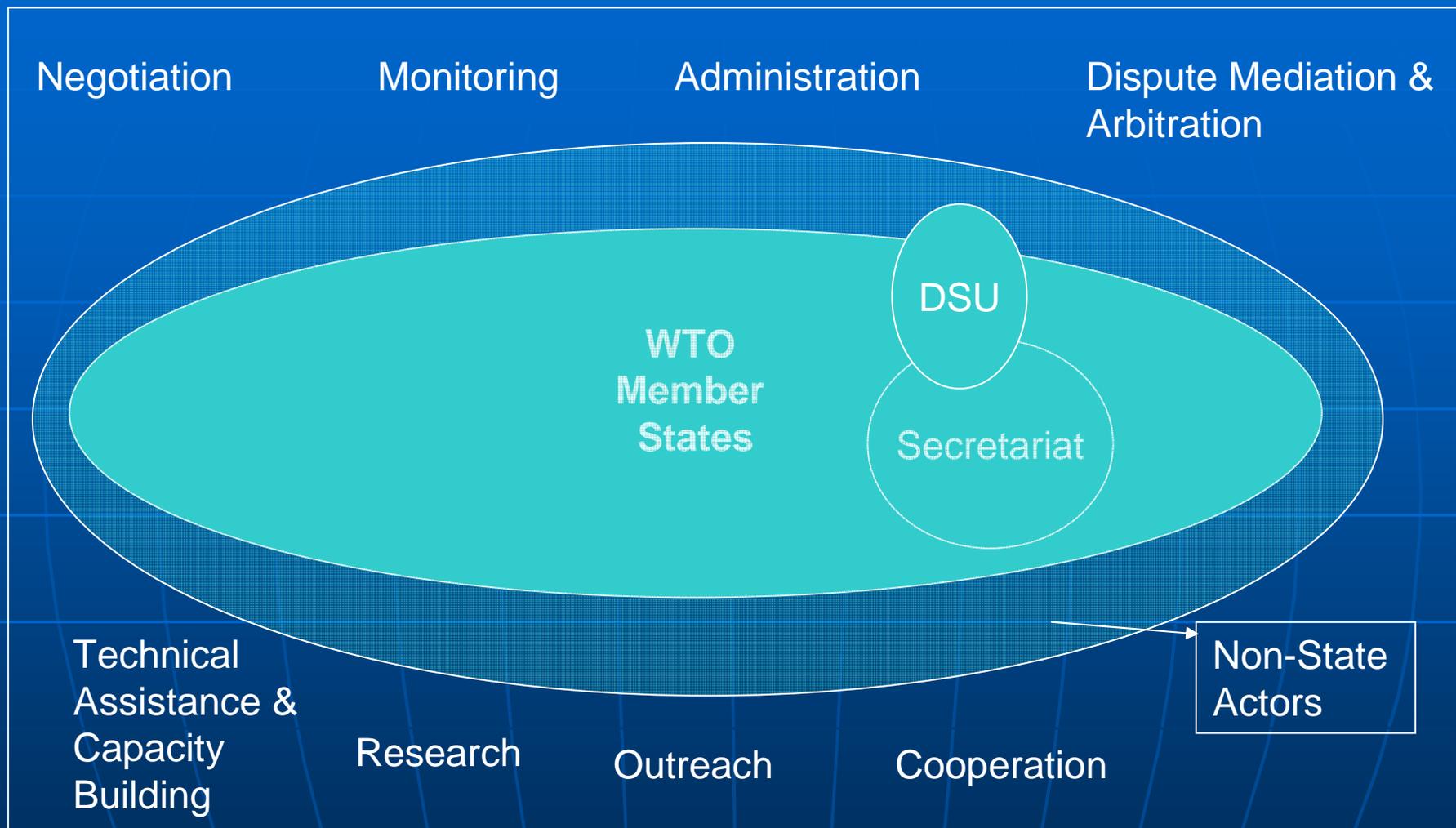


# **A Governance Audit of the WTO: Making Global Trade Work for Development**

Global Economic Governance Programme, University of Oxford  
Graduate Institute of International Studies, University of Geneva

