Supporting development and building trade capacity

- At the Tenth Ministerial Conference, ministers extended a waiver granting preferential treatment to service suppliers from least-developed countries (LDCs). They also took a decision on "rules of origin" to make it easier for LDC exports to qualify for preferential market access.

- The Sustainable Development Goals (SDGs), launched by the United Nations in September 2015, place significant emphasis on the role that trade can play in boosting growth, tackling poverty and promoting sustainable development. Through its decision to abolish agricultural export subsidies, taken at the Tenth Ministerial Conference in December, the WTO is already fulfilling a key target of the second SDG.

- The Fifth Global Review of Aid for Trade, which took place at the WTO in July 2015, brought together over 1,500 delegates to discuss ways of reducing trade costs so that developing countries can participate more fully in the multilateral trading system. It also saw the launch of phase two of the Enhanced Integrated Framework, which provides essential practical support to LDCs.

- The WTO organized 321 technical assistance activities in 2015 to help improve understanding of WTO agreements and multilateral trade. Some 14,900 participants benefited from these activities, up from 14,700 in 2014.

Background on supporting development and 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

In the Committee on Trade and Development, key themes were duty-free and quota-free (DFQF) market access for least-developed countries (LDCs) and the participation of developing countries in the multilateral trading system. The Tenth Ministerial Conference in Nairobi reaffirmed ministers' commitment to addressing the "marginalization" of LDCs in international trade. Ministers also took decisions of specific benefit to LDCs, including enhanced preferential rules of origin and preferential treatment for LDC services providers. The Committee agreed that the WTO Secretariat should update its report on the implementation of special and differential treatment provisions in WTO agreements and decisions.

In 2015 the Committee on Trade and Development continued its consideration of duty-free and quota-free (DFQF) market access for least-developed countries (LDCs) and held its annual review of steps taken by members to provide such access. It was aided by a report prepared by the WTO Secretariat, which showed that nearly all developed countries provide either full or significant DFQF market access to LDC products. It recommended that members introducing or improving DFQF market access for LDCs provide detailed information to the WTO in order to enhance transparency. In addition, a special meeting of the Committee was convened to discuss DFQF-related issues.

A number of proposals were considered in the context of the mandate from the WTO's Eighth Ministerial Conference in 2011 for the Committee to undertake focused work on the link between trade and development. The Committee agreed to a proposal from Ecuador for the WTO Secretariat to periodically update its information on the implementation of special and differential treatment (S&D) provisions in WTO agreements and decisions. Such provisions range from increasing trade opportunities for developing countries and LDCs to granting longer transition periods for the implementation of WTO agreements and providing technical assistance.

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 Committee held two dedicated sessions on the monitoring mechanism on special and differential treatment. The mechanism, agreed at the Ninth Ministerial Conference in Bali in 2013, acts as a focal point within the WTO to analyse and review the implementation of S&D in WTO agreements and decisions. In a session dedicated to preferential trade arrangements (PTAs), members considered Chile's DFQF market access scheme for LDCs. The scheme, notified to the Committee in 2014, sets customs duties at zero per cent for imports of goods originating from LDCs, excluding imports of wheat, wheat flour and sugar.

The WTO Secretariat issued a report as part of the Committee's continuous review of the participation of developing countries in the multilateral trading system. It showed that developing economies' merchandise trade grew faster than world trade in both 2013 and 2014. South-South (developing country-developing country) trade expanded to represent an ever increasing share of developing economies' exports (53.9 per cent in 2014). Between 2012 and 2014, the share rose by six percentage points, recording stronger growth than trade with developed economies.

In addition, the Committee received a report on the 49th 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.

Notifications on market access

In 2015 the Committee received notifications, under the Enabling Clause (see page 86), concerning the generalized system of preferences (GSP) schemes of the European Union and Japan. GSP schemes allow developed countries to grant preferential tariffs to imports from developing countries. In addition, Thailand notified to the Committee its DFQF

Trade and development
www.wto.org/development

market access scheme for LDCs, while India provided updated information on its duty-free tariff preference scheme for LDCs. With regard to regional trade agreements, notifications under the Enabling Clause were made concerning the agreement between Singapore and the Gulf Cooperation Council and the agreement between Mauritius and Pakistan.

Technical cooperation and training

The Committee took note of the 2014 annual report on technical assistance and training. The WTO Secretariat undertook 273 technical assistance activities in 2014, both in Geneva and in various WTO member and observer countries. Overall, close to 14,700 participants were trained during the year, an increase of 7 per cent compared with 2013. Participation in face-to-face activities was lower, but this reduction was more than compensated for by the growth in online courses, which for the first time accounted for more than 50 per cent of the participants (see page 134).

The Committee adopted the biennial technical assistance and training plan for 2016 and 2017, which defines the priorities for the WTO Secretariat. The plan anticipates that the WTO will maintain approximately the same level of activity as over the previous three years. At the same time, the Secretariat will strive to identify ways of improving cost efficiency and will focus on quality as opposed to quantity to achieve the desired results. Information on an external evaluation of the WTO's technical assistance activities, to be performed in 2016, was provided to the Committee.

Ministerial declaration

At the Nairobi Ministerial Conference in December 2015, ministers declared that they strongly commit to addressing the "marginalization" of LDCs in international trade and to improving their effective participation in the multilateral trading system. They said that they would ensure that all issues of specific interest to LDCs be pursued on a priority basis, "with a view to strengthening them, making them commercially meaningful and, when appropriate, legally binding". Ministers also adopted specific decisions on enhanced preferential rules of origin for LDCs and preferential rules for LDC services providers (see below).

Sustainable Development Goals

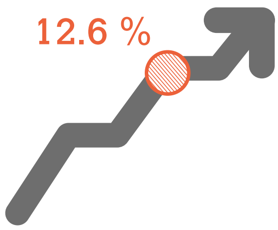
In September 2015 the United Nations approved a set of sustainable development goals (SDGs) – part of the 2030 UN Agenda for Sustainable Development – to mobilize action over the next 15 years towards ending poverty and hunger, protecting the world from environmental degradation and fostering prosperous, peaceful, just and inclusive societies. The SDGs follow on from the Millennium Development Goals (MDGs), a set of eight goals that UN members agreed to achieve by 2015.

The integration of developing countries into regional and global markets is a central theme in the SDGs. To help achieve this, the SDGs put significant emphasis on the role that trade can play in specific SDG goals on boosting growth, tackling poverty and promoting sustainable development. For example, SDG 17 – on strengthening the global partnership for sustainable development – contains a separate section on trade, including a commitment to promoting a "universal, rules-based, open, non-discriminatory and equitable multilateral trading system" under the WTO.

