to approach for a particular kind of technical assistance). Many developing countries have called for adequate funding and greater transparency in its implementation, particularly in the selection of beneficiary countries.

Conclusion

The WTO's 2003 technical assistance and capacity-building work programme incorporates some new elements and tries to correct the mistakes and shortcomings of earlier efforts. However, it still remains essentially standardised. There is a need to move away from the approach of 'one-off' seminars and workshops towards a more durable and lasting inter-action which contributes to building local capabilities in developing countries and is more responsive to the diversity of recipients' needs and to their distinct and diverse sustainable development policy agendas and strategies.

An approach reflecting this reality implies the involvement of a wide variety of other actors unencumbered by bureaucratic constraints, including academia, independent research institutions and non-governmental organisations. To be efficient, technical assistance also entails broadening the target audience beyond government officials to other relevant stakeholders, including local universities

and training institutes, the private sector and civil society organisations. This would make the WTO part of a wide network of institutions all acting within their priorities, capabilities and resources towards ensuring that the benefits of trade-related technical assistance are effective and actually build the long-term capacity necessary for countries to meet their self-defined sustainable development needs.

Endnotes

- 1 The Brussels Declaration (adopted at the third UN Conference on LDCs in May 2001) calls for facilitating and encouraging accession of LDCs to the WTO, and cites improvement of preferential market access through duty-free and quota-free access for LDCs in developed country markets as an important aim. It also commits governments to take measures to address supply-side constraints. The Programme of Action calls, inter alia, for technical and financial assistance to focus on developing human, institutional and productive capabilities for: diversification; implementation of WTO Agreements; trade policy; promotion of sub-regional and regional co-operation including for export promotion; regional trading arrangements; empowering women to benefit from opportunities created by trade-policy reform; accession; standard-setting and quality control; services; and reducing the impact of external economic shocks.
- 2 The JITAP is a programme developed jointly by the WTO, the ITC and UNCTAD with the aim of providing technical assistance to African countries. Its objectives are to build national capacity to understand the multilateral trading system (MTS), as well as its implications for foreign trade; to adapt the national trading system of target countries to the obligations and conditions of the MTS; and, to help countries enhance the readiness of their exporters to participate in the MTS, so that they can benefit as much as possible from it.

Documents related to technical assistance and capacity-building can be found at <http://docsonline.wto.org> under WT/COMTD/W/ using 'technical assistance' as the search criteria.

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Mark Halle (IISD) and Ricardo Meléndez-Ortiz (ICTSD) conceived the Briefings. Contributing writers at ICTSD included: Heike Baumüller, Hugo Cameron, Anja Halle, Ricardo Meléndez-Ortiz, Victor Mosoti, David Primack, Mahesh Sugathan, David Vivas and Alexander Werth. Trineesh Biswas (IISD) served as copy editor, Donald Berg as graphic designer and Stuart Slayen (IISD) as publication manager. Funding for this project has been provided by the Swiss Agency for Development and Cooperation through IISD and by ICTSD's supporting donors. Series Editor: Anja Halle, ahalle@ictsd.ch. Series Directors: Ricardo Meléndez-Ortiz, rmelendez@ictsd.ch and Mark Halle, mhalle@iisd.org.

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