WTO Public Forum  
4-5 October 2007

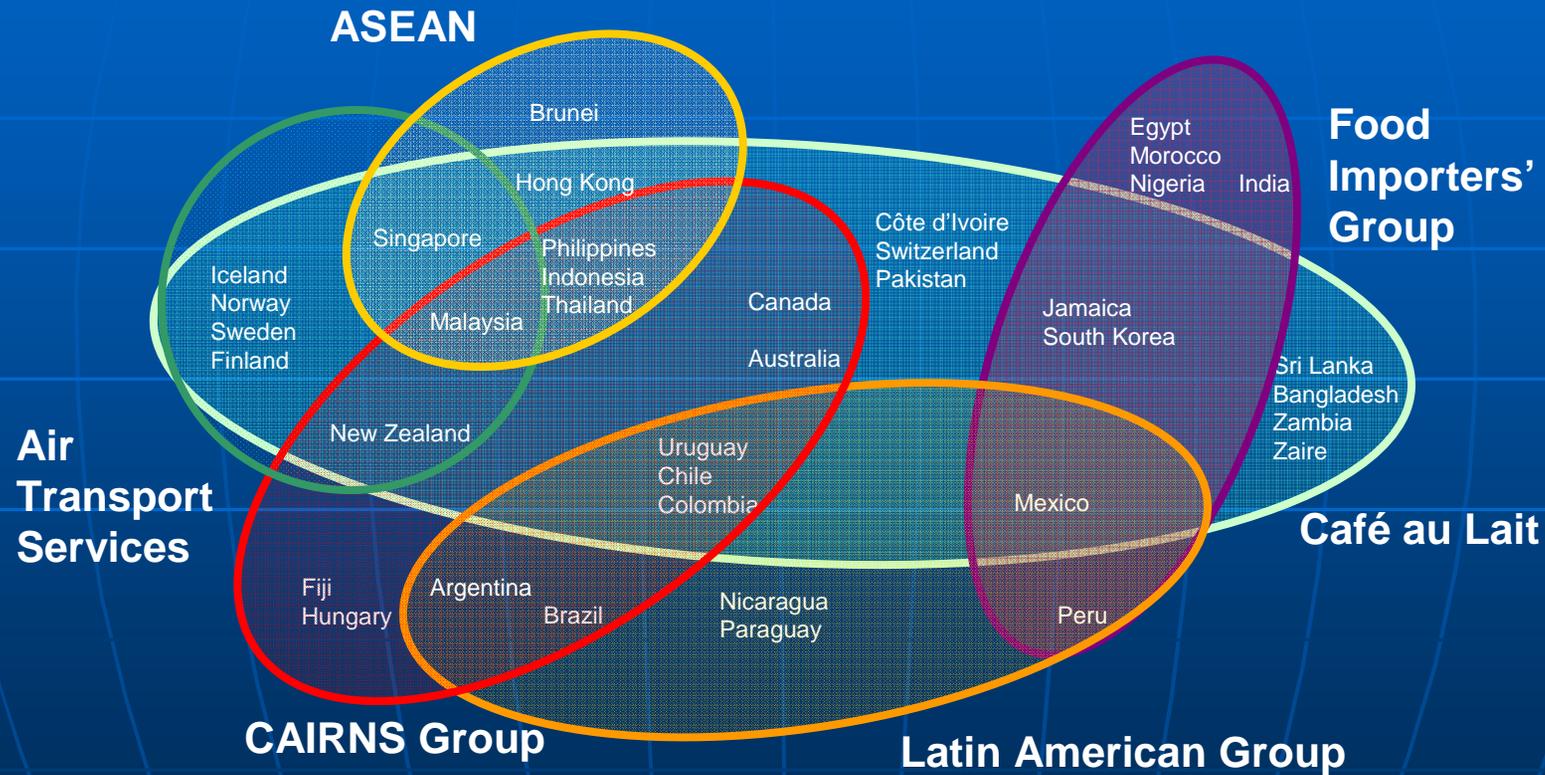


## The WTO System and its Functions

Governing the WTO System:  
**The Negotiation Function**

Mayur Patel

# Limited number of developing country coalitions at the start of the Uruguay Round (1986)

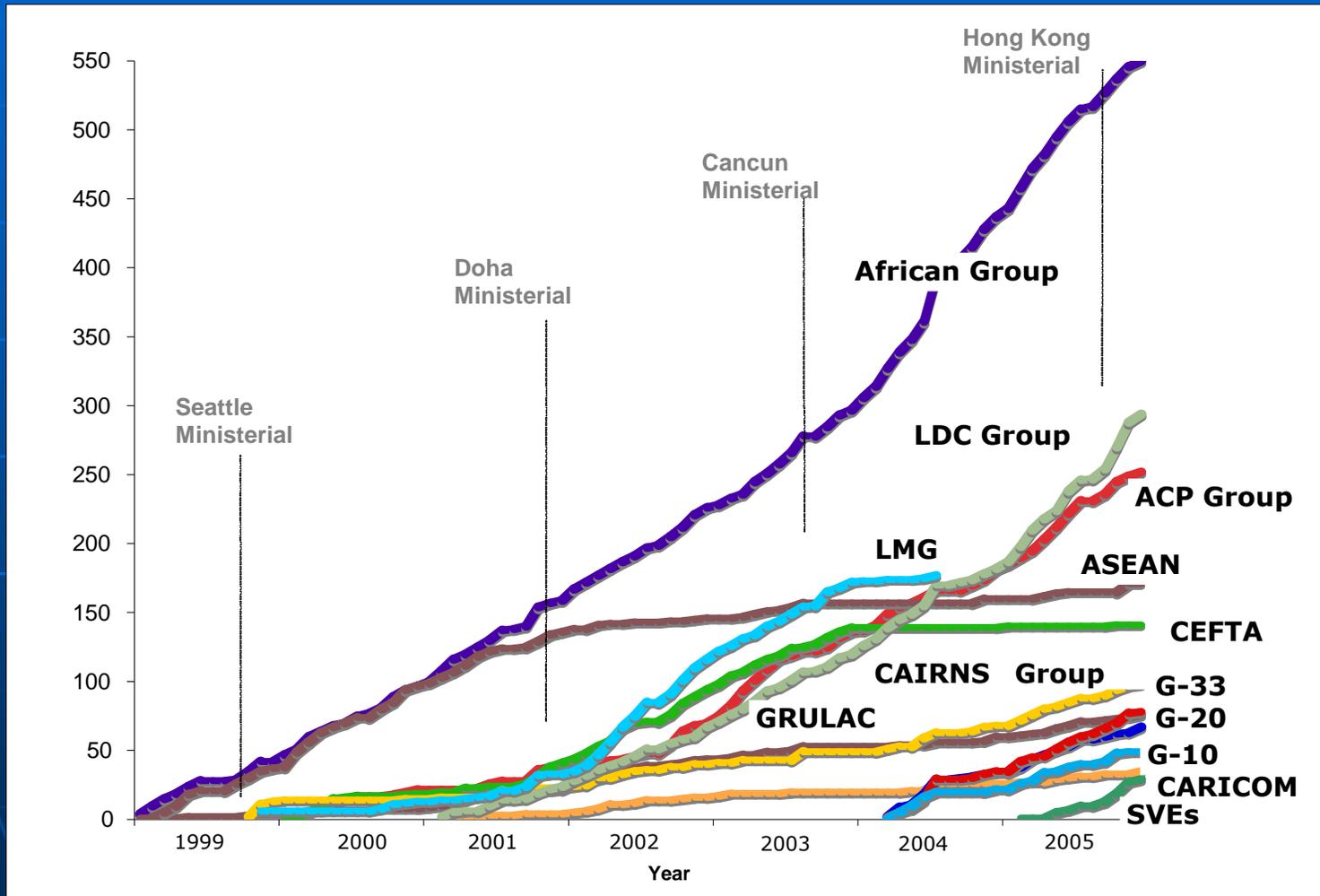


Note: Other more informal groups also existed at the start of the Uruguay Round, e.g. the Informal Group of Developing Countries (IGDC).



# Coalitions becoming more institutionalised

Increasing Frequency of Coalition Meetings (1999-2005)

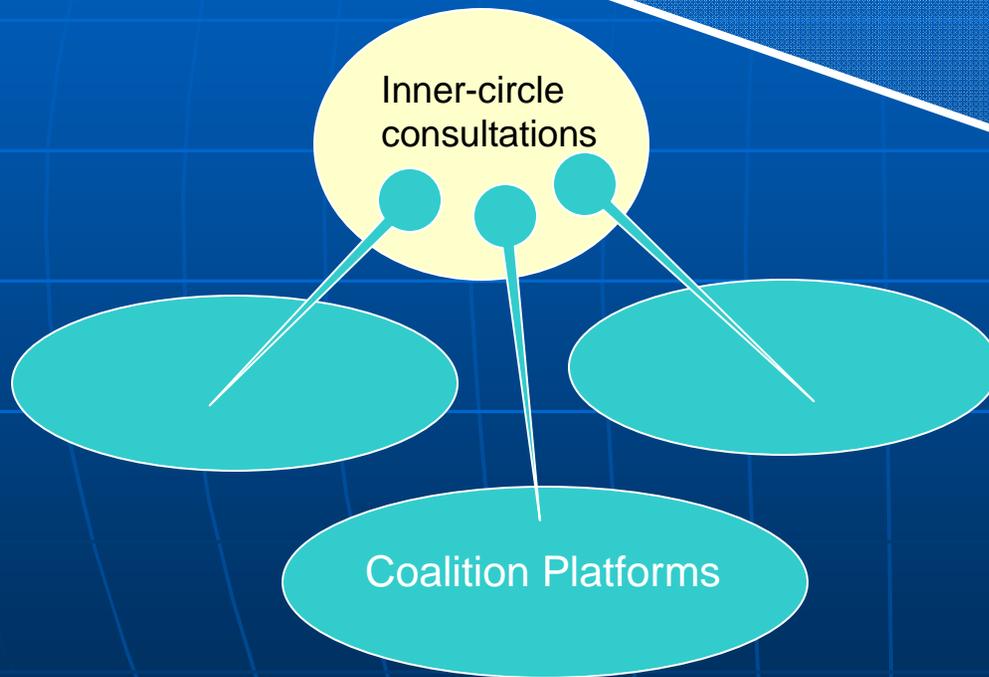


Source: Compiled by author from WTO Conference Records.