Trade and development
www.wto.org/development

Least-developed countries

The review of market access for least-developed countries (LDCs) was a central feature of the work of the Sub-Committee on LDCs in 2015. The Sub-Committee monitored WTO technical assistance and training for LDCs and the activities of the Enhanced Integrated Framework (EIF). It also reviewed progress in the accessions of LDCs. As part of the WTO's 20th anniversary commemoration, a special event was organized on least-developed countries. The Tenth Ministerial Conference in Nairobi took three important decisions for LDCs: on preferential rules of origin, on preferential treatment for LDC services providers, and on cotton.



12.6%

Since 1995, LDC exports of goods and services have grown by an annual average of 12.6 per cent.

Market access for LDCs

Market access for least-developed countries featured prominently in the three meetings of the Sub-Committee on LDCs in 2015. The WTO Secretariat's annual report on LDC trade and market access focused on developments since the establishment of the WTO.

Since 1995, LDC exports of goods and services have grown by an annual average of 12.6 per cent, higher than the 11.3 per cent growth for developing economies overall. However, the participation of LDCs in global trade remains low, at 1.23 per cent of world trade in 2013. Trade between developing countries has become more important, with the share of LDC exports to developing countries increasing from 30 per cent in 1995 to 57 per cent in 2014. The study also showed that export concentration continues to be a characteristic of LDC trade, with merchandise exports depending on a few primary commodities and services exports on tourism.

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.

The LDCs recognized the progress made but also expressed concern about their low percentage share of world exports and the dependence of LDCs' export revenues on the price of oil. The LDCs underlined the importance of efforts by WTO members to bring into operation the LDC services waiver, which allows members to accord preferential treatment to services suppliers from LDCs (see below and page 74).

WTO members considered the notification of the duty-free, quota-free (DFQF) scheme by Thailand, the sixth developing country to notify such a scheme in favour of LDCs. Thailand's DFQF scheme came into force in April 2015 and provides LDCs with DFQF market access on 73 per cent of Thailand's tariff lines.

Technical assistance and capacity building

The Sub-Committee monitored 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 128).

LDCs continue to receive priority in the delivery of WTO trade-related technical assistance and have benefited from 48 per cent of such activities in recent years. A number of technical assistance products are specifically geared to LDCs, such as three-week introduction courses for LDCs, advanced thematic courses, and various internship programmes at the WTO and LDC missions (see page 134).

At two meetings of the Sub-Committee, the EIF Secretariat provided updates on the EIF's work. Phase two of the EIF officially started on 1 January 2016 (see page 128) and will run until the end of 2022. The EIF is a unique global partnership dedicated to mobilizing trade for LDC development. The LDCs highlighted EIF success stories and encouraged development partners to support phase two. They also underlined that national trade priorities should drive the activities of the EIF.

Accession of LDCs to the WTO

The WTO Secretariat briefed members on key WTO accession activities and on the state of play in the eight accession working parties involving LDCs (Afghanistan, Bhutan, Comoros, Equatorial Guinea, Ethiopia, Liberia, Sudan

Least-developed countries
www.wto.org/ldcs

and Sao Tomé and Principe). The LDCs called for a swift conclusion of ongoing LDC accessions and suggested a review of the results of accessions vis-à-vis the strengthened LDC accession guidelines adopted in 2012. At the Nairobi Ministerial Conference in December 2015, ministers approved the accessions of both Afghanistan and Liberia, bringing the number of LDC accessions since 1995 to nine (see pages 25-6).

LDC group retreat

The LDCs reported on a retreat of the LDC group held in February 2015, with the participation of Director-General Roberto Azevêdo. At the retreat, LDCs discussed various issues, including how to build on decisions taken at the Ninth Ministerial Conference in Bali 2013. These decisions included a call to developed countries to improve their DFQF coverage as well as an invitation to those developing countries ready to do so to provide DFQF market access to LDC products.

Following a proposal by the LDCs, WTO members agreed that the Secretariat would prepare a factual compilation of the progress made in the implementation of ministerial declarations and decisions in favour of LDCs.

WTO 20th anniversary event on LDCs

As part of the commemoration of the WTO's 20th anniversary, the WTO Secretariat organized on 12 October 2015 an event entitled "Twenty Years of Supporting the Integration of Least Developed Countries into the Multilateral Trading System". The event was opened by DG Azevêdo and the Secretary General of the United Nations Conference on Trade and Development (UNCTAD) Mukhisa Kituyi.

Participants reviewed the progress made in integrating LDCs into the multilateral trading system and discussed how the WTO could help LDCs overcome the remaining challenges. DG Azevêdo said there was a need to "go further, faster" to integrate LDCs more effectively into the trading system.

Cotton, development assistance

Two rounds of the Director-General's Consultative Framework Mechanism on Cotton were held, in July and November. The mechanism reviews cotton-specific assistance and infrastructure-support programmes or other assistance related to the cotton sector. Enhanced coordination between cotton development assistance providers and recipients was noted. Progress was also noted in the implementation of commitments. The latest data shows that US$ 226 million had been committed in cotton-specific development assistance, of which US$ 102 million had been disbursed.

Discussions revealed progress in domestic reform initiatives undertaken by beneficiaries of cotton development assistance. Nevertheless, African cotton-producing countries remain vulnerable to price volatility and high production costs. At the Tenth Ministerial Conference in Nairobi, ministers reaffirmed the importance of the development assistance aspects of cotton, and promised continued engagement in the Consultative Mechanism.

Ministers underscored that the linkage between the Aid for Trade initiative (see page 123) and the development aspects of cotton should be reinforced to help formulate, on the basis of priorities identified by LDC cotton producers, integrated programmes to be submitted to development partners. Ministers stressed the vital importance of the cotton sector to LDCs. On market access, they called for cotton from LDCs to be given DFQF access to the markets of developed countries — and to those of developing countries able to do so — from 1 January 2016.

Regarding domestic subsidy programmes, ministers acknowledged WTO members had made reforms but stressed that more remained to be done. They also decided that all cotton export subsidies (see page 36) be immediately prohibited by developed countries and by developing countries at a later date.

Ministerial decisions on services and rules of origin

At the Nairobi Ministerial Conference, ministers extended the waiver under which WTO members may grant preferential treatment to LDC services suppliers. The waiver, adopted in December 2011, runs 15 years. The Nairobi ministerial decision extends this an additional four years, or until 31 December 2030 (see page 74). To date, 22 WTO members have submitted notifications granting preferences to LDC services and service suppliers.

