

Building trade capacity

- At the Bali Ministerial Conference, ministers agreed to a Monitoring Mechanism to analyse the implementation of special and differential provisions for developing countries in WTO agreements.

- The “Bali Package” contains a number of ministerial decisions aimed at helping least-developed countries integrate more effectively into the multilateral trading system.

- The Fourth Global Review of Aid for Trade took place at the WTO in July, attracting 1,400 delegates to its 54 sessions on the theme of “connecting to value chains”.

- The WTO undertook 281 technical assistance activities in 2013 to help government officials from developing countries gain a better understanding of the multilateral trading system.



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Background on building trade capacity

The WTO aims to help developing countries build their trade capacity and allows them a longer time to implement trade agreements. Hundreds of training courses are organized each year for officials from developing countries.

Trade and development

The WTO's Committee on Trade and Development continued to focus on the link between trade and development. It considered the implementation of special and differential treatment provisions for developing countries in WTO agreements and decisions, and discussed the participation of developing economies in global trade. It also pressed ahead with implementing the work programme on electronic commerce. Key issues for its Sub-Committee on Least-Developed Countries (LDCs) included capacity-building initiatives, market access for LDCs and technical assistance.

A number of proposals were considered in the context of the mandate from the WTO's Eighth Ministerial Conference in 2011 for the Committee on Trade and Development to undertake focused work on the link between trade and development. China, Cuba, Ecuador, India and the African Group proposed that the WTO Secretariat update its document on the implementation of special and differential (S&D) treatment provisions in the WTO agreements and decisions. The Committee also undertook its periodic review of the participation of developing countries in the multilateral trading system, for which the WTO Secretariat prepared a background paper.

In Bali, ministers at the WTO's Ninth Ministerial Conference finally adopted the monitoring mechanism, which had been under negotiation for many years in the Committee's Special Session, to analyse and review all aspects of the implementation of S&D provisions within WTO agreements (see page 10). Duty-free and quota-free market access for LDCs remained a standing item on the agenda of the Committee at its three formal regular sessions in 2013. In the Committee's dedicated session on regional trade agreements, WTO members considered the trade in goods aspects of the Free Trade Agreement between India and Malaysia.

The Committee received a report on the 47th session of the Joint Advisory Group (JAG) of the International Trade Centre (ITC). The JAG is the policy-making body of the ITC, the trade promotion agency for developing countries jointly sponsored by the WTO and the United Nations Conference on Trade and Development (UNCTAD). The ITC's work focuses on assisting small and medium-sized enterprises in developing countries.

Electronic commerce

The Committee held a public workshop on "E-commerce, development and small and medium-sized enterprises" in keeping with the decision at the Eighth Ministerial Conference to step up work on e-commerce to enhance economic and development opportunities, especially in developing countries and LDCs.

The workshop featured sessions on current research and trends in e-commerce by intergovernmental organizations, academics and non governmental organizations and by representatives of the private sector operating in developing countries. Government officials and representatives of private sector businesses from Asia, Africa and Latin America took part in discussions of the challenges ahead. These challenges include enhancing Internet connectivity, making more use of mobile telephony and passing necessary domestic and regional regulations to boost competition. There is also the need to ensure access to e-commerce by micro, small and medium-sized enterprises, including small producers and suppliers. The main message emerging from the workshop was that the world's "least-connected countries" need assistance to tackle these challenges.

At the Bali Ministerial Conference in December, ministers decided to continue the work programme on e-commerce. Their decision seeks to further invigorate the work while adhering to the WTO's basic principles, including non-discrimination, predictability and transparency. Ministers called on the General Council to hold periodic reviews in its sessions of July and December 2014 and July 2015, based on the reports submitted by the WTO bodies entrusted with the implementation of the work programme. Finally, ministers urged governments to continue exempting electronic transmissions, such as telephone calls or emails, from customs duties, until the WTO's Tenth Ministerial Conference in 2015.



Background on trade and development

The Committee on Trade and Development is the focal point for the coordination of all work on trade and development issues in the WTO. The Committee deals with a variety of issues, including all developmental issues, technical cooperation and training, and notifications under the Enabling Clause, which allows developed countries to give more favourable treatment to developing countries.





The Bali Ministerial Conference approved the accession package of Yemen, a least-developed country, clearing the way for it to join the WTO.

Notifications on market access

In 2013, the Committee received notifications, under the Enabling Clause, concerning the generalized system of preferences (GSP) schemes of the European Union (EU), Norway and Russia. GSP schemes allow developed countries to grant preferential tariffs to imports from developing countries.

The European Union informed the WTO of its revised GSP scheme, which entered into force on 1 January 2014. Norway's notification outlined recent revisions to its GSP scheme, notably the establishment of a new category of beneficiary countries under the "GSP+" sub-scheme. Russia's notification was its first to the Committee since joining the WTO in 2012. In addition to the three GSP notifications, the Committee also received a notification concerning the trade preferences granted by the European Union to Pakistan. These preferences were granted for a limited period of time in order to promote Pakistan's economic recovery following the floods of July and August 2010.

Technical cooperation and training

The WTO's technical assistance and training activities were discussed (see page 110). The Committee took note of the 2012 annual report on technical assistance and training, providing an overview of activities, and the annual report on the monitoring and evaluation of these activities. The WTO Secretariat undertook 343 technical assistance activities in 2012, both in Geneva and in various WTO member countries. The majority of these activities were organized in partnership with other international organizations and regional and sub-regional organizations.

The Committee adopted the biennial technical assistance and training plan for 2014-15 at its October meeting. The plan identifies a range of traditional and current topics as areas of priority in 2014 and 2015, among them sanitary and phytosanitary (SPS) measures, technical barriers to trade (TBTs) and trade in services. The plan aims to achieve a number of specified outcomes relating, among other things, to the implementation of WTO agreements by member countries, the participation of governments in WTO accession negotiations and support for research on WTO-related topics by academic institutions.

Least-developed countries

The Sub-Committee on Least-developed Countries (LDCs) revised its work programme for LDCs in 2013 to take account of important developments since its launch in 2002. It continued its work on market access issues for LDCs. WTO Secretariat studies showed that LDC exports remain narrowly based. The Sub-Committee also examined progress in the provision of technical assistance to LDCs. Ministers took a number of decisions in Bali concerning LDCs, including guidelines on preferential rules of origin.

WTO work programme for LDCs

One of the important steps of the Sub-Committee on LDCs in 2013 was to revise the WTO work programme for LDCs. The revised programme has seven themes, including market access, WTO accession of LDCs and technical assistance and capacity building.