Note: Graph does not contain information on all coalitions active in WTO negotiations. Similarly, many internal coalition meetings occur outside the WTO Secretariat.

# Implications for WTO Consensus-Building

## Coalitions in Key Decision-Making Processes



- Does this alleviate criticisms about participation & transparency?
- Does this compensate for the lack of formal reform?

# Priorities for Future Debate

In the absence of structural reform, supporting incremental change:

- 
- Improving the Negotiating Capacity of Coalitions
  - Strengthening Internal Coalition Mechanisms
  - Supporting Joint-Representation Processes
-

Governing the WTO System:

## **The Monitoring Function**

Arunabha Ghosh

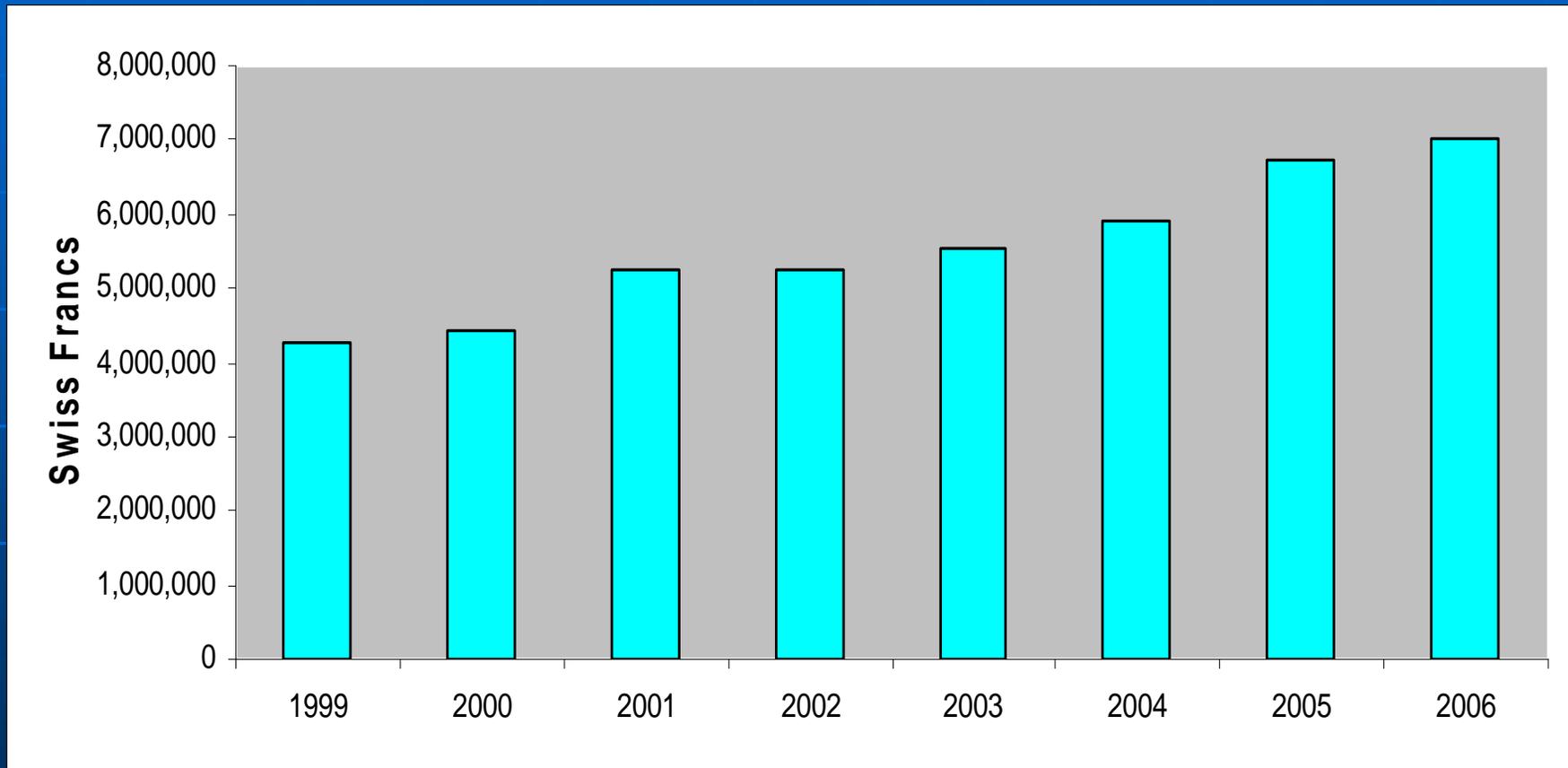
# Surveillance in the multilateral trade regime has evolved over four decades

- 1954-55
  - GATT Review Session
  - Focus on QRs, schedules, BoP consultations
  
- 1959-62
  - Haberler Committee Report
  - Committee II focus on agriculture, including CAP
  - Consultations with nearly all member states
  
- 1960s-70s
  - Focus on BoP restrictions; Textiles Surveillance Body under MFA; MTN codes
  - Annual reviews (biannual for developing countries), based on notifications
  - Annual consultations in Committee on Trade and Development from 1979
  
- 1979-85
  - 1979 Understanding Regarding Notifications, Consultations, Dispute Settlement and Surveillance
  - Review of general developments; NTBs; adjustments under MFA
  - Twice-yearly Council meetings from 1980; CTD consultations from 1982

