

**THE WTO,
CAPACITY BUILDING
AND DEVELOPMENT
... A PROPOSAL**

"Recognizing further that there is a need for positive efforts designed to ensure that developing countries, and especially the least developed among them, secure a share in the growth in international trade commensurate with the needs of their economic development..."

(Marrakesh Agreement Establishing the WTO, 1994)

..... Addressing the development, growth and opportunity deficit



Promoting economic growth and development is a fundamental objective of the WTO and the multilateral trading system, recognized in the WTO Agreement. For the past three years the question of whether the WTO system is contributing all that it could to the development and growth of developing country Members has been the dominant issue in discussions among Members. Developing countries have been working hard for a development agenda in the WTO. This booklet is about the Secretariat's contribution, through technical assistance and training for officials in developing countries, to building their capacity to take full advantage of the system.

Much of the controversy about the implementation of Uruguay Round commitments stems from the human and resource constraints faced by developing countries in adapting legislation to new obligations and building the infrastructure needed to implement them. These constraints should concern every Member, not just the countries subject to them. This is why it is a core function of the Secretariat to assist developing countries to build the human and institutional capacity they need to participate more fully in the work of the system and derive maximum benefits from it.

The need for such assistance has never been greater. The results of the Uruguay Round greatly expanded the scope, complexity and value of the WTO legal system. Since the launching of negotiations in 1986 more than 50 new Members have joined the WTO, the vast majority of them small developing countries with little or no experience in trade policy-making at the multilateral level and with few resources. There are now some 30 countries in the process of accession which face the same needs. The great majority of developing-country Members, new and old, have to allocate scarce human resources among competing priorities; trade policy is not necessarily at the top of the list, and this diminishes their ability to benefit from and contribute to the system.

In the past few years the Secretariat has greatly increased the time and resources devoted to technical assistance and training activities. I have made it a personal priority to inject greater urgency into this work and to ensure a proper return to Members and donors, in terms of the quality and relevance of our programmes. We have had some real successes: in the completion of the Integrated Framework for delivery of trade-related technical assistance by six international agencies; in the "Geneva Weeks" and continuous briefing for non-resident missions; in new programmes for internships and enhanced training in the Secretariat and in Geneva Missions.

Two important new initiatives are now being implemented – the redesign of our technical cooperation programme to promote a more structured approach to cooperation between the WTO and other agencies and the establishment of the Training Institute. Both of these initiatives are designed to make technical assistance more effective and to provide value for money for

levering our scarce resources in cooperation with our partners. In both cases, supervisory boards have been set up to ensure that we are putting the resources we are given to the best possible use. We know that we are accountable to our owners for the money that we spend on their behalf.

Thanks to the generosity of Members who have financed our activities through trust funds and other donations we have been able to do far more than would have been possible on the basis of the regular WTO budget. But we are far from meeting the need, because the inability to predict the quantity and timing of voluntary contributions and the relatively less important role of the regular budget make it very difficult to plan a coherent long-term programme of technical assistance.

In May last year I proposed that in the WTO budget for 2001 those technical cooperation activities which now depend on trust fund financing should be incorporated into the regular budget. This would have entailed an increase of 10 million Swiss francs – about 7.5% of the total budget – of which three quarters would have covered programme-related costs and the remainder the additional staff needed to carry out the larger programme. Members were unable to agree to the request as I presented it, although a number of technical-assistance related posts were approved, together with some additional on-budget programme support. Meanwhile we have seen an important increase in voluntary funds in 2001. In fact we have received much more than the figure discussed in Seattle. Unfortunately, the programme continues to suffer from a basic unpredictability.

At the Fourth Ministerial Conference, Ministers will be asked to endorse long-term funding for WTO technical assistance. Immediately following the Ministerial, we will be presenting the Membership with a fully detailed plan, for adoption, that will complement the Ministers' decision and ensure a secure and predictable approach to funding for the kinds of activities detailed in this message. We will present this proposal to the Budget and Finance Committee in December 2001 so that next year we would be in a better position to follow the directions and implement the decisions made by Ministers at the Fourth Ministerial Conference. Our resources must be directly related to the complexity of any new negotiating mandate. Capacity building takes people and money. We have excellent staff, but need more of them. We have excellent technical assistance programmes, with an excellent basis for cooperation with other international agencies, and donors, but lack the stable finance to plan forward and carry them out.