The new programme, adopted in June, reflects important developments relating to LDCs that have taken place since 2002. It reflects the Istanbul Programme of Action, agreed at the Fourth United Nations Conference on the Least-Developed Countries in 2011. The Istanbul Programme called, among other things, for effective trade-related technical assistance and capacity building for LDCs on a priority basis, including by enhancing the share of assistance to LDCs for Aid for Trade (see page 102). It urged that the accession of LDCs to the WTO be encouraged and facilitated.



Background on least-developed countries (LDCs)

The Sub-Committee on LDCs was established in July 1995 as a subsidiary body to the Committee on Trade and Development to address issues of interest to LDCs. Since the Doha Ministerial Conference in 2001, the Sub-Committee has focused on the implementation of the WTO work programme for LDCs, which looks at a number of systemic issues of importance to them, such as market access, technical assistance and accession to the WTO.

Other changes to the work programme include incorporating the reference to 2012 LDC accession guidelines. The revised work programme provides the basis for dealing with LDC issues in the multilateral trading system.

Market access for LDCs

Market access issues for LDCs continued to feature prominently on the agenda of the Sub-Committee. The WTO Secretariat produced studies on global trends in LDC merchandise and services trade as well as LDC market access conditions in both developed and developing country markets for 2012 and 2013. Both studies provided valuable data on the participation of LDCs in world trade.

The 2013 study shows that LDC exports of goods and services totalled US\$ 233 billion in 2012, representing 1.03 per cent of world trade, nearly double the share recorded in 2000 (0.53 per cent). LDC exports continued to be characterized by a narrow export base and a chronic trade deficit. WTO members appreciated the greater attention given in the study to LDC services trade but the LDC Group expressed concern over its insignificant global market share. Members expressed determination to maintain a sustained focus on factors affecting LDC trade and LDC competitiveness in world markets.

Technical assistance and capacity building

The Sub-Committee regularly monitors the progress of WTO trade-related technical assistance provided to LDCs as well as other capacity-building initiatives in which the WTO is involved, such as the Enhanced Integrated Framework (EIF – see page 106). On average, 48 per cent of technical assistance has involved LDCs over the past few years. Assistance has included a number of internship programmes, which provide useful support to LDC missions in dealing with WTO matters.

A report from the EIF Executive Secretariat updated WTO members on the activities of the EIF, which now involves 49 countries. These comprise 46 LDCs and three recently graduated EIF countries (Cabo Verde, Maldives and Samoa). By the end of 2013, the number of approved and implemented Tier 1 projects (institutional capacity-building projects and projects supporting the Diagnostic Trade Integration Studies which help identify priority areas) had increased to 46. A total of eight DTIS updates were approved in 2013. An additional nine Tier 2 projects were approved for implementation in 2013, increasing the number of Tier 2 projects to 21. Tier 2 projects are mainly sector-specific interventions stemming from DTIS activities (see page 106).

WTO members continue to underline the importance of the EIF for trade capacity building in LDCs. The LDC ministers at the WTO's Ministerial Conference in Bali reiterated their call for extending the EIF beyond 2015 and highlighted a number of elements to further strengthen the EIF process.

Bali Package: LDC-related decisions

Duty-free and quota-free market access

The Ninth Ministerial Conference mandates developed-country members that do not yet provide duty-free and quota-free

(DFQF) market access to LDCs for at least 97 per cent of their exports to seek to improve their existing DFQF coverage for such products, as agreed at the Ministerial Conference in Hong Kong in 2005.

The ministerial decision also mandates developing-country members, declaring themselves in a position to do so, to seek to provide DFQF market access for products originating from LDCs, or to improve their existing DFQF coverage for such products. In an effort to enhance transparency, ministers also decided that members must notify DFQF schemes for LDCs and any other relevant changes called for under the Transparency Mechanism for Preferential Trade Arrangements. The latter is a publicly available database of non-reciprocal preference schemes. It also instructs the General Council to report on the implementation of this decision to the next WTO Ministerial Conference.

WTO members have made significant progress towards the goal of providing DFQF market access since the decision at the Hong Kong Ministerial Conference. Nearly all developed-country members provide either full or nearly full DFQF market access and a number of developing-country members also grant a significant degree of DFQF market access to LDC products.

Preferential rules of origin

The Bali ministerial decision on preferential rules of origin for LDCs contains a set of multilateral guidelines – the first of its kind – designed to help LDCs better utilize the preferences accorded to them. Rules of origin that are as transparent, simple and objective as possible will make it easier to identify products as originating in LDCs and thus allow them to qualify for preferential treatment in importing countries. The decision recognizes that each country granting trade preferences to LDCs has its own method of determining rules of origin. It invites members to refer to the ministerial decision when they develop or build on their individual rules of origin arrangements applicable to LDCs.

The decision recognizes ways in which origin can be conferred and provides some illustrations of how it can be made easier to comply with preferential rules of origin. The guidelines also invite members to keep documentary requirements as transparent and simple as possible, as this could help to minimize costs of compliance for LDCs. The decision also enhances the transparency of preferential rules of origin for LDCs. The WTO's relevant body (the Committee on Rules of Origin) will review annually the developments in preferential rules of origin applicable to imports from LDCs, in accordance with these guidelines, and report to the General Council.

LDC services waiver

Ministers instructed the Council for Trade in Services to initiate a process aimed at promoting the expeditious operationalization of the LDC services waiver, adopted at the WTO's Eighth Ministerial Conference in 2011. WTO members will call a high-level meeting six months after the LDCs make their collective request identifying the sectors and modes of supply of export interest to them. At that meeting, developed and developing-



country members, in a position to do so, must indicate sectors and modes of supply where they intend to provide preferential treatment to LDC services and service suppliers. Members were also encouraged at any time to extend preferences to LDCs' services and service suppliers, consistent with the waiver decision.

The ministerial decision also underlines the importance of enhanced technical assistance and capacity building to help LDCs benefit from the waiver, including strengthening the domestic and export services capacity of LDCs. The decision aims to increase the participation of LDCs in world services trade.

Cotton

In Bali, ministers acknowledged the vital importance of cotton to a number of developing-country economies and particularly the LDCs among them. Based on a proposal that the Cotton 4 countries – Benin, Burkina Faso, Chad and Mali – submitted in October 2013, the ministerial decision focuses on both the trade and development aspects of the cotton issue. The decision reiterates WTO members' commitment to "on-going dialogue and engagement" to make progress in the trade-related negotiations on cotton according to the 2005 objectives agreed at the Hong Kong Ministerial Conference.

The decision also commits members to meet twice each year to study the latest information and to discuss recent developments on market access, domestic support and export subsidies for cotton, and tariff measures and non tariff measures applied to cotton exports, particularly from LDCs. These sessions will come under the agriculture negotiations. Ministers also reaffirmed the importance of the development assistance aspect of cotton and in particular highlighted the work of the Director-General's Consultative Framework Mechanism on Cotton in reviewing and tracking cotton-specific assistance as well as infrastructure support programmes or other assistance related to the cotton sector.