# The TPRM is among the most institutionalised surveillance systems in international regimes

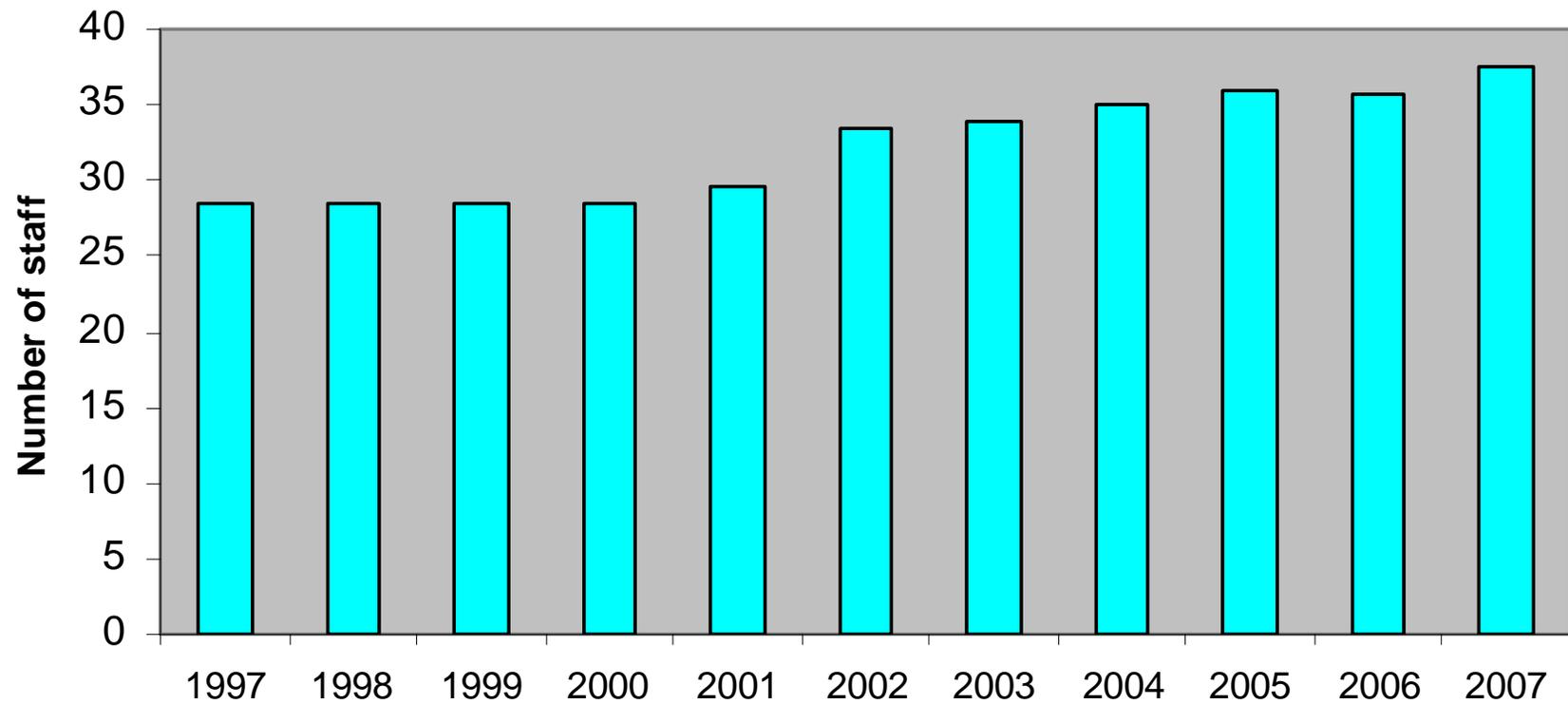
	Early Uruguay Round (1986-89)	GATT TPRM (1989-94)	WTO TPRM (1995 onwards)
Type of information system	Ad hoc institutional reporting	Formal institutional reporting	Formal institutional reporting
Originating mandate	Eminent Persons Group; 1986 Punta del Este Declaration	1989 Negotiating Group on Functioning of the GATT System	1994 Marrakech Agreement
Scope	Standstill & rollback commitments	Trade in goods; all Contracting Parties	Goods, services, intellectual property; all Member States
Frequency/Period covered	Thrice a year from 1987	Periodic - Based on share of world trade	Periodic - Based on share of world trade
Reporting responsibility	Surveillance Body; notifications	GATT Secretariat & Contracting Party	WTO Secretariat & Member State
Review authority	Trade Negotiations Committee	GATT Council	Trade Policy Review Body
Number of country reviews	N/A	54	180 (until 9 May 2007)