Ministers also expanded on a decision they took in Bali in 2013 on preferential rules of origin for LDCs. The Bali decision set out, for the first time, multilaterally agreed guidelines to help make it easier for LDC exports to qualify for preferential market access. In Nairobi, ministers provided more detailed directions on issues such as how to determine when a product qualifies as "made in an LDC" and when inputs from other sources can be "cumulated" — or combined together — into the consideration of origin. It calls on preference-granting members to consider allowing the use of non-originating materials up to 75 per cent of the final value of the product. The decision also calls on preference-granting members to consider simplifying documentary and procedural requirements related to origin.

Least-developed countries
www.wto.org/ldcs

Small economies

The Committee on Trade and Development held two dedicated sessions in 2015 on issues raised by small, vulnerable economies (SVEs). It carried out ministerial instructions to examine the impact of WTO rules on small economies and the trade-related constraints they face, and began work on the challenges and opportunities experienced by small economies in linking into global value chains. At the Tenth Ministerial Conference in Nairobi, ministers instructed the Committee to begin work on the challenges small economies experience in reducing trade costs.

Small, vulnerable economies are those WTO members that account for only a small percentage of world trade. WTO members recognize that these economies, while not forming an official sub-category of members, face specific challenges due to their size and the distances that can separate them from their key trading partners.

At the Nairobi Ministerial Conference, ministers instructed the Committee to consider in dedicated sessions the proposals submitted by SVEs and where possible to make recommendations to the General Council. They took note of a revised compilation paper in which the WTO Secretariat detailed progress made on proposals submitted since 2002. These include proposals made by SVEs in the Doha Round negotiating groups and in other WTO bodies, mainly regarding agriculture, industrial goods, services, rules (including fisheries subsidies) and trade facilitation.

Ministers agreed that the dedicated session continue its work on the challenges and opportunities experienced by small economies when linking into global value chains in trade in goods and services. They requested the WTO Secretariat to examine the challenges which small economies experience in their efforts to reduce trade costs, particularly in the area of trade facilitation.

Ministers reaffirmed their commitment "to continue to address in every area of WTO work, in a substantive and meaningful manner, the needs of small, vulnerable economies (SVEs) and to favourably consider the adoption of such measures as would facilitate their fuller integration into the multilateral trading system". Ministers also said they would take into account the needs of SVEs in all areas of negotiations, without creating a sub-category of WTO members.

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.

Dedicated sessions

Two dedicated sessions were held in 2015. At the session on 5 June, the WTO Secretariat presented a research paper, "Challenges and Opportunities experienced by Small Economies when linking into Global Value Chains in Trade in Goods and Services". Members exchanged views on the paper and its findings.

The paper showed that by specializing in specific tasks or stages within the value chain, small economies can, to a certain extent, mitigate their lack of economies of scale and realize economic benefits. Global value chains can further help small economies diversify their export structure away from primary commodities towards manufacturing and services. However, this is by no means an automatic process, it added.

At the session on 29 October, WTO members took an in-depth look at how small economies are integrating into the agrifood and seafood value chains. Presentations were made by representatives of the International Trade Centre and the Standards and Trade Development Facility (see page 130).

Small economies
www.wto.org/smalleconomies

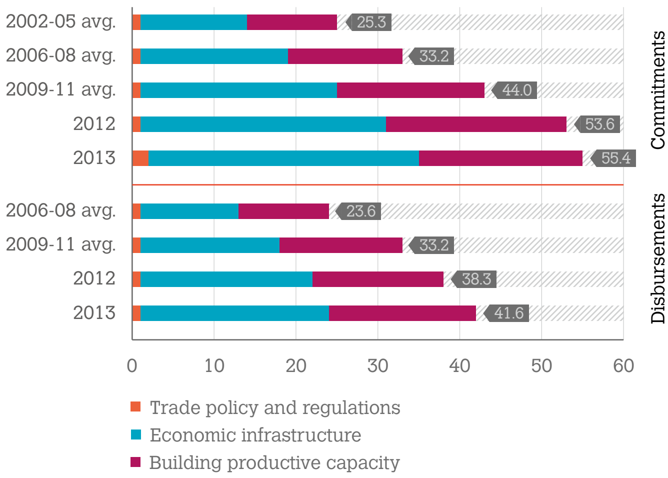
Aid for Trade

Aid for Trade financing maintained its upward trend, with the latest available figures – for 2013 – showing an increase in commitments of US$ 1.8 billion compared with the previous year. The Fifth Global Review of Aid for Trade was held on 30 June-2 July with the theme "Reducing trade costs for inclusive, sustainable growth". In December the Tenth Ministerial Conference recognized the continued need for the WTO-led Aid for Trade initiative, with priority to be given to least-developed countries (LDCs).

Aid for Trade financing has continued to grow, despite the fiscal challenges faced by many donor countries and regional partners. The most recent figures showed that in 2013 Aid for Trade flows for developing countries reached US$ 55.4 billion, over US$ 30 billion more than the 2002-05 baseline average. Aid for Trade commitments to LDCs amounted to nearly 33 per cent of the total in 2013, an increase of 8.3 percentage points over 2012. The mediumterm outlook is for a continued increase in Aid for Trade flows. Figures 1 and 2 provide a breakdown of category-specific and regional Aid for Trade commitments.

The Aid for Trade initiative encourages developing countries and donors to recognize the role that trade can play in development. In particular, the initiative seeks to mobilize resources to address the trade-related constraints identified by developing and least-developed countries.

Figure 1: Aid for Trade commitments and disbursements in US$ billion (2013 constant) by category



Source: OECD/WTO publication *Aid for Trade at a Glance 2015: Reducing Trade Costs for Inclusive, Sustainable Growth*

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 enhance growth and reduce poverty in developing countries, particularly least-developed countries, so that they can better integrate into the multilateral trading system. Aid for Trade assists these countries in developing the trade-related skills and infrastructure needed to implement WTO agreements and benefit from increased market access.