Small economies

The Committee on Trade and Development held two formal dedicated sessions on issues raised by small, vulnerable economies (SVEs) in the WTO. The Committee focussed on carrying out ministerial instructions to examine the impact of WTO rules on small economies and the trade-related constraints they face, and to analyse the effects of trade opening and non-tariff measures on small economies.

In 2013, a number of small economies requested the WTO Secretariat to continue the research (begun in 2012) into the effects of various non-tariff measures (NTMs, such as sanitary and phytosanitary regulations) on their main exports. This research resulted in a detailed background report, which was discussed at a workshop held under the Committee's auspices in October.

The workshop focused on work being conducted on NTMs by governments and intergovernmental organizations, such as the International Trade Centre (ITC) and the United Nations Conference on Trade and Development (UNCTAD) and on what developed countries were doing to assist small economies to meet more of the NTM requirements so as to increase their exports.

Bali decision

The WTO's Ninth Ministerial Conference decided to continue the work on small economies in dedicated session under the overall responsibility of the General Council. Activities would be focused on the work programme on small economies and, in particular, the challenges and opportunities experienced by small economies when linking into global value chains in trade in goods and services.



Background on small economies

The Committee on Trade and Development – in dedicated session – oversees work on small economies and monitors the progress of proposals from small, vulnerable economies in the various WTO bodies and Doha Round negotiating groups. Small economies are mainly but not exclusively small island states. They do not constitute a defined group in the WTO.

Aid for Trade

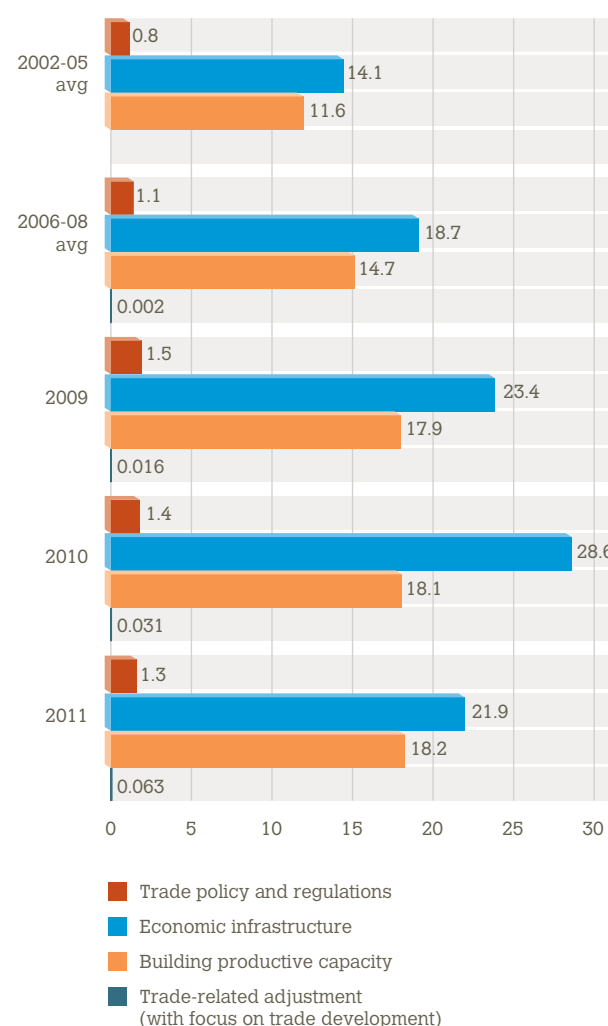
Aid for Trade continues to mobilize international resources. Although commitments slipped 14 per cent to US\$ 41.5 billion in 2011, according to the latest available figures, they are still 57 per cent above the 2002-05 baseline period. This increase continues to be “additional” – that is, new money and not funds switched from other aid commitments. The Fourth Global Review of Aid for Trade in July focused on “connecting to value chains”. In December, the WTO’s Ministerial Conference reiterated the mandate given to the Director-General to pursue actions in support of Aid for Trade.

Aid for Trade has evolved into a partnership in which global and regional partners are acting together with the private sector to overcome national and regional constraints to trade development. Figures 1 and 2 provide a breakdown of regional and category-specific Aid for Trade commitments. While efforts to date have been successful and significant progress has been made, mobilizing Aid for Trade financing is becoming more challenging given the uncertain global economic outlook and fiscal pressures in donor countries. Against this backdrop, the 2012 outlook points to a further modest overall decline in bilateral Aid for Trade commitments, which make up 60 per cent of total commitments.

The Committee on Trade and Development held three formal sessions on Aid for Trade in 2013 at which members discussed progress in the implementation of the 2012-13 work programme, and partners and organizations reported on their Aid for Trade work. The theme of the work programme was “deepening coherence”. It focused on five key areas: resource mobilization, mainstreaming of trade into development plans and programmes, regional trade integration, private sector development, and monitoring and evaluation of Aid for Trade.

A joint WTO and Organisation for Economic Co-operation and Development (OECD) workshop on the 2013 Aid for Trade monitoring and evaluation exercise was held in preparation for the Fourth Global Review in July. Results of the exercise were presented in a series of five sectoral reports covering agrifood, information and communication technologies (ICT), textiles and apparel, tourism, and transport and logistics. These reports were also synthesized into a joint OECD-WTO publication *Aid for Trade at a glance: connecting to value chains*.

Figure 1: Aid for Trade commitments by category US\$ billion (2011 constant)



Source: OECD/WTO publication *Aid for Trade at a Glance 2013: Connecting to Value Chains*