## The Trade Policies Review Division's budget has steadily grown



Source: WTO Secretariat

The staff capacity of the division has also increased

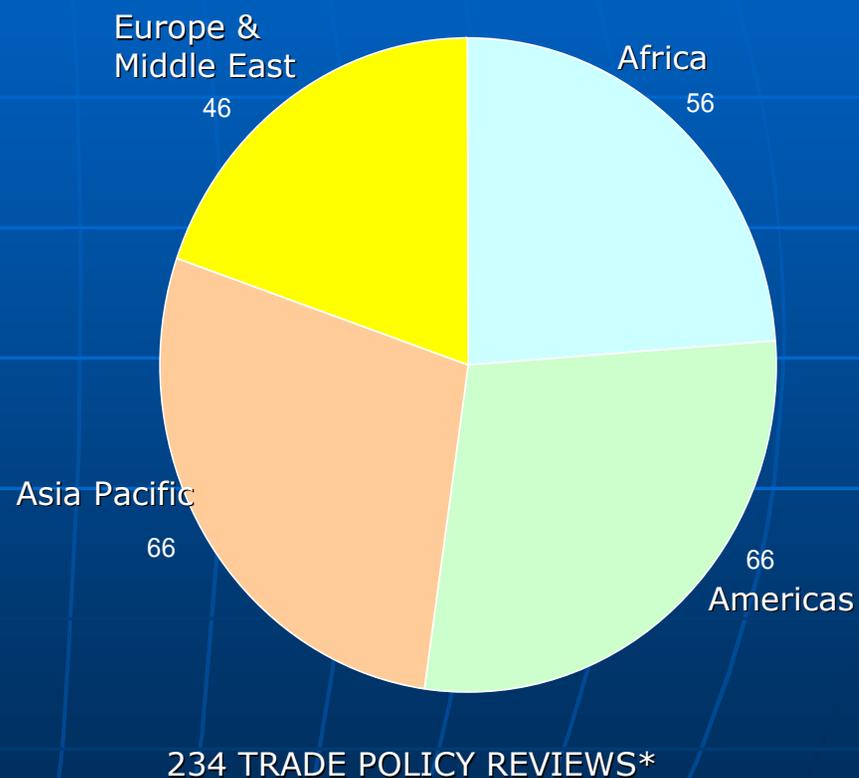


# More than 230 reviews conducted, but pressure to keep up with the review cycle is increasing

NUMBER OF REVIEWS BY YEAR



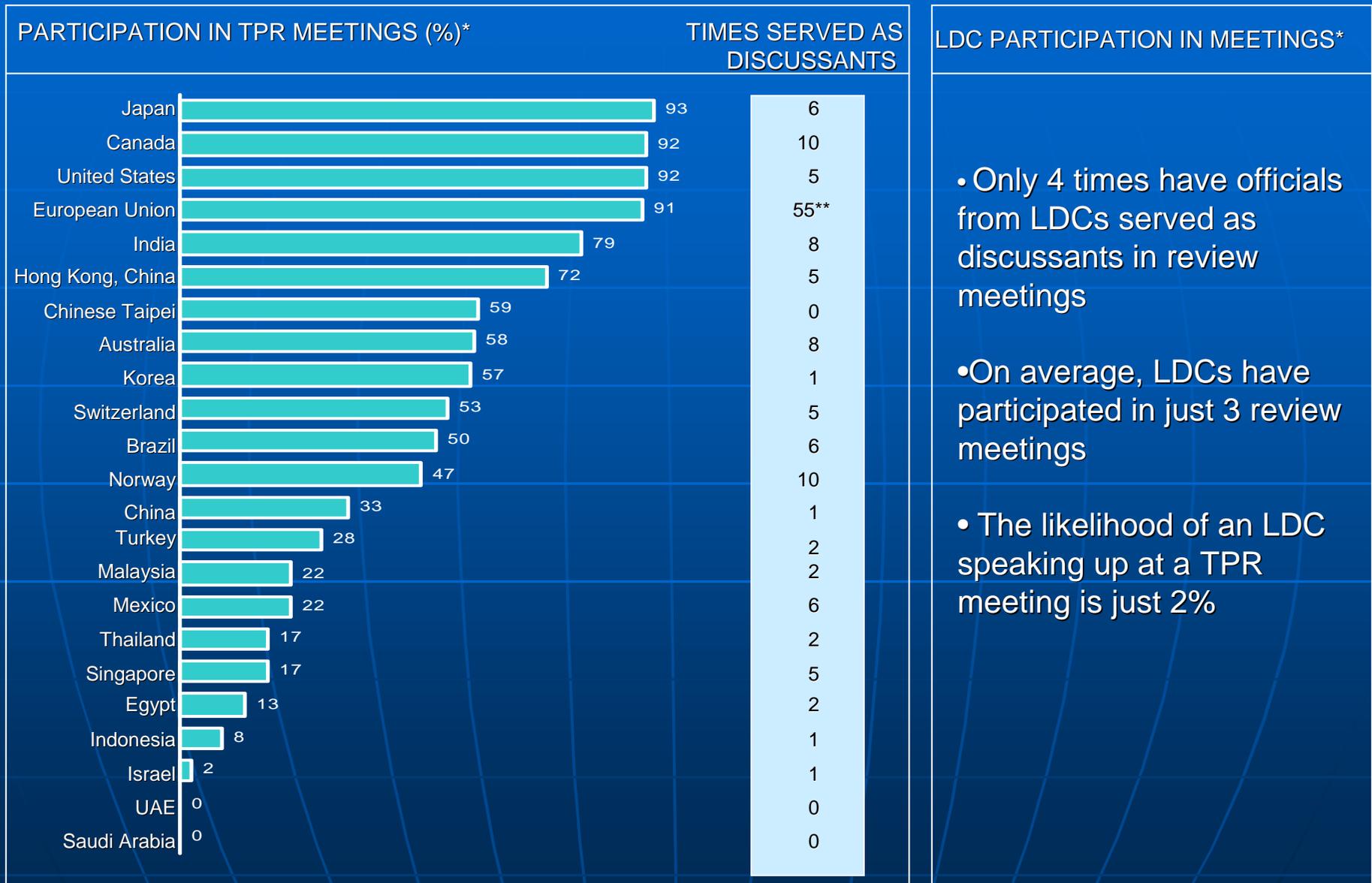
NUMBER OF REVIEWS BY REGION



Number of reviews required by review cycle (assuming a six-year cycle for LDCs as well)

\* Until 9 May 2007

# Participation of developing countries in TPR meetings is limited



\* Participation implies asking questions or raising points during review meetings (expressed as percentage of 174 TPRs analysed since 1995, adjusted for year of accession to the WTO)

\*\* Includes discussants from the European Communities plus EU member countries

# The governance challenge of effective surveillance

## CHALLENGES

- **Product** – calls for more in-depth analysis, but accompanying mandate and resources not available
- **Process** – limited participation; no ideal conditions for applying peer pressure
- **Outcome** – no systematic follow up; no clear procedure for promoting compliance or collectively re-evaluate regime rules

## IMPLICATIONS FOR PARTICIPATION

- Developing countries have limited resources to conduct surveillance themselves
- Danger of widening information gaps between large and small developing countries
- Better information and expertise needed for negotiations and rule implementation, and to strengthen emerging coalitions

## PRIORITIES FOR REFORM

- Mandate and resources for more analytical research; sector- and country-specific expertise; focus on regime evaluation
- Forums for wider consultation at home; procedural changes in Geneva
- Follow up via better visibility domestically; links to technical assistance; links to negotiating coalitions

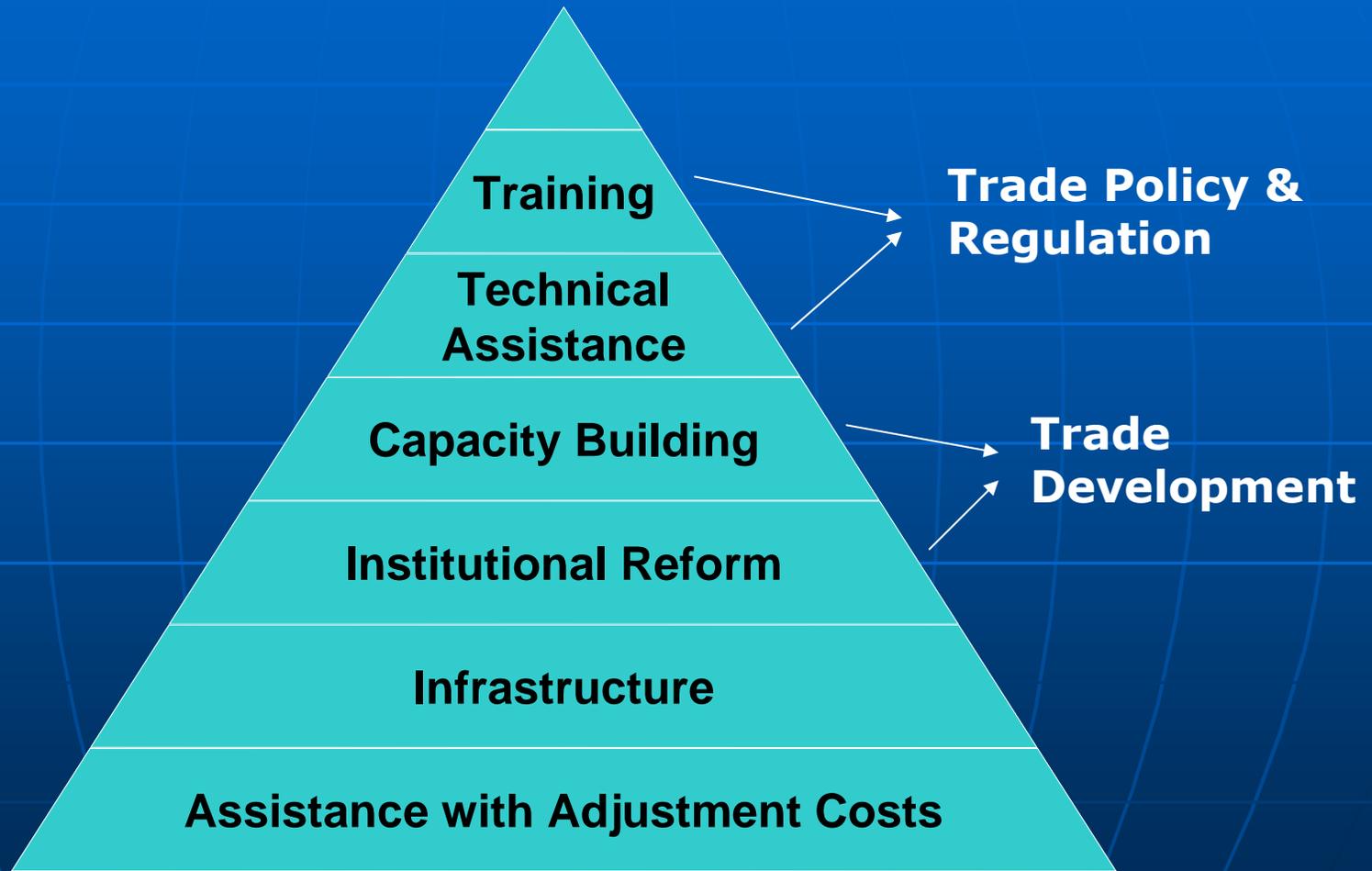
A RE-THINK OF THE TPRM'S AIM AND OBJECTIVES?