Work programme

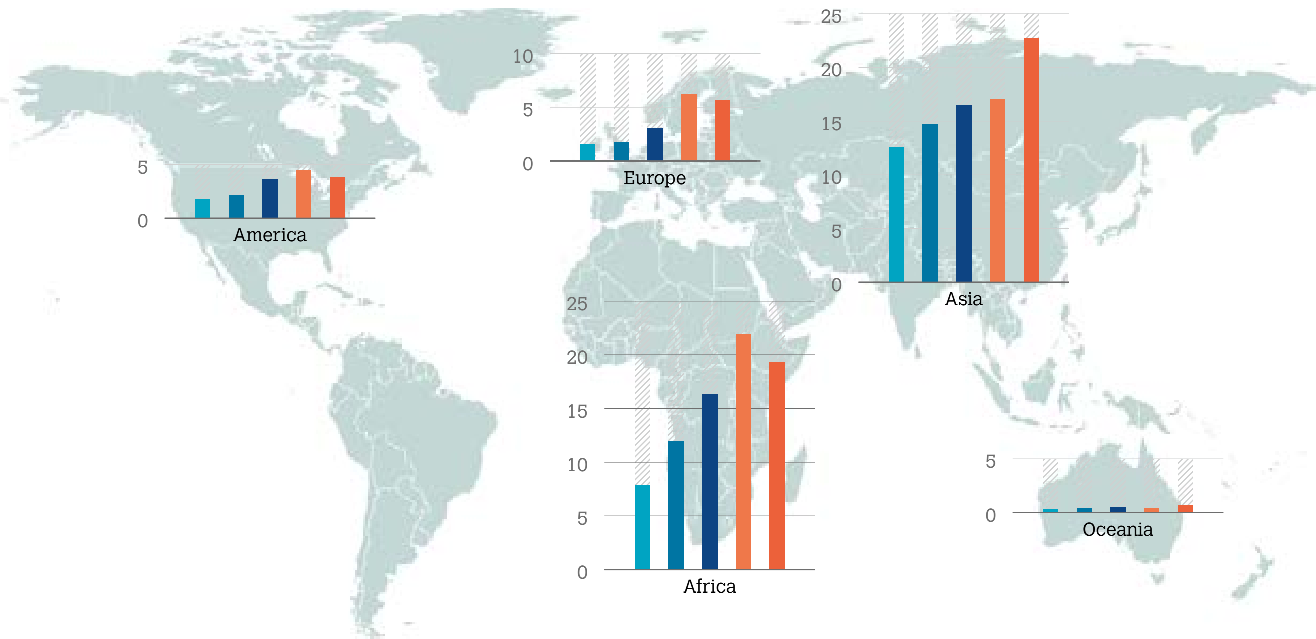
The Committee on Trade and Development held three formal Aid for Trade sessions in 2015 at which WTO members discussed progress in the implementation of the 2014-15 work programme, "Reducing trade costs for inclusive, sustainable growth", and organizations provided updates on their Aid for Trade work. Issues addressed included global value chains, infrastructure development, engagement of South-South (developing country-developing country) partners, private sector engagement, sustainable development, regional trade integration, trade facilitation, and monitoring Aid for Trade flows and measuring results.

Three dedicated workshops were held. A workshop in February showed how developing countries' trade performance and economic growth are hampered by poor infrastructure and discussed the initiatives being taken to overcome this constraint.

Supporting development and building trade capacity

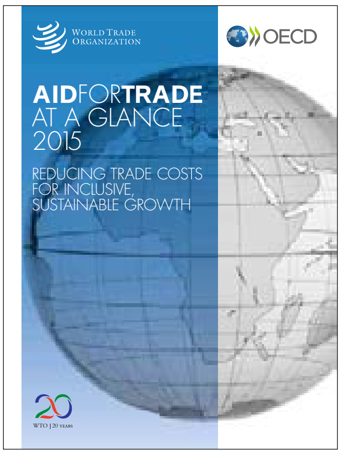
Aid for Trade
www.wto.org/aidfortrade

Figure 2: Aid for Trade commitments and disbursements by region in US$ billion (2013 constant)



Source: OECD/WTO publication *Aid for Trade at a Glance 2015: Reducing Trade Costs for Inclusive, Sustainable Growth*

The WTO and the Organisation for Economic Co-operation and Development (OECD) held a joint workshop in May on the 2015 Aid for Trade monitoring and evaluation exercise. Four agencies – the Enhanced Integrated Framework (EIF), the International Trade Centre, the United Nations Conference on Trade and Development (UNCTAD) and the World Bank Group – contributed to the monitoring exercise, together with the World Economic Forum. The exercise was based on self-assessment questionnaires sent to developing countries and LDCs, donors, regional economic communities and the private and public sectors. An analysis of the results of the monitoring exercise was provided in the OECD-WTO publication "Aid for Trade at a Glance 2015: Reducing Trade Costs for Inclusive, Sustainable Growth", which was launched at the Fifth Global Review of Aid for Trade.



Fifth Global Review

The Fifth Global Review (see pages 126) examined how high trade costs can negatively affect the ability of developing countries, and in particular least-developed countries, to fully benefit from the market access opportunities of the multilateral trading system.

The three-day meeting attracted over 1,500 delegates to its 18 plenary sessions and 28 side events. Twenty ministers and deputy ministers from developing countries, over 20 heads and deputy heads of international agencies and regional organizations, representatives of 20 private sector companies, and numerous trade diplomats, experts and academics debated how Aid for Trade can help support developing countries in their efforts to overcome the challenges and constraints they face from high trade costs.

A clear message from the Review was that reducing trade costs is important for ensuring progress on the SDGs and that implementing the WTO's Trade Facilitation Agreement (see pages 83) is one of the ways that WTO members can reduce trade costs.

55.4 billion

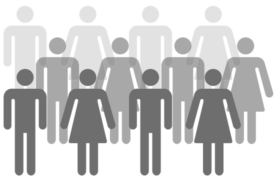
Aid for Trade flows for developing countries reached US$ 55.4 billion in 2013.

Aid for Trade
www.wto.org/aidfortrade

DG Azevêdo with Jim Kim, President of the World Bank Group (left), and Angel Gurría, OECD Secretary-General, at the Fifth Global Review of Aid for Trade.

Ministerial support

At the Tenth Ministerial Conference in Nairobi in December 2015, ministers recognized the importance of, and continuing need for, Aid for Trade and agreed to accord priority to LDC needs. In consultation with WTO members and partner organizations, a new work programme on Aid for Trade is being developed that will provide a framework for activities in 2016-17. The new work programme will seek to help developing and least-developed countries play a bigger part in world trade by reducing trade costs and enhancing access to global value chains so that they are able to fully exploit their trade potential.



1,500

Over 1,500 delegates attended the WTO's Fifth Global Review of Aid for Trade.

Supporting development and building trade capacity

Aid for Trade
www.wto.org/aidfortrade

Fifth Global Review of Aid for Trade

The Fifth Global Review of Aid for Trade, held at the WTO in June/July, highlighted how high trade costs are hampering developing countries' ability to benefit from market access opportunities. The Review attracted over 1,500 participants and saw the launch of a new OECD-WTO co-publication outlining the impact of the Aid for Trade initiative.