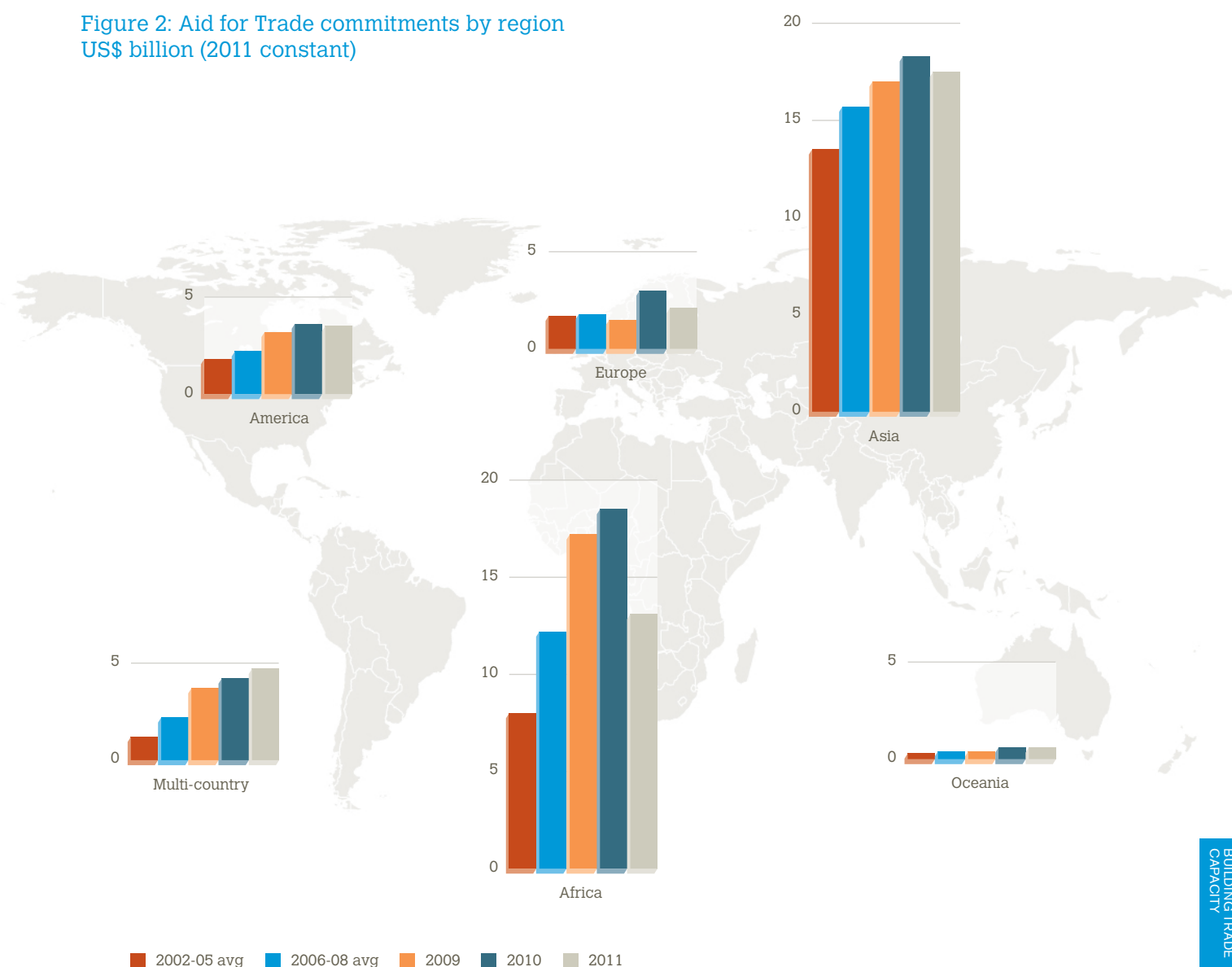


Background on Aid for Trade

The Aid for Trade initiative was launched at the WTO’s Sixth Ministerial Conference in Hong Kong in 2005. It aims to help developing countries, and particularly least-developed countries, enjoy the opportunities offered by the multilateral trading system. Aid for Trade assists them in developing the trade-related skills and infrastructure needed to implement and benefit from WTO agreements and to expand their trade.



Figure 2: Aid for Trade commitments by region
US\$ billion (2011 constant)



■ 2002-05 avg ■ 2006-08 avg ■ 2009 ■ 2010 ■ 2011

Source: OECD/WTO publication *Aid for Trade at a Glance 2013: Connecting to Value Chains*

Fourth Global Review

The Fourth Global Review of Aid for Trade focused on the theme "connecting to value chains". It provided an opportunity to examine Aid for Trade in the context of a global trading system increasingly characterized by national, regional and global supply chains. The global expansion of value chains, where one product may involve many companies in a number of countries, offers new opportunities for many developing countries (see page 104).

Ministerial support

The Global Review concluded with a call to ministers to recommit to the Aid for Trade initiative and to renew the Director-General's mandate to pursue actions in support of Aid for Trade. Ministers issued a statement to this effect at the WTO's Ninth Ministerial Conference in Bali in December. The WTO Secretariat, in consultation with WTO members and partner organizations, will develop a new work programme on Aid for Trade that provides a framework for activities covering the period 2014-15. The work programme will also consider Aid for Trade in the broader context of the post-2015 development agenda.

Fourth Global Review of Aid for Trade

The Fourth Global Review of Aid for Trade highlighted the opportunities global value chains can create for least-developed countries. The Review attracted a high-level of attendance, with debates informed by an OECD-WTO report monitoring the experiences of stakeholders.

The Fourth Global Review of Aid for Trade on “connecting to value chains” took place in Geneva on 8-10 July. Over 15 ministers from developing countries, 17 heads of international agencies and regional organizations, representatives of 15 private sector companies and an array of trade diplomats, experts and academics debated how Aid for Trade can help developing countries enter and move up value chains.

The global expansion of value chains, where the various steps involved in producing goods can involve various companies in different countries, offers new opportunities for developing countries. To join an international production chain, it can be enough for a company to be good at one aspect of the production process – often referred to as a “task” in trade

literature. By learning to complete other “tasks”, it can develop and move up the value chain. Value chains are no longer just North-South in character – that is, between developed and developing countries. They now also involve increasingly complex regional and South-South trade interactions and are extending beyond goods into services.

For example, Samoa produces automotive wire harnesses, which are a crucial part of the electronic nervous system of cars and trucks produced in Japan. Senegal is becoming a hub for Indian car assembly. Ford has added production facilities in Brazil, India and Viet Nam to the factory in Detroit that built the model T. Products are made in the world, no longer in country X or Y.





However, many developing countries, and in particular least-developed countries (LDCs), remain on the margins of global trade, attract limited foreign or domestic investment, and are locked into supplying a narrow range of goods or services. They face significant barriers, such as transportation costs and related infrastructure, limited access to trade finance and a challenging regulatory and business environment.

The Global Review, which for the first time was also extended to the private sector, focused on three core issues: the relationship between value chains, trade and the post-2015 development agenda; how Aid for Trade can support developing countries connect to value chains — and associated challenges and development benefits; and the future perspectives for the Aid for Trade initiative.

OECD-WTO report

The Global Review attracted 1,400 delegates to its 54 plenary sessions and side events, which ranged from cases studies of Africa successfully competing in global markets to examples of public-private partnerships in the context of value chains and issues about food security.



Underpinning the debates was an extensive preparatory monitoring exercise carried out by the Organisation for Economic Co-operation and Development (OECD) and the WTO, together with Grow Africa, a public-private partnership, the International Chamber of Commerce, the International Trade Centre, the International Telecommunications Union and the World Tourism Organization.

The OECD/WTO-led report demonstrated that stakeholders remain actively engaged in Aid for Trade. This was illustrated by the 132 self-assessments from 80 developing countries (including 36 least developed), 28 bilateral donors, 15 multilateral donors, and nine providers of South-South cooperation. Moreover, 524 supplier firms in developing countries provided their views on the barriers they face in linking to value chains, while responses from 173 leading firms (mostly, but not exclusively in OECD countries) highlighted the obstacles they encounter in integrating developing country firms in their value chains.