Governing the WTO System:

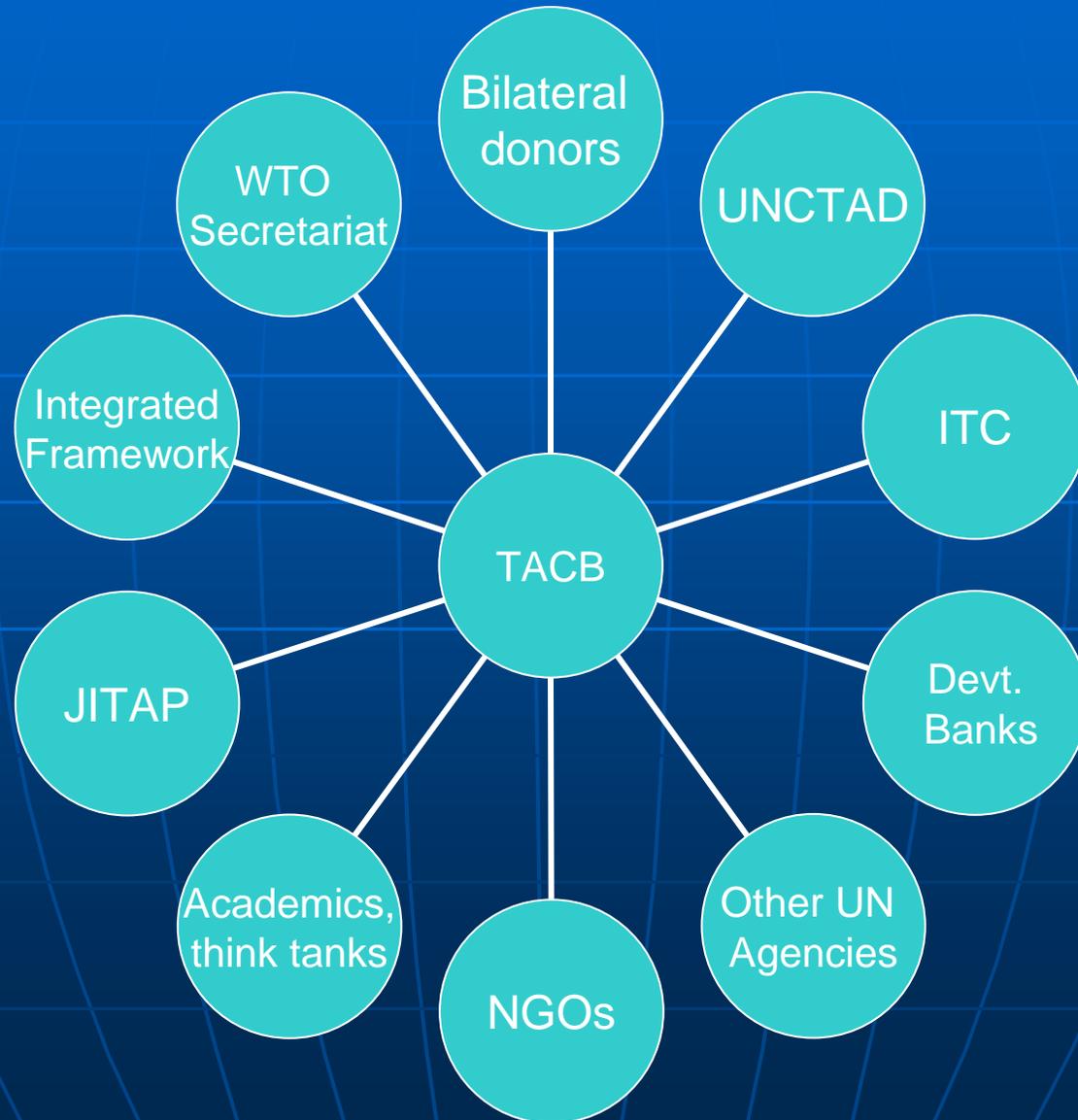
# **The Capacity Building Function**

Carolyn Deere

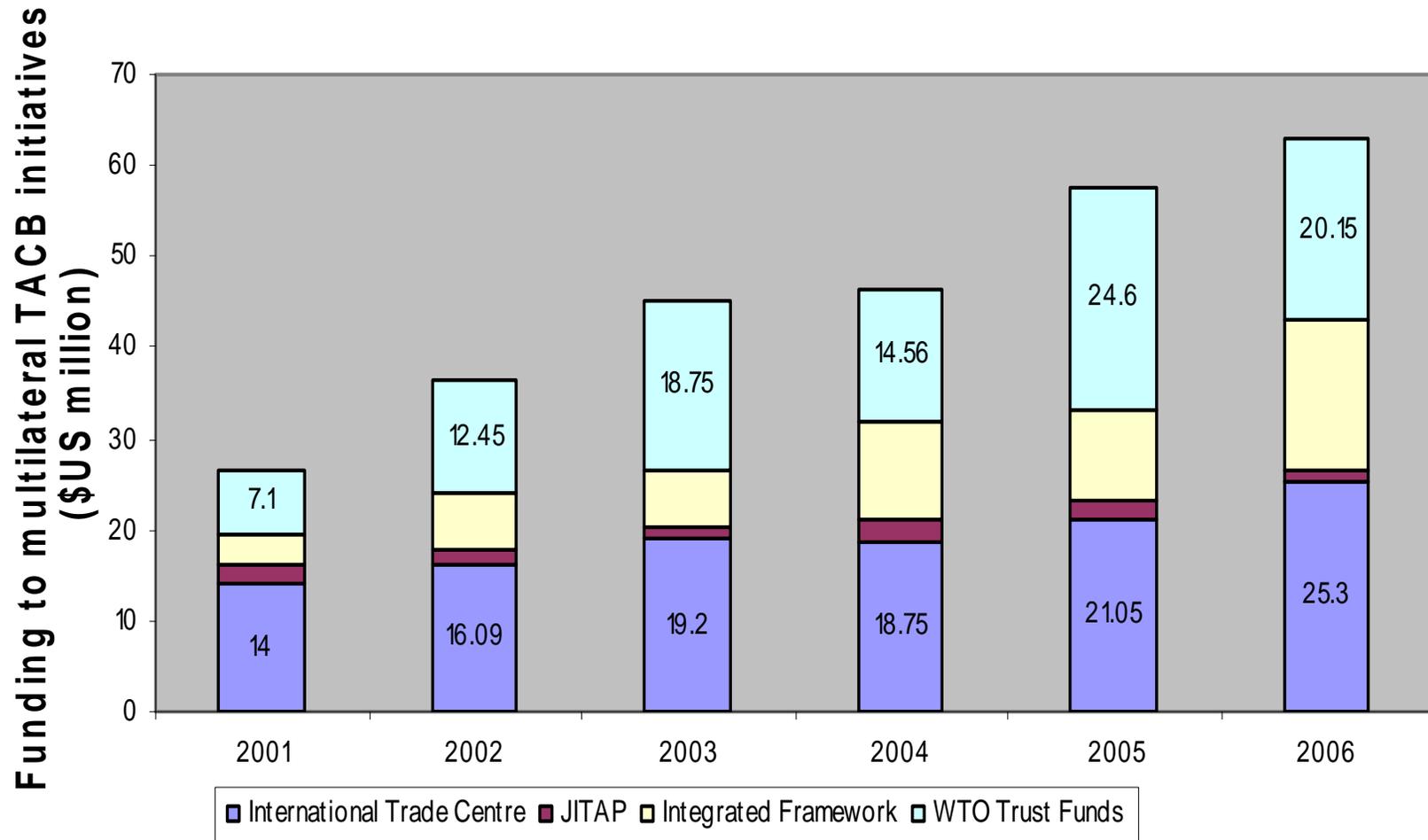
**The scale and scope of  
trade-related assistance and capacity-building (TACB)  
is expanding**