This Ministerial is about launching wider negotiations; it is also about concluding them, and that is very much a matter of Members' capacity to participate and negotiate. Unless we act and plan now we will face implementation problems not only of the past but in the future. For this it would be prudent to make these decisions now. Our Members must have the assurance that the WTO, along with other agencies, will provide the assistance necessary to build that capacity – as we all agreed to do at Marrakesh. As Members now prepare for the expanded programme of work which they are about to consider, the question which Ministers must face is whether they can afford not to make the necessary provision for this vital work.

Mike Moore, October 2001



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WTO technical assistance and training today

Of the WTO's 142 Members and 30 acceding observers, 80% are developing countries. The development dimension therefore has to be, and is, a central element in the WTO's activities.

In the last 50 years, trade expansion has made a major contribution to development. Successive rounds of trade negotiations have lowered trade barriers substantially and developing countries have benefited considerably from this process. Developing countries that have opened their markets to trade in goods and services have, as a rule, prospered much more than those that have not.

Developing countries' needs, trading experiences and capacities are extremely diverse; so are their needs for trade capacity building. Many have been highly successful in developing and diversifying their trade under GATT and WTO rules. But many have not, and remain marginalized, largely excluded from the benefits that trade can bring to development.

WTO technical assistance activities essentially consist of two core activities: providing legal and economic advice and training in the purpose and implementation of WTO agreements. A large proportion of the secretariat's resources is devoted to these activities.

Our technical assistance and training are delivered through a variety of different channels, the most important of which are:

- Technical assistance missions outside Geneva

- Activities undertaken in cooperation with other institutions

- Geneva-based activities

 - Day-to-day advice to delegations

 - Seminars and workshops

 - Assistance to non-resident delegations

 - Assistance to small and capacity constrained missions

- Use of information technologies

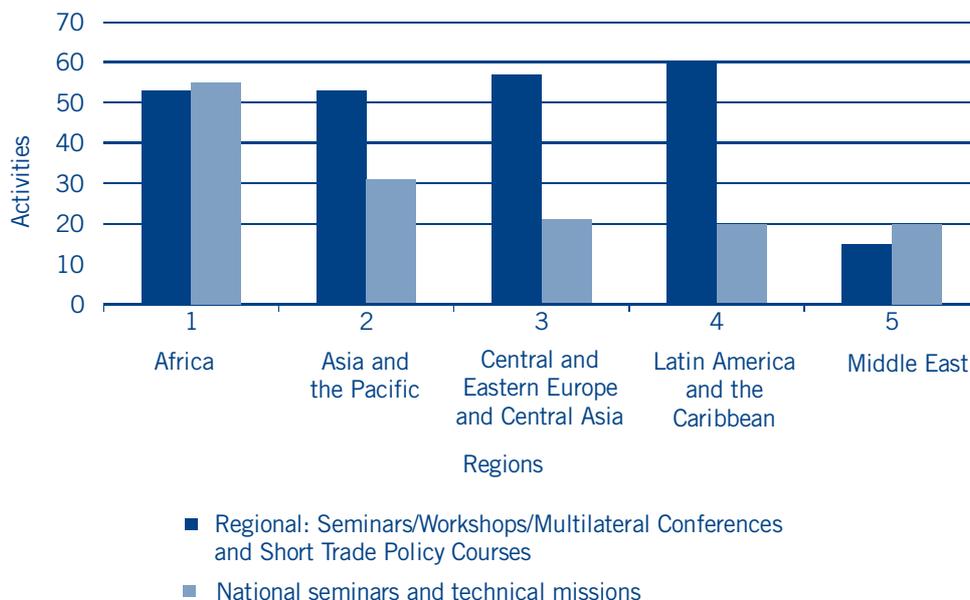
- The WTO Training Institute

Technical assistance missions outside Geneva

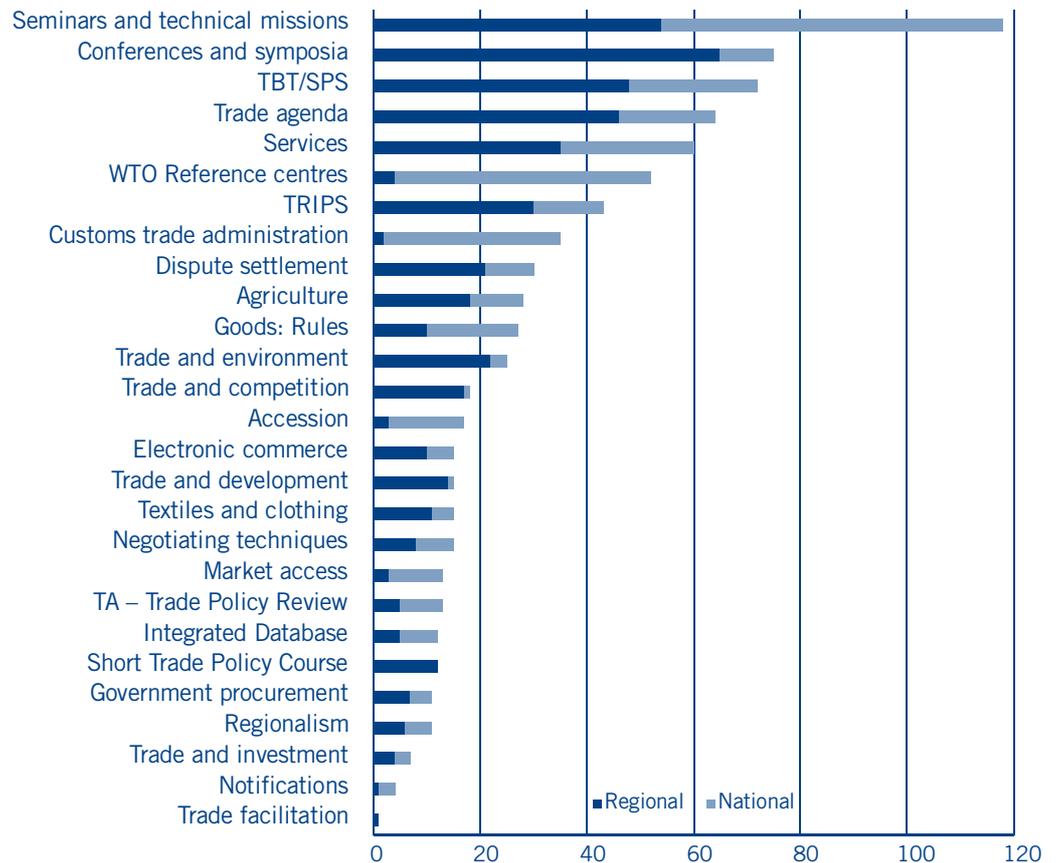
Missions generally take the form either of national workshops for the officials of individual countries or regional seminars involving groups of countries. Their content varies a great deal - ranging from a general overview of the WTO and its agreements to more focused training on particular subjects such as dispute settlement and agriculture and sometimes training within particular subjects areas, such as telecoms or financial services. Often the Secretariat is called upon to assist countries in drafting commitments, or legislation or regulations to comply with their obligations.

Charts 1 and 2 below give a general overview of activities by region and by subject. As an example of how an individual developing country has used technical cooperation Box 1 shows the participation of Botswana in technical assistance activities between 1998 and 2000. Similar information on all Members can be found on the WTO website.

Chart 1. Delivery of WTO technical assistance by region in 2000



**Chart 2. Developing countries (other than LDCs) and economies in transition:
Types of technical assistance activities by subjects covered, 1998-2000**



Explanatory notes:

1. Each activity is counted as one without taking into account its duration.
2. An activity is included under "Seminars and Technical Missions" when it covered two or more WTO Agreements.
3. Trade Agenda refers to activities covering the provision of up-to-date information on the state-of-play of mandated negotiations and the preparations for Ministerial Sessions as well as briefings.
4. The entry "Market Access" includes all activities related to tariff negotiations/re negotiations, transposition of tariff schedules and ITA.
5. Short Trade Policy Courses, Seminars and Technical Missions, Conferences and Symposia and TA are means of delivering the subject-related technical assistance activities.