The report showed that the Aid for Trade initiative is delivering tangible results in improving trade performance and bettering people's lives, notably those of women in developing countries. However, more needs to be done to engage with the private sector, improve the business environment, upgrade labour skills, create the conditions for regional projects, target aid to achieve trade and development results and use aid to mobilize productive investment.

Closing the Global Review, then Director-General Pascal Lamy said: "It has not just been three days of numbers and reports and analysis but it has been three days of experiences. By any metric, we achieved the objectives we set ourselves over the past three days. And all with one aim in mind: making trade work for development."

Enhanced Integrated Framework

The Enhanced Integrated Framework (EIF) continued to grow in 2013. High-level participation and interest in the EIF increased, as did the number of active projects in EIF countries. Forty-six countries are receiving assistance, up from 40 at the end of 2011, to build stronger trade institutions and to address trading challenges. The EIF is supported by donor pledges of USD 251 million and contributions of approximately USD 190 million (up from USD 178 million in 2012) as of 31 December 2013.

The EIF, an Aid for Trade “partnership in action” programme for least-developed countries (LDCs), helps the poorest countries integrate into the global trading system. Its role is to strengthen trade institutions and foundations and roll out priority projects which add value to agriculture and trade facilitation and promote exports and capacity-building. The EIF operates within the framework of the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action, which monitor how donors and recipients are doing against their commitments.

Following the positive results of an independent mid-term review of the EIF in 2012, the current phase of the programme was extended two years to end-2015, with an additional operational period until end-2017. In 2013, the EIF focused on areas identified in the mid-term review. LDC participation in this process is crucial to ensure results that contribute to changing lives within poor LDC communities. In 2014, the EIF will undergo a comprehensive evaluation that will allow the partnership to decide the future and shape of the programme after 2015.



Background on the Enhanced Integrated Framework

The Enhanced Integrated Framework (EIF) for trade-related assistance to least-developed countries (LDCs) is a multi-donor programme that helps LDCs become more active players in the multilateral trading system. The EIF combines the efforts of LDCs with those of 23 donors and six core international partner agencies, including the International Monetary Fund, the International Trade Centre, the United Nations Conference on Trade and Development (UNCTAD), the United Nations Development Programme (UNDP), the World Bank and the WTO. Other development partners, such as the United Nations Industrial Development Organization (UNIDO) and the World Tourism Organization, act as observers.

Rise in projects

The programme provides funding to countries through “Tier 1” and “Tier 2” funds. Prior to receiving Tier 1 funds, recently admitted countries can also access funds for projects which lay the groundwork for EIF implementation. Tier 1 projects, comprising institutional capacity-building support and diagnostic trade integration studies (DTIS), help countries identify and address constraints to trade, economic growth and sustainable development. DTISs provide a basis for action by governments, civil society, the private sector and development partner stakeholders. Tier 2 projects build supply-side capacity to trade and provide finance for activities identified as priorities in the first phase.

In 2013, the total number of approved Tier 1 projects increased to 46, from 29 at the end of 2010. These included 36 projects providing multi-year support for plans to mainstream trade and coordinate priority activities as well as 10 DTIS and pre-DTIS projects. Eight DTIS updates were approved in 2013. An additional nine Tier 2 projects were approved for implementation in 2013, increasing the number of Tier 2 projects to 21, from one at the end of 2011. There are over 24 further Tier 2 projects in the pipeline.

Tier 2 projects approved in 2013 included promoting the gum Arabic sector in Chad, improving logistics infrastructure and services at the Banjul International Airport in The Gambia, commercialization of mango and mango products in Guinea, strengthening infrastructure and access to information in Laos, supporting customs modernization in Maldives, supporting the medicinal and aromatic plants sector in Nepal, promoting export growth and the market diversification of Chyangra Pashmina products in Nepal, improving the competitiveness of the hides and skins value chain in Niger, and enhancing sustainable entrepreneurship in the apiculture sector in Zambia.

Monitoring, evaluation and capacity building

Thirty-six EIF countries implementing Tier 1 projects are applying results-based management through the use of monitoring and evaluation (M&E) frameworks. Building on this, capacity-building programmes to support M&E, results reporting and communications were rolled out in 2013 in Zambia for 11 African EIF countries (The Gambia, Liberia, Lesotho, Malawi, Rwanda, Sierra Leone, South Sudan, Sudan, Tanzania, Uganda and





In Lao PDR, the EIF is implementing projects to develop sustainable silk production supported by the Government of Japan and the Trade Development Facility.

Zambia) and Yemen, with Cambodia participating as part of the global experience-sharing initiative. Communication training was provided for EIF stakeholders in Burkina Faso at the end of 2013.

Partnership growing and new contributions

In April 2013, Myanmar joined the EIF, bringing the total number of EIF countries to 49. Apart from Cabo Verde, Maldives and Samoa, all are LDCs.

Dr Ratnakar Adhikari of Nepal took over as EIF Executive Director in October 2013 from Ms Dorothy Tembo of Zambia, who had completed her five-year term. In December, the EIF Board accepted the World Tourism Organization (UNWTO) as a new observer agency.

At the international level

On the first day of the Fourth Global Review of Aid for Trade, held in Geneva on 8-11 July 2013, the WTO Director-General hosted an EIF heads of agency meeting, at which the heads pledged their recommitment to help the world's poorest communities to get more from global trading networks as the international community moves to a post-2015 development agenda. The EIF co-hosted a roundtable on "Growth and poverty reduction through transformation and global integration" with the Government of Cabo Verde, and co-organized another event with the World Intellectual Property Organization, "Making money out of music: the Cabo Verde experience".

At the fourth annual meeting of the EIF Steering Committee, the revamped EIF website (www.enhancedif.org) was launched. A film, "Trading stories", was screened, and prizes were given to Benin, Cabo Verde, The Gambia and Senegal, the winners of the EIF LDC Photo Competition.

The EIF was mentioned as an important Aid for Trade and technical assistance coordination mechanism for LDCs in three decisions adopted by the WTO's Ninth Ministerial Conference (see page 10), namely cotton, operationalization of the waiver concerning preferential treatment for services and service suppliers of LDCs, and the Trade Facilitation Agreement. At a ministerial breakfast meeting, organized by the EIF on 4 December 2013 on the sidelines of the Conference, ministers of LDCs and donor countries to the EIF underlined the relevance of the EIF for trade and the economic priorities of LDCs, as confirmed by the 2012 mid-term review. Ministers discussed with leaders and representatives of EIF partner agencies, such as the International Trade Centre, the United Nations Conference on Trade and Development (UNCTAD), the WTO and the World Bank, the achievements of the EIF and the challenges it faces post-Bali and within the post-2015 debate on sustainable development.