# The number of donors and initiatives has increased



# The scale of multilateral initiatives is growing



# Donor commitment to *multilateral* initiatives varies

	Combined contributions to multilateral TACB Trust Funds * (2001-2006) (\$US millions)
Switzerland	38.69
Sweden	31.0
Norway	28.45
Netherlands	22.6
Germany	19.5
Canada	15.3
United Kingdom	15.8
United States	11.8
Japan	4.8

	Contributions to the WTO Global Trust Fund (2005-2007) (SFr millions)
Germany	6.88
Sweden	6.80
Norway	5.93
UK	4.56
Netherlands	4.08
Denmark	2.75
Japan	2.51
USA	2.45
Canada	1.62
Australia	1.43
Ireland	1.25
Italy	1.25
France	1.19
Luxembourg	1.11
Korea	.92
European Commission	.80
Other bilateral donors	2.32
<b>Total</b>	<b>48.81</b>

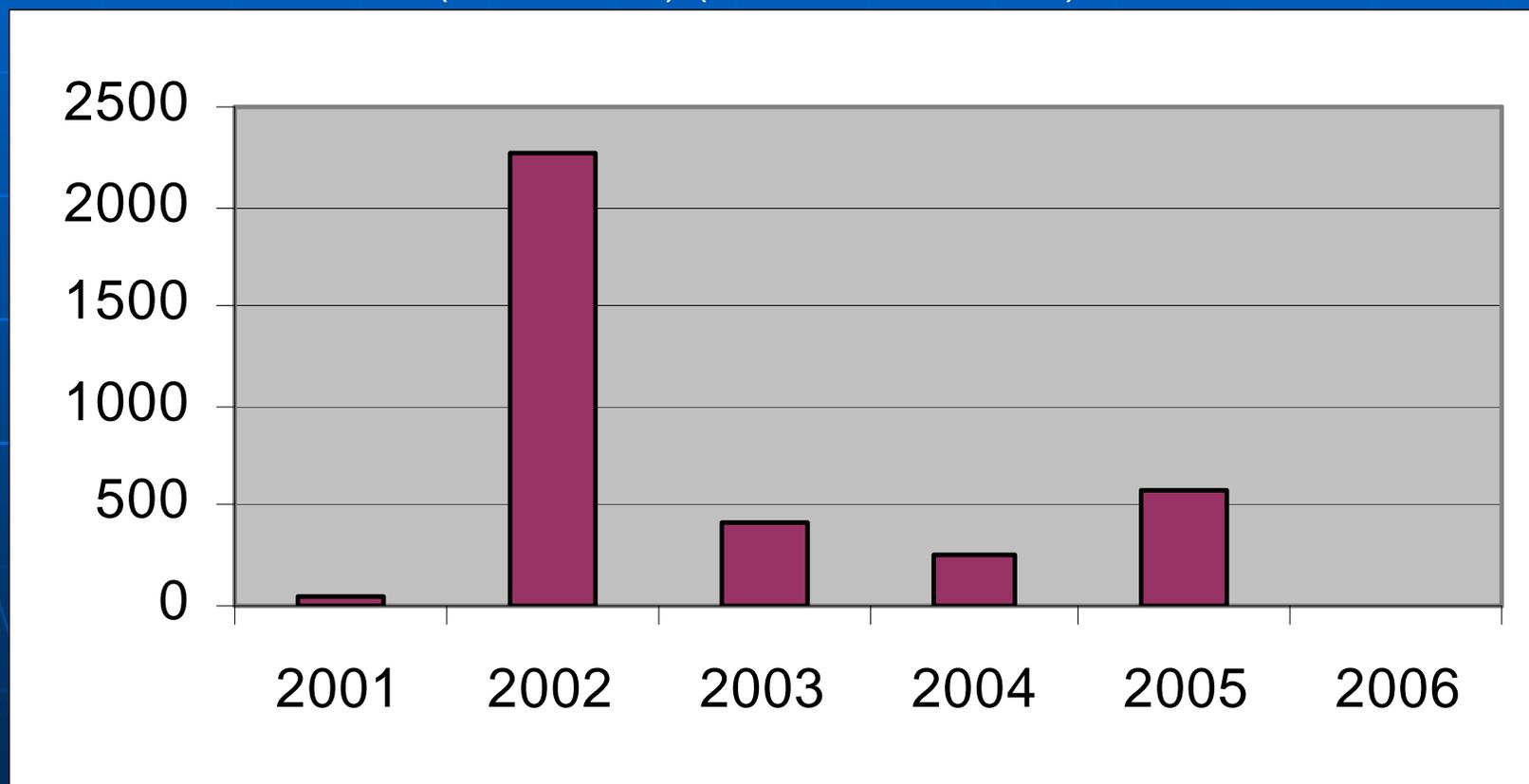
\* These trust funds include those for the International Trade Centre, JITAP, the Integrated Framework, and WTO Trust Funds