The Fifth Global Review of Aid for Trade on "Reducing Trade Costs for Inclusive, Sustainable Growth" took place at the WTO from 30 June to 2 July 2015. It attracted over 1,500 participants to its 18 plenary sessions and 28 side events. Twenty ministers and deputy ministers from developing countries, over 20 heads and deputy heads of international agencies and regional organizations, representatives of 20 private sector companies and numerous trade diplomats, experts and academics debated how the Aid for Trade initiative can help developing countries overcome the constraints they face from high trade costs.

"Many people remain disconnected from the trading system, or do not feel its full benefits. We must find ways to further cut trade costs, lower trade barriers, reduce distortive subsidies and increase people's capacity to trade, so that the poorest can access more of the benefits that trade can provide," said Director-General Roberto Azevêdo in opening the Review.

The WTO-led Aid for Trade initiative provides assistance to developing countries for trade facilitation – streamlining customs procedures and cutting red tape – improving infrastructure and strengthening production capacity. Global reviews of the initiative are held every two years.

The Review highlighted how high trade costs – due to transport, inadequate infrastructure or bureaucracy – act as a barrier and prevent developing countries from integrating into global value chains and from fully benefiting from market access opportunities of the multilateral trading system. It highlighted activities undertaken by developing countries, regional communities and their development partners to reduce trade costs and looked into how the remaining challenges could be addressed through the UN's Sustainable Development Goals (SDGs), a set of global targets to be achieved by 2030 including eradicating hunger and reducing inequality (see page 119).

A clear message from the Review was that reducing trade costs would contribute to meeting the SDGs. Implementing the WTO's Trade Facilitation Agreement (see page 83), with its provisions for streamlining the flow of goods across borders, is a concrete step that WTO members could take to achieve this.

Spotlight: Fifth Global Review of Aid for Trade
www.wto.org/gr5_e

OECD-WTO co-publication

The debates benefited from the results of an extensive monitoring and evaluation exercise on the impact of Aid for Trade carried out by the Organisation for Economic Co-operation and Development (OECD) and the WTO. This exercise formed the basis for a new OECD-WTO co-publication, "Aid for Trade at a Glance 2015: Reducing Trade Costs for Inclusive, Sustainable Growth", which was launched on the opening day of the Review.

The publication drew on 111 self-assessments from 62 developing countries (including 30 least-developed countries), 23 bilateral donors, 13 multilateral donors, three providers of South-South (developing country-developing country) cooperation and nine regional economic communities/transport corridors. Moreover, it included 116 case stories from partner countries, donors, the private sector, academia and non-governmental organizations to illustrate the barriers caused by high trade costs and how these obstacles could be overcome.

For the first time, the publication was prepared in collaboration with four other partner agencies: the Enhanced Integrated Framework, the International Trade Centre, the United Nations Conference on Trade and Development (UNCTAD) and the World Bank Group, together with the World Economic Forum.

The publication demonstrates that stakeholders remain actively engaged in Aid for Trade. It notes: "High trade costs price some country regions, countries and companies out of export markets, thereby limiting their economic development opportunities. Trade costs may not explain why some countries are low income or least developed, but, in combination with other factors, they do explain why some countries struggle to grow and exploit their comparative advantages". Customs reform, upgrading infrastructure and improving the regulatory environment are cited as some of the activities that achieve the best results in reducing trade costs for goods and services.

The publication reveals that Aid for Trade could play an important part in meeting the UN's SDGs and highlights that more could be achieved through a better understanding of how high trade costs hamper developing countries' economic growth and development. It illustrates how well-designed Aid for Trade activities could help to reduce trade costs in areas prioritized by partner countries and donors (such as infrastructure, trade facilitation and non-tariff measures).

Closing the Global Review, DG Azevêdo said: "Aid for Trade is delivering, but as with any such initiative, we need to remain flexible and open-minded about how it can do more, and what the future priorities should be."

Spotlight: Fifth Global Review of Aid for Trade
www.wto.org/gr5_e

Enhanced Integrated Framework

In 2015, work began on designing Phase Two of the Enhanced Integrated Framework (EIF) programme, which aims to help least-developed countries (LDCs) use trade as a tool for growth, development and poverty reduction. Phase Two, which runs from 2016 to 2022, was officially launched at the Fifth Global Review of Aid for Trade in July. An EIF pledging conference was held in December in Nairobi, when approximately US$ 90 million was promised. The EIF programme was incorporated into the United Nations Sustainable Development Goals (SDGs).

The launch of Phase Two followed a consultative meeting of the EIF Global Platform in March 2015. This brought together over 200 representatives from the EIF partnership, including 50 least-developed countries (LDCs), 23 development partners and eight international agencies. At the meeting, ideas for Phase Two were discussed, based on lessons learned from Phase One and the findings of an independent evaluation of the programme undertaken in 2014.

Phase Two was endorsed by the EIF partnership in May 2015. The new programme, which began on 1 January 2016, retains the core structure of Phase One while strengthening key areas of EIF work to produce a more dynamic and results-driven EIF capable of demonstrating increased efficiency, effectiveness and value for money.

Among the key features of the new programme are more tailored support for more sustainable results, a stronger partnership between LDCs, EIF donors and EIF partner agencies, greater stakeholder communication at all levels, a new focus on leveraging additional contributions at the country level, and stronger governance and programme management. The aim is for a budget of an estimated US$ 274-320 million for the seven-year duration of the programme.

Background on the Enhanced Integrated Framework

The EIF is the only global Aid for Trade programme dedicated to addressing the trade capacity needs of LDCs. It is supported by a multi-donor trust fund and provides financial and technical support to LDCs to help them use trade as a tool for economic growth and poverty reduction. The EIF is a partnership of LDCs, donors and partner agencies, including the WTO, the World Bank, the International Monetary Fund, the United Nations Development Programme, the United Nations Conference on Trade and Development, the International Trade Centre, the United Nations World Tourism Organization and United Nations Industrial Development Organization.

90 million

About US$ 90 million was promised at an EIF pledging conference in December.

Phase Two was officially launched at the Fifth Global Review of Aid for Trade on 1 July 2015 by the chairs of the EIF Board and the Steering Committee. Norway was the first donor to announce a pledge for Phase Two, with an offer of approximately US$ 19 million.

A Phase Two pledging conference was held on 14 December 2015 in Nairobi, just before the start of the Tenth Ministerial Conference. Hosted by Director-General Roberto Azevêdo and co-chaired by Australia and Norway, 15 donors (Australia, Denmark, Estonia, the European Union, Finland, France, Germany, the Republic of Korea, Luxembourg, the Netherlands, Norway, Saudi Arabia, Sweden, Switzerland and the United Kingdom) pledged approximately US$ 90 million, which will support key Phase Two activities. The Netherlands joined as a new donor. Many of these donors committed to make further contributions in the future.