Ministers from Burundi, Laos and Liberia highlighted the results achieved by their countries by using the EIF platform for resource mobilization, donor coordination, trade and private sector development, and the integration of trade into national development policies to foster public and private sector dialogue. The EIF welcomed Sweden's pledge of USD 3 million to its Trust Fund. This brings Sweden's contributions to over USD 14 million since the 2007 EIF pledging conference in Stockholm. Denmark, the European Union, Finland and the United States also expressed their continued support for the EIF programme.

Standards and Trade Development Facility

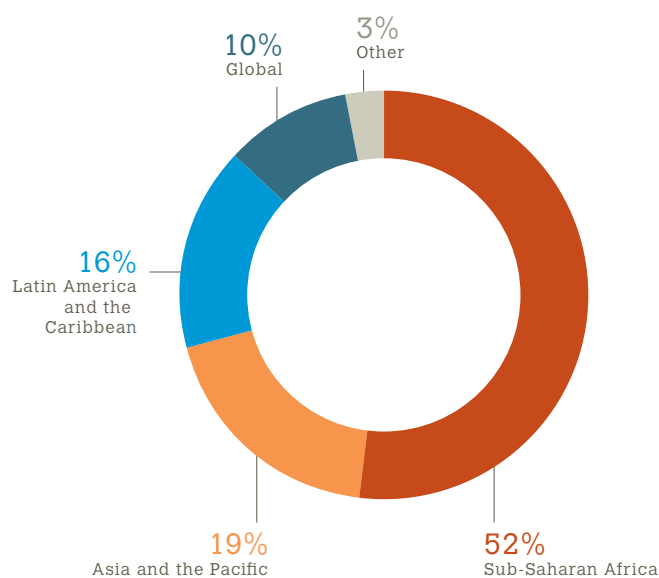
The Standards and Trade Development Facility (STDF) – the Aid for Trade vehicle to help developing countries implement sanitary and phytosanitary (SPS) standards – continued to raise awareness, mobilize resources, strengthen collaboration and identify and disseminate good practice to enhance the effectiveness of SPS-related technical cooperation. It also provided support and funding for the development and implementation of projects that promote compliance with international SPS requirements. An independent review of the STDF reported that “the results are impressive and a testament to the effective operation of the STDF”.

In 2013, the STDF initiated research work in selected countries and sub-regions in Africa, Asia and Latin America to analyse the implementation of SPS measures in the context of trade facilitation (including Annex C of the WTO SPS Agreement). The aim is to identify, analyse and foster dialogue on experiences, lessons and good practices to improve the implementation of SPS controls in a way that facilitates safe trade while minimizing trade transaction costs. The work is carried out in collaboration with the Inter-American Development Bank, TradeMark Southern Africa and the Common Market for East and Southern Africa (COMESA). Preliminary results of this work will be presented on the margins of the WTO SPS Committee meeting in March 2014.

On 24-25 June 2013, the STDF organized a workshop on the use of the Multi Criteria Decision Analysis (MCDA) tool, which helps developing countries prioritize options to strengthen SPS capacity for market access. The objective was to take stock of experiences and lessons learned in the application of the tool and identify recommendations for future work, including revising the existing MCDA user guide and making it more user-friendly through the incorporation of country case studies and examples. Other recommendations include promoting greater use of the MCDA tool as part of national/regional planning and priority-setting processes, and monitoring and evaluating the on-going use of the tool to learn from and disseminate lessons. This work will commence in 2014.

On the margins of the WTO SPS Committee meeting in June 2013, the STDF, in conjunction with the International Plant Protection Convention (IPPC) and the World Organization for Animal Health (OIE), presented the final STDF study on international trade and invasive alien species (IAS). The study reviews and analyses key concepts and principles relevant to IAS and international trade, taking account of the SPS Agreement, the Convention on Biological Diversity and the two relevant standard-setting organizations, the IPPC and the OIE. It also considers various initiatives to enhance capacities for managing the entry and spread of IAS (including plant pests and animal diseases), reviews common challenges and good practices, and makes a number of targeted recommendations.

Figure 3: Location of STDF projects and project preparation grants (number)



Background on the Standards and Trade Development Facility

The STDF is a global partnership that supports developing countries in building their capacity to implement international sanitary and phytosanitary (SPS) standards, guidelines and recommendations as a means to improve human, animal and plant health and the ability to gain and maintain access to markets. This work contributes to sustainable economic growth, poverty reduction, food security and environmental protection in developing countries. Established by the UN Food and Agriculture Organization (FAO), the World Organization for Animal Health (OIE), the World Bank, the World Health Organization and the WTO, the STDF is financed by voluntary contributions. The WTO provides the Secretariat.



Fourth Global Review of Aid for Trade

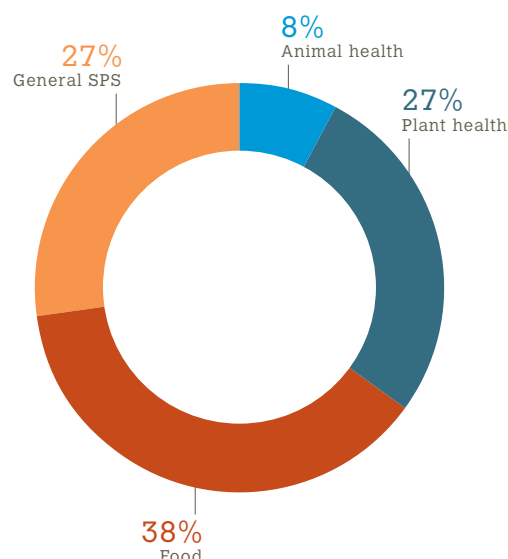
At the Fourth Global Review of Aid for Trade, held at the WTO from 8-10 July 2013 (see page 104), the STDF, in collaboration with Canada and the Netherlands, held a side event on public-private partnerships (PPPs) in value chains. Work undertaken by the North-South Institute (NSI) of Canada and by the STDF on trade- and SPS-related PPPs was presented and fostered a dialogue among public and private sector experts on key lessons learned in this area. Participants stressed the importance of building trust among partners in order to ensure that high levels of SPS requirements do not become hidden trade barriers. Ensuring permanent dialogue among partners and measuring and communicating the results and achievements regularly are also important elements.

The STDF actively participated in a series of conferences, training workshops and other information sessions and meetings at international, regional and national levels, and reported to the WTO SPS Committee on its activities and operations. The STDF continued to collaborate closely with other Aid for Trade initiatives, including the Enhanced Integrated Framework (see page 106).