Box 1. Case-study: Botswana**A. WTO Technical cooperation activities (9) held in Botswana for the period of 1998-2000**

Activity	Subject(s) Covered
Regional seminar	Brainstorming on regional integration in SADC region/Joint trade policy and integration seminar for SADC countries
Conference	Economic Committee Meeting
National seminar	GATS and Telecommunications
Conference	Botswana National Business Conference: Transformation of International trade and investment arrangements
National workshop	Ministry of Agriculture - Top management Briefing Session on WTO and the Multilateral Trading System
Regional workshop	Telecommunication regulation
Conference	TRIPS Agreements and Implementation requirements
Technical mission	Establishment of a WTO Reference Centre in the Secretariat of the Southern African Development Community (SADC).
Technical mission	Establishment of a WTO Reference Centre in the Ministry of Commerce and Industries of Botswana.

B. Participation of Botswana in activities (16) held outside of Botswana for the period of 1998-2000

Country	Activity	Subjects(s) covered
Belgium	Conference	Briefing session for 71 ACP countries on Ministerial Meeting
Gabon	Conference	Ministerial Conference for African countries: meeting of African Trade Ministers
Mauritius	Regional Workshop	Workshop for African Trade Negotiators on selected WTO issues organized jointly by UNCTAD and UNDP with the participation of the WTO.
Namibia	Regional Workshop	Dispute Settlement Procedures and Practices for 23 English-speaking African countries
Namibia	Regional Seminar	SPS for Southern African Developing Countries
Namibia	Regional Seminar	SPS Agreement
South Africa	Regional Seminar	Trade and Environment for English-speaking African countries.
South Africa	Regional Seminar	Rules Implementation seminar for English-speaking African countries
Switzerland (WTO HQ)	Conference	'Geneva Week' for non-resident delegations: Preparation for the Seattle Ministerial Conference
Switzerland (WTO HQ)	Conference	Trade-related development issues for non-resident WTO Member and Observer countries
Switzerland (WTO HQ)		Residential Trade Policy Course
Switzerland (WTO HQ)		Participation in the 9th Trade Policy Course
Switzerland (WTO HQ)		Residential Trade Policy Course
Switzerland (WTO HQ)		Participation in the 12th Trade Policy Course
Switzerland (WTO HQ)		Residential Trade Policy Course
Switzerland (WTO HQ)		Participation in the 15th Trade Policy Course
Zimbabwe	Conference	Preparatory Meeting of the OAU/African Economic Community Member States for the 2nd WTO Ministerial Conference
Zimbabwe	Regional Seminar	Trade and Environment for African Developing countries
Zimbabwe	Conference	Africa in the New Millennium of Globalization - WTO Dispute Settlement Systems and the Developing Countries, with special reference to African States

Cooperation with other institutions and agencies

For developing countries to benefit from an open rules-based system, they need to receive comprehensive assistance, not only concerning the WTO legal system, but also to address capacity deficits and supply-side constraints. Trade growth can, if supported by other appropriate economic and social policies, contribute to the alleviation and elimination of poverty, even in the poorest countries. This is why an integrated approach to economic reform and capacity-building for development is necessary; one based on coherence of economic and social policies and supported in a consistent way by all relevant international institutions.

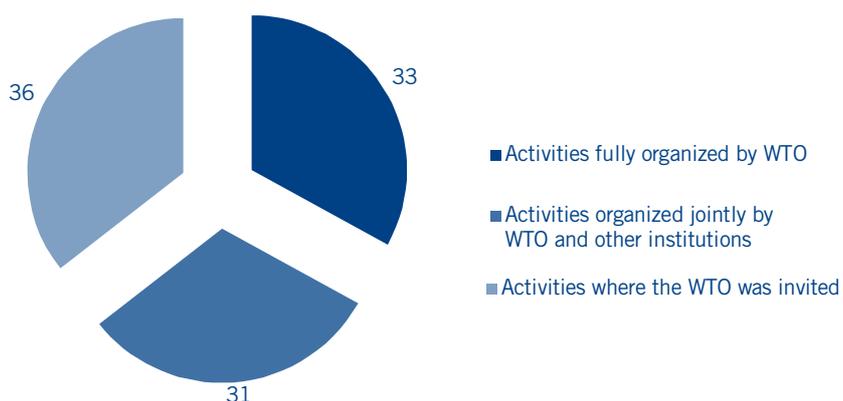
The WTO already works in collaboration with other institutions, such as the World Bank, the International Monetary Fund, the United Nations and its specialized agencies, as well as a number of regional and bilateral donors. The WTO and the UNCTAD jointly operate the International Trade Centre (ITC), to directly promote the trade of developing countries. The WTO provides over 14 million Swiss francs a year to the ITC.