Enhanced Integrated Framework
www.enhancedif.org

EIF funding is helping to facilitate cross-border trade in Rwanda and to reduce poverty, especially for women, who represent more than two-thirds of all cross-border traders.

Completion of Phase One

The first phase of the EIF came to a close in 2015. In all, Phase One (2009-15) delivered 141 projects totalling US$ 140.690 million across 51 countries. Of these projects, 105 supported trade and development capacity while 36 projects aimed to help countries address supply-side constraints and to increase their ability to trade.

Over the first phase, 44 analytical studies were carried out to help countries identify and address their main constraints to trade. Trade strategies were formulated and implemented in 29 LDCs, and trade featured in national development strategies of 32 countries. Public-private dialogue mechanisms became active in 32 countries. Government-donor consultation mechanisms were developed in 30 countries and donor coordination mechanisms on trade established in 28 countries.

In 2015, further progress was achieved in supporting the long-term capacity of LDCs to become integrated into the global economy and to maximize resources to support trade.

Particular progress was made in terms of developing the institutional and financial capacity of LDCs, especially at the government level.

Global development agenda

The role of the EIF in achieving sustainable development was recognized by a specific mention in the United Nations 2030 Agenda for Sustainable Development – the Sustainable Development Goals (SDGs) – adopted by the UN General Assembly on 25 September 2015. Under SDG8, one of the targets is to "increase aid for trade support for developing countries, in particular least developed countries, including through the Enhanced Integrated Framework". Similarly, the Third International Conference on Financing for Development, held in Addis Ababa in July 2015, and known as the Addis Ababa Agenda, refers to the important role of Aid for Trade, in particular the EIF, in assisting LDCs.

Standards and Trade Development Facility

The Standards and Trade Development Facility (STDF) continued to assist in the development and implementation of projects that promote compliance with international food safety, animal and plant health standards and that facilitate market access. In 2015, the five agencies, including the WTO, that run the STDF agreed to a new five-year strategy. In addition, the STDF finalized research into improving the implementation of sanitary and phytosanitary (SPS) controls.

At the Fifth Global Review of Aid for Trade in July 2015 (see page 126), the STDF launched a short film entitled "Safe Trade Solutions". This awareness-raising tool on sanitary and phytosanitary (SPS) issues was launched at a session on "Effective Implementation of SPS Measures to Facilitate Safe Trade", coordinated by the STDF. The session brought together José Graziano da Silva, Director-General of the UN Food and Agriculture Organization (FAO), Monique Eloit, Deputy Director-General of the World Organisation for Animal Health (OIE) and Anabel González, Senior Director in the World Bank Group. The session was moderated by Keith Rockwell, WTO spokesperson. Government and private sector representatives also participated in discussing how free flowing trade can take place alongside robust SPS controls.

The film takes a look at what Chile, Peru and Colombia have done to make goods flow faster across their borders, while also preventing the spread of pests or diseases among animals and plants, and ensuring that food is safe for consumers. The film complements research work by the STDF in selected countries in South East Asia and Southern Africa on how SPS controls are implemented for agri-food products, based on the provisions of the SPS Agreement (notably Article 8 and Annex C on Control, Inspection and Approval Procedures). This work identified key needs, opportunities and good practice for improving the implementation of SPS measures in a way that facilitates trade and strengthens health protection. The findings for Southern Africa (Malawi, South Africa and Zambia) were published in November 2015. They are available on the STDF website (www.standardsfacility.org).

The research emphasized that protecting countries against the entry of risks related to food safety, animal and plant health is a public good, which requires adequate resources (personnel, infrastructure, financial resources, scientific and technical expertise, etc.). SPS authorities in many developing countries are under-resourced and face huge challenges to effectively carry out their mandates. Adequate resources are essential to ensure that core activities are undertaken satisfactorily, without delay and without conflicts of interest.

Background on the Standards and Trade Development Facility

The STDF is a global partnership that helps developing countries build their capacity to implement international sanitary and phytosanitary (SPS) standards as a means to improve human, animal and plant health and their ability to gain 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 Organisation 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 and manages the STDF trust fund.

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One of the key recommendations of the research is the need for governments to periodically take stock of their SPS measures (as well as the procedures to implement them) to avoid unnecessarily trade-restrictive regulatory outcomes. The research also recommends: (i) identifying concrete ways to reduce fragmentation and duplication in SPS controls and streamline procedures; (ii) increasing transparency about existing SPS measures, and the relevant procedures to implement them; (iii) improving dialogue among SPS authorities, other border authorities and the private sector; and (iv) making concerted efforts to implement risk-based controls and apply relevant international standards and guidelines.

Together with the Enhanced Integrated Framework (see page 128), the STDF conducted a joint study that analyses the coverage of SPS issues in diagnostic trade integration studies (DTIS), which help countries identify and address constraints to trade, economic growth and sustainable development. Following a preliminary review of all DTIS reports, Cambodia, Tanzania and Senegal were selected for an in-depth field study. The study, which will be published in 2016, identifies good practice for future activities.

The STDF finalized a practical guide to assist developing countries in prioritizing SPS investment options. It promotes more transparent decision-making and encourages dialogue among public and private stakeholders with an interest in SPS issues. The guide will become available in early 2016.

The STDF actively participated in several conferences, training workshops and other information sessions and meetings at international, regional and national levels to promote synergies in the design and delivery of SPS projects and initiatives. It continued to report to the WTO's SPS Committee on its activities and operations. Reports were also made to the WTO Committee on Trade and Development (CTD) and the CTD's Sub-Committee on Least-Developed Countries (LDCs).

Project grants

Five project preparation grants (PPGs) and five projects were approved in 2015, bringing the total number of PPGs and projects funded by the STDF to 70 and 75, respectively. The projects approved included one on the development of a global framework for electronic phytosanitary certification, which will enable countries to exchange harmonized electronic phytosanitary certificates securely and in a cost-effective manner.

Of the total number of grants, 51 per cent have been awarded to sub-Saharan Africa, 19 per cent to Asia and the Pacific, and 17 per cent to Latin America and the Caribbean (see Figure 3). On a thematic basis, 37 per cent of projects and PPGs were dedicated to food safety issues, 27 per cent to plant health and 11 per cent to animal health (see Figure 4). Overall, the STDF has devoted 54 per cent of project resources to LDCs and other low-income countries, exceeding its target of at least 40 per cent.