# Developing countries face the challenge of managing many donors

	Donors providing support for Trade Policy & Regulation (2001-2006)	Donors providing support for Trade Development (2001-2006)	Number of donors
<b>Bangladesh</b>	Japan, US, Korea, Australia, Canada, EC, Norway, Netherlands, ADB, UNESCAP, UNCTAD, UNIDO, WCO, WTO, IMF, AITIC, IDA (World Bank)	Japan, UK, Belgium, German, US, Korea, Finland, EC, Norway, UNDP, ITC, ADB	22
<b>Cameroon</b>	US, Canada, Japan, Korea, France, IDA (World Bank), ITC, UNCTAD, IMF, WCO, WTO, AITIC	France, Italy, Belgium, US, Korea, France, Japan, Canada, Germany, EC, Switzerland, UNIDO, ITC, FAO	18
<b>Myanmar</b>	Japan, Korea, Thailand, AITIC, WTO, UNESCAP	Japan, Korea, Thailand, Norway, AITIC, WTO, UNESCAP, FAO	8
<b>Peru</b>	US, Germany, Spain, Japan, Korea, France, Canada, EC, IADB, IMF, IDA (World Bank), WTO	Belgium, Japan, Italy, Germany, Korea, EC, US, IADB,	14
<b>Uganda</b>	US, Japan, France, Korea, Denmark, Norway, EC, IMF, ITC, UNCTAD, WCO, AITIC, WTO	Netherlands, Italy, Sweden, UK, Germany, US, Japan, Denmark	17

# The scale and focus of support to individual developing countries fluctuates over time

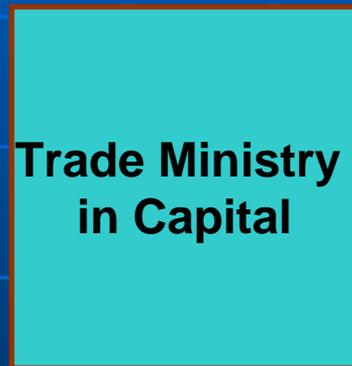
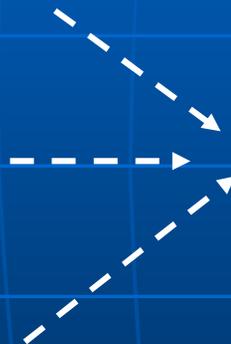
Total TACB to Cameroon in the category of Trade Policy & Regulation  
(2001-2006) (in US\$ thousands)



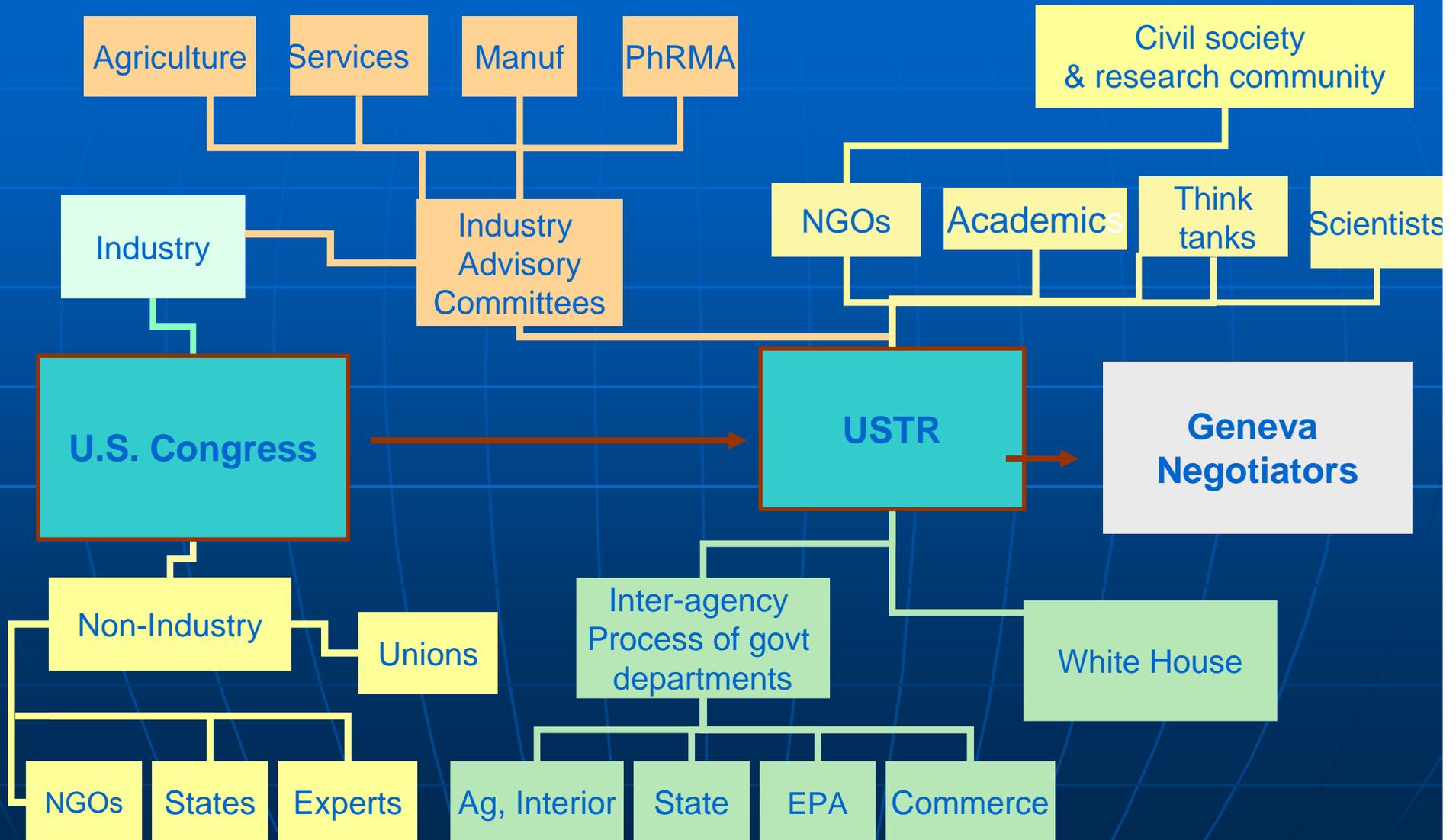
\*Partial data for 2006, Source: WTO/OECD Database

# A sample of trade policy making capacity in the poorest countries

Limited input from non-trade government ministries or from non-government actors

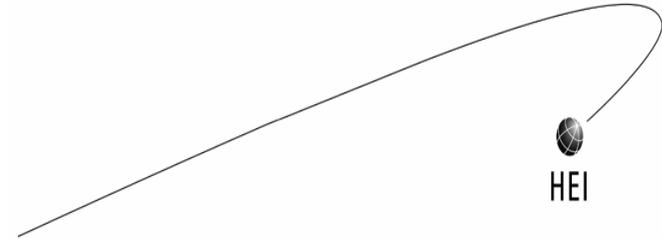
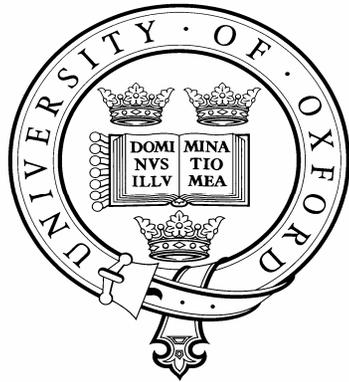


# The trade policy making capacity of the rich: A simplified sketch of the U.S. process



# Priorities for Future Debate

- Supporting TACB activities that build durable processes, institutions, and capabilities inside and outside governments
- Strengthening development-oriented, not neutral, TACB
- Improving independent monitoring and evaluation of TACB



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