We are also working to develop closer cooperation with regional banks; discussions have started with the Inter-American Development Bank. We hope to build a model that could be used in other regions and with other institutions concerned with regional development. We see cooperation with other institutions as key to using our modest resources as 'leverage' on a number of projects to yield more effective results.

Many countries' tariffs are a vital source of revenue, therefore when tariff reductions hit immediate revenue flows the WTO can play a modest role in working with other institutions to develop new tax regimes. This is an area where developing countries have sought advice, knowing it is beyond the WTO's competence, but where we can help through closer cooperation with relevant agencies. Small resources can lever big results.

Chart 3 below gives an overview of existing formal and informal collaboration between the WTO and other organizations.

Chart 3. Delivery of WTO technical assistance, 2000
(percentage)





Box 2. The International Trade Centre (ITC)

ITC was created by the General Agreement on Tariffs and Trade (GATT) in 1964, and since 1968 has been operated jointly by GATT/WTO and the United Nations through UNCTAD. The purpose of ITC technical assistance is to promote the exports of developing and transition countries.

The six main programme areas are:

- Product and market development
- Development of trade support services
- Trade information
- Human resource development
- International purchasing and supply management
- Needs assessment and programme design for trade promotion

Joint Integrated Technical Assistance programme for Selected Least-Developed and Other African Countries (JITAP)

JITAP is a joint initiative by ITC, UNCTAD and WTO which was launched in early 1996. Eight African countries are currently benefiting from the Program (Benin, Burkina Faso, Côte d'Ivoire, Ghana, Kenya, Tanzania, Tunisia and Uganda). One of the critically important aspects of JITAP is human resource development to underpin a sustainable national capacity to manage multilateral trade issues.

Building on past efforts, and recognizing the fact that trade needs to be viewed as a part of a wider policy framework, a new strategy for WTO technical assistance has been developed. Its fundamental principles are:

a more structured approach to cooperation and coordination between the WTO and other partner institutions; and between development partners and beneficiary countries.

an emphasis on ownership by developing countries who take the lead in identifying and prioritizing assistance needs, and;

supporting integration of trade into overall development strategies.

The Integrated Framework for Trade-related Technical Assistance for Least-Developed countries is an example of this idea in action. It is a combined effort of six international agencies; the IMF, ITC, UNCTAD, UNDP, World Bank and WTO. Its objective is the delivery of trade-related technical assistance, and the mainstreaming of trade into poverty reduction strategies. The Integrated Framework is currently being applied on a pilot basis to an initial group of countries. It is a unique project-driven example of cooperation between agencies as directed by Ministers at the Singapore Conference in 1996.

Geneva-based activities

In addition to day-to-day assistance to delegations, the WTO conducts a number of other Geneva-based activities such as seminars, workshops and other programmes to assist non-resident and small and capacity-constrained missions.

Seminars and workshops

A number of seminars and workshops have been organized for delegations in Geneva at the request of delegations. Below are some recent examples;

Symposium on issues confronting the world trading system
(6-7 July 2001)

Special TBT meeting on Procedures for Information Exchange
(28 June 2001)

Seminar on Electronic Commerce and Development (14 June 2001)

Workshop on technical assistance in trade facilitation (10-11 May 2001)

Tariff seminar (21 March 2001)

Seminar on Trade, Technology and Development (14 February 2001)

Seminar on the Policy Relevance of Mainstreaming Trade into Country Development Strategies (29-30 January 2001)

Assistance to non-resident delegations

Thirty-six developing-country Members and observers have no representation in Geneva (non-residents). They are typically small countries which rely heavily on trade but their lack of representation is a major handicap in getting the full benefits out of the system. The WTO has taken a number of well-appreciated initiatives to support non-residents, including regular briefing notes that are sent by e-mail to non-residents' capitals and missions in Europe, and the annual "Geneva Week", when non-residents are invited to Geneva for briefings on WTO work, and have the chance to interact with WTO officials and Geneva-based delegations.