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

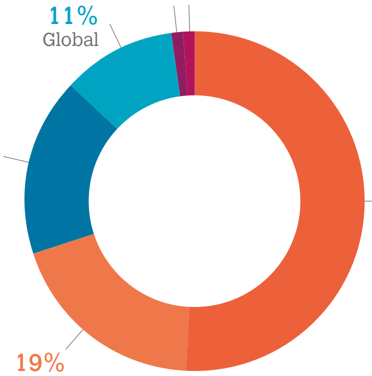
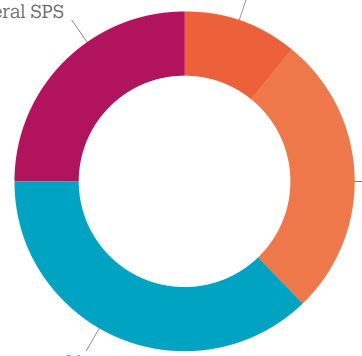


Figure 4: Coverage of STDF projects and project preparation grants (number)



New STDF strategy

In March, the FAO, the OIE, the World Bank, the World Health Organization, the WTO, donor members and developing country SPS experts agreed on a new five-year strategy that will allow the Facility to continue to provide assistance to developing countries. The strategy highlights STDF's key role as a knowledge-sharing platform that supports SPS capacity building. The annual funding target will be maintained at US$ 5 million.

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Technical cooperation and training

The WTO's Institute for Training and Technical Cooperation (ITTC) undertook 321 technical assistance activities in 2015 aimed at helping government officials gain a better understanding of WTO rules and the multilateral trading system. Approximately 14,900 participants benefited from these training activities, up from 14,700 in 2014. Least-developed countries (LDCs) were the recipients of 52 per cent of all technical assistance activities. Nearly half of the participants accessed training through e-learning resources on the WTO's online platform.

The WTO's training activities are mostly based on a technical assistance and training plan approved by the Committee on Trade and Development. The 2014-15 plan followed a "results-based management approach", measuring results to ensure that training is delivered in the most effective way. Courses are undertaken as part of a "progressive learning strategy", meaning that participants benefit from a step-by-step approach to improving their awareness of trade issues. Guidelines and benchmarks help to maintain a high standard of content for all training, consistent teaching methods and regular evaluation of all technical assistance activities delivered by the WTO.

The WTO provides training for both generalists and specialists. Generalists are government officials who require a broad knowledge of many WTO subjects to conduct their work. This category includes many delegates posted to missions in Geneva. Specialists are government officials who require detailed knowledge in a specific area. This includes officials working on a particular issue in a government ministry.

Advanced courses are run on various subjects, including dispute settlement, trade-related intellectual property rights, regional trade agreements, sanitary and phytosanitary issues, trade in services and trade policy analysis. Three Geneva-based advanced trade policy courses, each one lasting eight weeks, were held in 2015 for generalists.

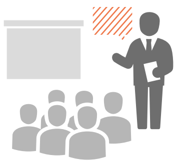
The WTO also held a number of regional activities in 2015 aimed at both generalists and specialists. Eight-week regional trade policy courses were held for generalists in seven regions: English-speaking Africa, French-speaking Africa, Asia and the Pacific, the Caribbean, Latin America, Arab and Middle East countries, and Central and Eastern Europe and Central Asia. Specialist courses included a workshop on sanitary and phytosanitary measures and technical barriers to trade for Englishspeaking African countries held in Kenya, and a regional workshop on intellectual property and public health for French-speaking Africa, held in Côte d'Ivoire.

Other specialist courses in 2015 included a course for Latin America on managing trade contingency measures, held in the Dominican Republic, a seminar on the Government Procurement Agreement for Central and Eastern Europe, Central Asia and the Caucasus, held at the Joint Vienna Institute, a seminar on agriculture for Arab and Middle East countries, held in the United Arab Emirates, and the 3rd Singapore-WTO Policy Dialogue on the world trading system.

The WTO continued to involve international and regional partners in the delivery of technical assistance activities to ensure that a regional perspective was included in the design of the training programmes. The partnership approach has also been extended to the Academic Support Programme (see page 164).

Background on technical cooperation and training

The Institute for Training and Technical Cooperation coordinates the WTO's technical assistance programmes. Its activities 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.



52%

Least-developed countries (LDCs) were the recipients of 52 per cent of all technical assistance activities in 2015.

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Advanced trade policy course at the WTO in 2015.

Twenty-one per cent of activities were aimed at African countries, 14 per cent at Asia and the Pacific, 11 per cent at Latin America, 8 per cent at Central and Eastern Europe and Central Asia, and 6 per cent at the Arab and Middle East regions (see Table 1). The remaining 36 per cent were "global" activities, mostly held in Geneva, aimed at participants from all regions. In line with a demand-driven approach, approximately 36 per cent of all activities were delivered at the national level in countries where a specific need was identified.

The number of face-to-face training activities conducted by the WTO continued to decline slightly in 2015, mainly due to increased use of e-learning resources and better targeting of training to meet WTO members' needs.

LDCs benefited from approximately 52 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. Several products have been specifically created for LDCs, or have LDCs as a priority. An example is the intermediate level training course for LDCs held in 2015.

Table 1: Technical assistance activities by region in 2015

Region	National technical assistance		Regional		Global*		Other (conferences, etc.)		Total	
Africa	37	32%	19	30%	0	0%	12	27%	68	21%
Middle East	9	8%	9	14%	0	0%	1	2%	19	6%
Asia and the Pacific	21	18%	13	20%	0	0%	12	27%	46	14%
Central and Eastern Europe and Central Asia	16	14%	7	11%	0	0%	3	7%	26	8%
Caribbean	6	5%	4	6%	0	0%	1	2%	11	3%
Latin America	26	23%	9	14%	0	0%	1	2%	36	11%
Sub-total	115	100%	61	95%	0	0%	30	68%	206	64%
Global*	0	0%	3	5%	98	100%	14	32%	115	36%
Total	**115**	**100%**	**64**	**100%**	**98**	**100%**	**44**	**100%**	**321**	**100%**

* 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 an advisory role on legal issues.