Project grants

Eight project preparation grants (PPGs) and four projects were approved in 2013, bringing the total number of PPGs and projects funded by the STDF to 60 and 66, respectively. Of the total number of grants, 52 per cent have been awarded to sub-Saharan Africa, 19 per cent to Asia and the Pacific and 16 per cent to Latin America and the Caribbean. In addition, 10 per cent of projects and PPGs can be classified as global (see Figure 3). On a thematic basis, 38 per cent of projects and PPGs were dedicated to food safety issues, 27 per cent to plant health and 8 per cent to animal health while 27 per cent could be classified as SPS general (see Figure 4). Overall, the STDF has devoted over 50 per cent of project resources to least-developed and other low-income countries.

Figure 4: Coverage of STDF projects and project preparation grants (number)



Independent review

During the second half of 2013, the STDF was the subject of an independent review to assess progress in the implementation of its current five-year medium-term strategy (2012-16). The review, which covered the period 2009-13, reported that "the results are impressive and a testament to the effective operation of the STDF". Its role in coordinating assistance projects was also praised as "significant value added" and the performance of the STDF Secretariat was rated as "efficient and cost effective". STDF projects were considered to be "highly relevant to the needs of the beneficiaries and to the policies of partners and donors". The STDF has "successfully established itself as a coordination forum for the exchange of information and dissemination of best practice in relation to SPS standards". Recommendations on how to further strengthen the operation of the Facility, including by adding more staff to strengthen its operation and further enhancing its coordination function, will be discussed by members in early 2014.

Technical cooperation and training

The Institute for Training and Technical Cooperation (ITTC) strengthened the content and quality of WTO technical assistance programmes and reinforced key aspects by providing, for example, stronger results management and implementing a progressive learning strategy. The WTO undertook 281 technical assistance activities in 2013. Although the total was down on 2012, the number of participants rose due to the growing use of e-learning tools, with an increasing focus on least-developed countries (LDCs) and Africa.

The new two-year technical assistance plan for 2014-15, adopted by the Committee on Trade and Development in October 2013, incorporates a results-based management approach, integrating strategy, resources, processes and measurements. The approach was adopted by the WTO Secretariat to improve planning, decision-making, transparency and accountability. Over the next two years, the ITTC will implement, monitor, evaluate and report on the key results enshrined in the plan.

The ITTC has continued putting into practice the progressive learning strategy. A comprehensive package comprising guidelines and benchmarks has been developed to support the standardization of the content, the teaching methodology and evaluation of all the technical assistance activities delivered by the WTO. Clear prerequisites are established for participants, which will assist in the selection of applicants, ensure a coherent group of trainees and a progressive learning path.

The WTO has continued to involve international and regional partners in the delivery of trade-related technical assistance to ensure that a regional or specific perspective is included in the training. Apart from the training courses, the partnership approach has been extended to the Academic Support Programme (see page 133) and outreach activities.

Technical assistance activities

The WTO's training activities covered virtually all trade and WTO-related subjects, from general courses on the WTO and multilateral trade agreements to the more specialized courses on agriculture, non-agriculture market access, sanitary and phytosanitary measures, intellectual property and many other topics. As a lead provider of trade-related capacity building, the WTO worked in partnership with other international and regional organizations to help WTO members actively participate in the rules-based multilateral trading system, deal with the emerging challenges and implement their rights and obligations. In line with the needs-based approach, nearly 40 per cent of activities were delivered at the national level in those member countries where a specific need was identified.

The WTO continued providing subject-specific regional seminars, reinforcing the coordinating role of ITTC regional desks. This approach facilitated the WTO Secretariat's interaction with beneficiaries and regional partners. Twenty-three per cent of technical assistance activities benefited African countries, 15 per cent Asia and 10 per cent each Latin America and Central and Eastern Europe (see Table 1).

Activities under the "global" category are not targeted at a specific region but include, for example, the Geneva-based courses.

There has been a gradual, but marginal, decrease in the overall number of technical training activities conducted by the WTO Secretariat, mainly because of increased use of e-training and better filtering of requests to ensure consistency with assessed needs.

LDCs benefited from approximately 49 per cent of all technical assistance activities, including national activities held in LDCs and regional and global activities in which LDCs were invited to participate. This compares with 41 per cent in 2012. Several products have been specifically created for LDCs, or have LDCs as a priority. Examples are the three-week introduction training for LDCs and the advanced LDCs course.



Background on technical cooperation

The Institute for Training and Technical Cooperation coordinates the WTO's technical assistance programmes. Its activities ("products") include e-learning, global and regional training courses, academic programmes and workshops at national and regional level. The technical assistance programmes help WTO members better understand their rights and obligations in the multilateral trading system. This strengthens countries' capacity to benefit from participation in the system.



Table 1: Technical assistance activities by region, 2013¹

Region	National technical assistance		Regional		Global ²		Other (Conference, etc.)		Total	
Africa	40	37%	16	30%	0	0%	10	28%	66	23%
Arab and Middle East	5	5%	6	11%	0	0%	3	8%	14	5%
Asia and the Pacific	25	23%	13	24%	0	0%	4	11%	42	15%
Central and Eastern Europe and Central Asia	15	14%	9	17%	0	0%	4	11%	28	10%
Caribbean	3	3%	4	7%	0	0%	0	0%	7	2%
Latin America	19	18%	6	11%	0	0%	4	11%	29	10%
Global	0	0%	0	0%	84	100%	11	31%	95	34%
Total	107	100%	54	100%	84	100%	36	100%	281	100%

¹ Totals may not add up to 100% due to rounding.

² Activities under the "global" category are not targeted at a specific region but include activities such as Geneva-based courses, distance learning, internship programmes and the advisory role on legal issues.

Technical assistance beneficiaries

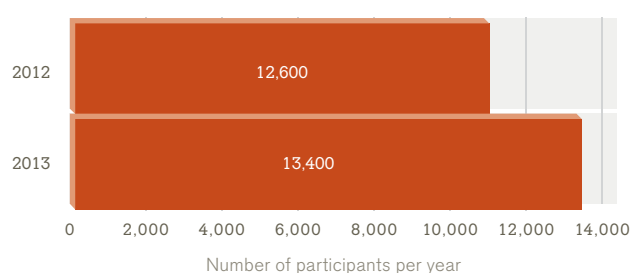
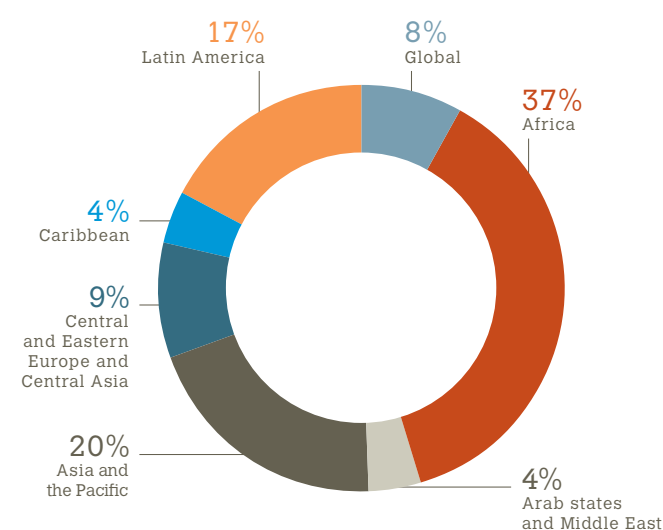
The number of technical assistance participants has continued to rise over the years to reach more than 13,000 beneficiaries in 2013. This figure is 6.4 per cent up on the previous year (see Figure 5). This was made possible by the growing and more effective use of e-learning resources made available by the WTO online <https://etraining.wto.org> at no cost.