At the last "Geneva Week", held in September 2001, 63 participants from 34 countries attended, along with representatives of 32 regional secretariats and agencies working directly with non-resident members. The focus of this

year's Geneva Week was the preparations for the Fourth Ministerial Conference.

"Geneva Week" can only take place thanks to the generosity of donors. We would like to see this become a regular annual and fully funded event. In our budget submission for 2002, we have proposed moving funding for Geneva Week "on-budget".

Helping Small Capacity-Constrained Delegations

Many delegations in Geneva are understaffed and over-stretched. With thousands of hours of meetings taking place every year in Geneva, developing countries with small missions have difficulty in coping with the pace of work at the WTO. The WTO has started an internship scheme with the help of donors, now in its infancy, to finance the secondment of officials from capitals to missions in Geneva. Not only does this build capacity at the missions but when officials return to capital, their national ministries also benefit from the experience and contacts they have developed here.

Internship programmes

The WTO Secretariat also has "in-house" internship schemes. A formal internship programme for postgraduates from all Member countries and observers was set up in June 2000. Until then, internships were ad hoc and the vast proportion of interns were from developed countries. In the first half of 2001, 69 three-month internship places were offered. Of these, 32 went to participants from developed countries and 37 to developing countries and countries in transition. The Dutch government also finances a programme for candidates from developing countries – five officials, from Mauritius, Egypt, Indonesia, Barbados and Zambia respectively, had placements in the WTO Secretariat funded by this programme in 2001.

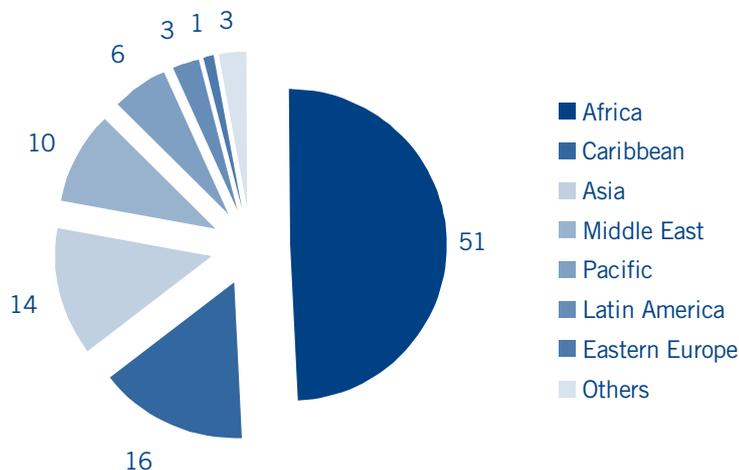
Use of information technologies, including WTO Reference Centres

Information technology is a key element in the WTO's technical assistance strategy. Since 1997, the WTO has created a network of 104 computerized information centres, also called "Reference Centres", 41 in least-developed countries, 42 in developing countries, and 21 in the regional and sub-regional organizations. Government officials, business people and academics in the beneficiary institutions can access the WTO Reference Centres. The Reference Centres provide CD-ROMs, video collection and Internet access to the WTO website.

The centres provide instant access to all WTO documentation and on-line databases, as well as those of other relevant organizations. Training in the use of these tools is provided by the Secretariat.

Currently, the WTO has entered into a contract with the Société Internationale de Télécommunications Aéronautiques (SITA) to provide dedicated Internet connection to a number of WTO Reference Centres. Twenty LDCs have been contacted in this regard.