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Numbers of participants

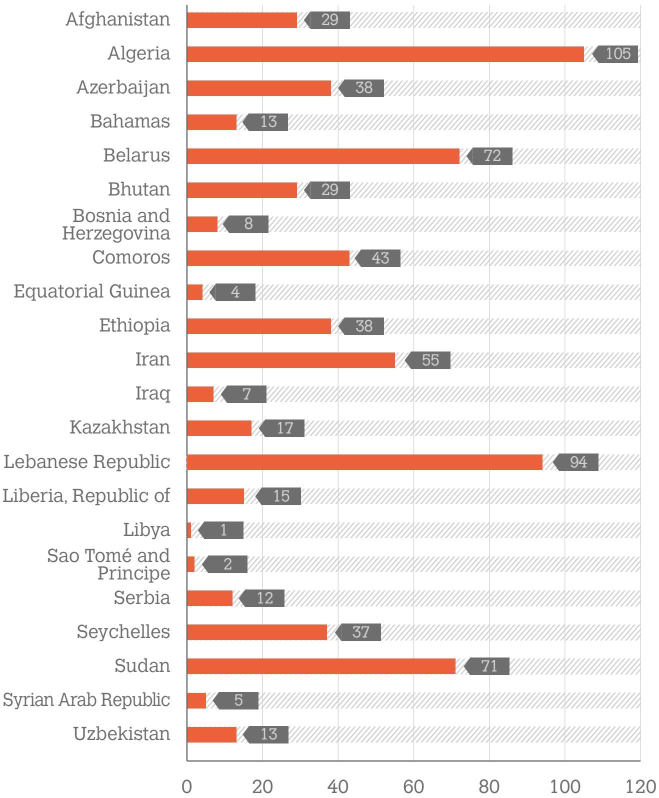
Participants in training activities in 2015 totalled approximately 14,900 (compared with around 14,700 in 2014). Nearly half of the participants received training through e-learning resources on the WTO's online platform http://ecampus.wto.org.

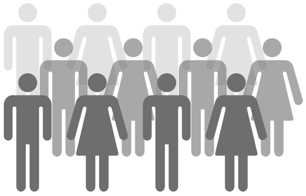
The WTO's e-learning includes 24 certificated courses on various general or specialist subjects in the WTO's three working languages (English, French and Spanish). In 2015, a total of 7,523 participants from 145 countries enrolled for e-learning courses, with Africa providing 38 per cent of participants, followed by Latin America with 20 per cent, Asia and the Pacific with 19 per cent, Central and Eastern Europe and Central Asia with 10 per cent, the Arab and Middle East region with 9 per cent and the Caribbean and others with 5 per cent.

Women represented 45 per cent of the participants for all WTO training courses in 2015. The breakdown by language shows roughly 60 per cent of participants completing the training in English, 22 per cent in French and 18 per cent in Spanish.

Technical assistance was strengthened for countries seeking to join the WTO (see page 180 and Figure 5), with government officials invited to participate in over 140 technical assistance events.

Figure 5: Participants in WTO technical assistance activities in 2015 from countries seeking to join the WTO





14,900

About 14,900 government officials benefited from WTO training in 2015 compared with around 14,700 in 2014.

Internship programmes

WTO internship programmes offer government officials hands-on experience on WTO issues, enabling them to contribute more fully to the economic and social development of their countries. The Netherlands Trainee Programme, the Mission Internship Programme, the Regional Coordinator Internship Programme and the Accession Internship Programme give priority to applicants from Africa and LDCs, small and vulnerable economies, and countries in the process of acceding to the WTO.

In 2015, the majority of officials completing the WTO internship programmes were from Africa and the Asia and Pacific regions. Seventeen completed the Mission Internship Programme, 14 the Netherlands Trainee Programme, and nine the Regional Coordinator Internship Programme and the Accession Internship Programme.

WTO reference centres

The WTO Reference Centres Programme enables government officials, the private sector and academic communities to access trade-related information and resources available on the WTO website and trade-related publications to improve their understanding of WTO issues. Reference centres also organize trade-related events, training activities and technical meetings. There are currently 63 active reference centres around the world.

In 2015, the WTO established nine new reference centres: seven in Africa (Chad, Lesotho, Cameroon, Democratic Republic of the Congo, Equatorial Guinea, Guinea and Uganda), one in the Middle East (Lebanese Republic) and one in Central Asia (Kyrgyz Republic).

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Financing technical assistance

The bulk of the technical assistance programme is financed by the Doha Development Agenda Global Trust Fund, which receives voluntary contributions from WTO members (see Table 2). Due to a strong balance carried forward from 2014, the financial position of the fund remained solid in 2015. The relatively high level of funds carried forward was mainly due to large contributions being received in the last few months of 2014. A total of CHF 9.1 million was contributed by 13 WTO members in 2015 compared with CHF 7.8 million from 13 countries the previous year.

Funding from other sources amounts to approximately one-third of the total budget for technical assistance. This includes the WTO's regular budget for Geneva-based courses and national technical assistance missions – approximately CHF 4.5 million in 2015 – as well as contributions from trust funds (the French-Irish Mission Internship Programme, the Netherlands Trainee Programme, and the China Programme), which amounted to around CHF 2.3 million in 2015.

Table 2: Doha Development Agenda Global Trust Fund (as of 31 December 2015)

Contributions (CHF)	2010	2011	2012	2013	2014	2015	Grand total
Australia	1,952,400	1,803,600		2,689,900	61,370	2,162,382	**8,669,651**
Austria	285,640	258,600	240,200	243,600	241,400	104,900	**1,374,340**
Canada		944,276	1,362,298				**2,306,574**
China	200,300						**200,300**
Czech Republic		23,746					**23,746**
Denmark	180,019	331,230	321,903	491,063	482,422	400,028	**2,206,666**
Estonia	28,932	26,209	23,199	24,160	24,640	24,120	**151,260**
European Union	1,574,550	1,187,500	1,024,050	1,232,000	317,592	1,658,552	**6,994,244**
Finland	1,364,000	1,228,000					**2,592,000**
France	655,500	611,000	600,500	617,000	608,500	434,400	**3,526,900**
Germany	1,438,500	1,237,500	1,198,000	1,233,000	1,203,000	1,060,000	**7,370,000**
Ireland	409,200						**409,200**
Japan	395,604	395,604	395,604	368,744	312,019	267,413	**2,134,988**
Republic of Korea	344,400	322,350	334,950	313,600	336,350	346,500	**1,998,150**
Liechtenstein	40,000	40,000	40,000	40,000	40,000	40,000	**240,000**
Netherlands	1,472,990	1,472,990			875,000	495,000	**4,315,980**
New Zealand	158,000						**158,000**
Norway	1,784,440	1,593,626	2,438,905	2,287,108	2,163,722	1,161,373	**11,429,174**
Spain	467,950	400,050					**868,000**
Sweden	2,353,920	2,074,322	2,386,480	2,245,600			**9,060,322**
Switzerland			800,000	800,000			**1,600,000**
Chinese Taipei		184,200		181,400			**365,600**
United States	1,002,654	940,580	940,535	851,885	1,127,392	950,400	**5,813,446**
Grand total	**16,108,999**	**15,075,383**	**12,106,625**	**13,619,060**	**7,793,406**	**9,105,068**	**73,808,541**
Number of donors	**19**	**19**	**14**	**15**	**13**	**13**	

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