The diversity of e-training courses offered can meet any requirements, with more than 20 certificate courses available on various general or specialist subjects in the three WTO languages (English, French and Spanish). In addition, a new course, "My course", is available to guide participants in identifying gaps in their knowledge and to select the appropriate training material.

Africa provided 37 per cent of the participants on technical assistance courses, followed by Asia and the Pacific with 20 per cent and Latin America with 17 per cent (see Figure 6). The number of beneficiaries from LDCs rose to represent 35 per cent of the total number of participants, showing that the technical assistance plans are delivering on their goal of focusing more strongly on LDCs and Africa.

However, more effort will be needed to encourage higher female participation, with women making up only 45 per cent of course participants in 2013. The breakdown by language of the courses shows a preference for English-taught training, with roughly 60 per cent of participants completing the training in English. French and Spanish-language participants made up 21 and 17 per cent, respectively, in addition to some multi-lingual activities.

In 2013, the number of participants from WTO acceding countries completing training was nearly twice that of 2012. Overall they accounted for some 13 per cent of the total number of participants.

Figure 5: Technical assistance participants per year, 2012-2013**Figure 6: Participants by region, 2013***

*The total may not add up to 100% due to rounding. Activities under the "global" category are not targeted at a specific region but include activities such as Geneva-based courses, distance learning, internship programmes and the advisory role on legal issues.

WTO reference centres

In 2013, eight new WTO reference centres were established or upgraded, six in Africa and two in the Asia and Pacific region. Reference centres, located primarily in LDCs, are open to government officials, business representatives, academics and the general public to access WTO-related information. They are equipped with IT equipment, books, CDs, DVDs and any relevant WTO-related documents. The reference centres have full access to WTO databases, publications and training material. The new or upgraded centres were located in Botswana, Burkina Faso, Ethiopia (two), Gabon, Madagascar, Myanmar and Vanuatu.

The programme has evolved considerably since its launch in 1997. It has been refined to ensure that it responds adequately to the needs of LDCs and countries without a resident mission in Geneva. The centres enable these countries to follow WTO developments. In addition, they serve as an effective means of undertaking WTO e-learning activities.

Reference centres are established within a government, i.e. ministry, at an academic institution or within business organizations – for example, a chamber of commerce. They can also be established in regional/sub-regional organizations to improve their collaboration with WTO member states and other agencies.

Each centre has a manager, who is responsible for its daily operation. The WTO Secretariat trains the managers in the technical knowledge and skills they require. These training events are organized both in Geneva and in the field. The reference centres make it easier for all countries to take part in WTO discussions and decision-making. There are currently more than 100 such centres operational worldwide.

Internships

WTO internship programmes offer government officials hands-on experience of WTO issues, enabling them to contribute more fully to the economic and social development of their countries. The Netherlands trainee programme (NTP), the mission internship, the regional coordinator internship and the accession internship give priority to applicants from Africa and LDCs, small and vulnerable economies and countries in the process of acceding to the WTO.

In 2013, 46 officials completed one of the WTO internship programmes, the majority of them being from Africa and Asia and Pacific regions. Of all the interns, 22 completed the mission internship programme, 15 the NTP, seven the regional coordinator internship, and two the accession internship.

Financing technical assistance

One of the continuing challenges for the trade-related technical assistance programme is to ensure timely and adequate levels of funding. About 80 per cent of the assistance programme is financed from the Doha Development Agenda Global Trust Fund, which is a voluntary funding window provided by WTO members (see Table 2).

A total of CHF 24.6 million was made available as of 30 November 2013, which is similar to the funds available in 2012, but nearly 1.5 million less than in 2011. Of the total funds available in 2013, CHF 13.6 million was contributed during the year, up from CHF 12.1 million in 2012. Fifteen members contributed to the Global Trust Fund in 2013, one more than the previous year. It is worth noting that the timing of contributions has become less predictable in recent years. To some extent, this may be influenced by more restrictive domestic policies and rules for making these types of contributions given the economic context in which most governments are now operating.



The Regional Trade Policy Course for French-speaking African countries, organized in partnership with the Université de La Manouba, Tunis, took place in May 2013.



Table 2: Doha Development Agenda Global Trust Fund (DDAGTF)

Contributions and pledges			Monthly financial report – December 2013		
Donor (CHF)	2009	2010	2011	2012	2013
Australia	1,525,650	1,952,400	1,803,600		2,689,900
Austria	302,480	285,640	258,600	240,200	243,600
Canada	456,121		944,276	1,362,298	
China	211,000	200,300			
Chinese Taipei			184,200		181,400
Czech Republic			23,746		
Denmark	616,746	180,019	331,230	321,903	491,063
Estonia	49,425	28,932	26,209	23,199	24,160
European Union	1,518,550	1,574,550	1,187,500	1,024,050	1,232,000
Finland	1,534,000	1,364,000	1,228,000		
France	2,250,500	655,500	611,000	600,500	617,000
Germany	1,509,500	1,438,500	1,237,500	1,198,000	1,233,000
Ireland	1,357,200	409,200			
Japan	474,637	395,604	395,604	395,604	368,744
Korea, Republic of	357,000	344,400	322,350	334,950	313,600
Liechtenstein	40,000	40,000	40,000	40,000	40,000
Luxembourg	754,000				
New Zealand		158,000			
Netherlands	1,472,990	1,472,990	1,472,990		
Norway	1,710,279	1,784,440	1,593,626	2,438,905	2,287,108
Spain	533,750	467,950	400,050		
Switzerland				800,000	800,000
Sweden	2,026,384	2,353,920	2,074,322	2,386,480	2,245,600
United States	1,026,109	1,002,654	940,580	940,535	851,885
Total contributions received	19,726,321	16,108,999	15,075,383	12,106,624	13,619,060
Total contributions including pledges	19,726,321	16,108,999	15,075,383	12,106,624	13,619,060
Total number of donors	20	19	19	14	15