Chart 4. WTO reference centres as of October 2001



IDB and CTS delivery and dissemination facilities

A project aimed at helping developing and least-developed Members fully exploit the tariff and import information in the WTO Integrated Data Base (IDB) and the Consolidated Tariff Schedules (CTS) data base has put in place. This will give easier access to the information on applied tariffs and import levels in the IDB and on Members' tariff bindings and agricultural commitments in the CTS. The project will strengthen the capacity of developing Members to engage in future tariff negotiations. In its current phase the project aims to develop a basic set of user-friendly delivery facilities through CD-ROM and Internet, so that the information can be accessed in a systematic manner.

Negotiators' Tool Kit

We plan to combine the information available through the IDB, the CTS and the services database in a "Negotiators' tool kit", which will also provide access through a single platform to a new facility for analysis and comparison of texts and to training in negotiating techniques and the psychology of negotiation. This will enable developing and least-developed Members more easily to analyze real data, to analyze and compare texts, and so to construct their own negotiating proposals. The same "tool kit" will also be used in the Secretariat's technical assistance activities, so that all of this information will be available on-line in seminars and workshops.

Other projects

Distance learning, the use of tele-or video-conferencing of meetings, or web-casting are ideas aimed at increasing efficiency. Utilizing more sophisticated and established operations run by other agencies makes sense. There is no reason to duplicate these costly technologies. We continue to explore ideas to ensure that we make good use of new technologies in our future work. Additional funding may be required to make these projects effective.

The WTO Training Institute

The WTO, and its predecessor the GATT have organized residential trade policy courses for capital-based officials since 1955. To this date, over 2,000 officials mainly from developing countries have benefitted from such training. The programme has been highly successful. Evidence of this is the huge increase in demand for places on these courses and the significant presence of ex-participants in various capacities in Geneva and capitals – from ambassadors to chief negotiators and trade ministers.

In June 2001, the Training Division was reconstituted as the Training Institute, with the purpose of expanding our training activities. The current activities of the Institute are the following (on an annual basis):

- three regular three-month Trade Policy Courses – two in English and one alternately in French and Spanish; and

- a diversified range of short trade policy courses, including two three-week courses for least-developed countries, three four-day open-ended courses on dispute settlement, several one-day open-ended induction courses.

Additional courses on specific WTO topics or workshops of various kinds, such as on trade negotiation skills or other courses aimed at regional organization secretariats are also being considered.

Future activities

It is proposed in a first stage to double the capacity to offer three-month courses in response to the already large demand and in anticipation of growing needs for training in institutional capacity building in developing and transition WTO Members and observers. This would mean providing for six three-month courses annually and a doubling of the number of fellowships offered from 81 to 162.

The following other mandated tasks are being developed and pilot projects will be launched as soon as financing is secured:

- training for trainers

- distance-learning services

- cooperation with universities and other institutions of learning



In implementing its future activities, the Training Institute will benefit from the advice and views of the Joint Consultative Board on WTO-Relating Training, which has been set up recently. The Board currently comprises international organizations – the World Bank, UNCTAD and ITC – as well as ex-officio representatives of the WTO membership and prominent individuals from the academic community. The Board will make us more accountable and advise us on ways in which we can achieve better cooperation and coherence with other organizations, and will be a source of fresh ideas on effective training. The new Training Institute under the guidance of a new creative board will be able to carry forward ideas to ensure we make good use of new technologies in our future work.

“Modernization of the WTO”

This document focuses on what we are doing – and what we want to do by way of technical assistance, capacity building and development. It should be clear that I want the Secretariat to do this in the most efficient and cost-effective ways we can devise.

There is much we must do to improve the workings of our system. How to improve participation and transparency while increasing efficiency is our challenge. It is my intention early in the new year to submit to Ministers a set of ideas that could improve the way we manage and present ourselves.

More generally, I want to ensure that the WTO Secretariat gives Members the highest quality of service with the least waste. The WTO is not the GATT, however we have not made the managerial and organizational restructuring necessary to assume our new and wider responsibilities. Recently, an independent study has been commissioned to study the structure and resources of the Secretariat. Where this study makes recommendations on our structure or resource distribution that I believe will enhance our operations, it will be my intention to implement many of the recommendations and in some areas would wish to go further to enhance our management systems. I believe that I have an obligation both to the Members and to the Secretariat to work for continuing improvements and efficiencies in the way we go about our work.

The WTO Secretariat

Total staff: 552

Existing budget: CHF 134 million