

Capacity-building and Technical Assistance for Developing Countries After Doha

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The Doha Declaration stresses the importance of 'well-targeted, sustainably financed technical assistance and capacity-building programmes' and reiterates the commitment of WTO Members to help the weakest among them to participate effectively in the multi-lateral trading system. But what does this mean in practice? What is the objective of trade capacity-building? Who should provide this assistance and how? Is it all gain for developing countries or could it entail risks? A recent paper by the European Centre for Development Policy Management tries to provide some answers, based on the review of several trade capacity-building projects and programmes administered in African and Caribbean countries.¹

A Trickier Business than It Seems

That trade-related capacity in poor countries is extremely weak is widely acknowledged. Therefore, strengthening the capacity of the poorest WTO Members to participate in the global trading system may seem at first glance a rather straight-forward and uncontroversial way of promoting their interests, and those of the system as a whole. A closer look reveals, however, a more controversial side of trade capacity-building. Money tops the list: in spite of repeated pledges at the last three Ministerial meetings, actual financial commitments remain small or at least well below the rhetoric (see related article on page 11).

One may want to go a step further and ask where trade-related technical assistance fits within the political economy of trade negotiations. Is it aimed at rebalancing relations in the WTO? Or is it, as some in developing countries fear, merely the promise of a sweetener to help them swallow bitter prospects in terms of market access? Last, but certainly not least, the question of whose immediate interest should prevail deserves some attention. Should capacity-building aim to widen the scope of actual economic policy choices for developing countries? Or should it be limited to helping them cope with the burden of commitments they have taken on – sometimes lightly, it has turned out – for the benefit of their more developed partners?

Issues in trade-related capacity-building and technical assistance (TCB) are diverse, complex and in constant evolution. For a start, the links between trade, development and poverty (through the former's impact on growth and income distribution) are not clear for everyone.² Moreover, the technical aspects of trade policy-making are increasingly complicated due to 'new' issues such as services, intellectual property, TBTs, e-commerce entering the picture, particularly for countries whose trade policy for decades has mainly consisted of granting import licenses.

As a result, there is not yet a clear common understanding of the scope of TCB or, even more importantly, of the objectives of this type of assistance. Until very recently, few attempts had been made to define what TCB in poor countries entails, and very little practical guidance existed as to how capacity in that field can best be developed and strengthened. The first comprehensive attempt of that sort was made by the OECD Development Assistance

Committee, which published last year its *Guidelines on Capacity Development for Trade in the New Global Context* (www.oecd.org/dac/trade).³ One of its virtues is an effort to look into the core of the matter: what *kind* of capacity should we aim to build or strengthen? If the answer, as the guidelines suggest, is that a whole *process* of trade policy-making must be engineered in those countries, then there is a wide scope for improvement in current TCB practices.

Trade Capacity-building: Are we missing the point?

Many factors can explain why a country succeeds or fails in using international trade as a vehicle for its development strategy. As evidenced by the experience of countries that have successfully done so – for instance, Mauritius⁴, several East Asian developing countries and, indeed, the developed countries – efficient trade

policy-making may be best described in the context of this paper as a process by which: (i) the country's *trade interests* are clearly identified in the framework of its overall development strategy; (ii) these interests are translated into *policies and negotiating goals*; (iii) *roles* are distributed – either explicitly or implicitly – and *resources* are allocated to implement these policies, and to promote these interests, reactively or actively, in the various negotiating fora (at the multilateral, bilateral and regional levels).

The diagram opposite depicts such a process in a very simplified manner. Best practice reveals three critical elements of an efficient trade policy process: *government leadership*, *institutional capacity* and the *inclusion* of all actors, including the relevant ministries (not just those in charge of 'trade'), the business sector, trade promotion and regulation bodies, think tanks and other civil society organisations.

Supporting the structuring and the sustainability of this process in countries where it is inefficient or close to non-existent is what donors should aim at. Evidence shows that they do so to some extent, but generally in a dispersed manner, and very rarely with a comprehensive approach. Capacity-building initiatives in the area of trade policy often aim primarily at *helping developing countries to cope with the obligations* they contracted within the trade agreements they have signed; they also mostly refer to *technical assistance and training*; and they are largely directed at *trade administrations and officials*.

What's wrong with that? First, it is restrictive to describe developing countries' needs in the area of trade policy as the set of information and know-how necessary to implement the commitments made under the multilateral system, or as part of other agreements (e.g. within the ACP-EU co-operation framework). As said above, any trade agreement is necessarily a subset of a trade policy, which itself is part and parcel of a country's own development strategy. The purpose of trade-related capacity-building therefore necessarily depends on the country's own objectives, thus calling for particular attention to be devoted to ownership and context-specificity.

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MEETINGS

All WTO phone and fax numbers start with (41-22) 739.

Only extensions are provided in this list.

Please contact the Secretariat for confirmation of dates.

For these and other meetings, see: <http://www.ictsd.org/cal/>

Jan. 28 - Feb. 8 New York	2 nd Preparatory Committee Meeting for the World Summit on Sustainable Development Contact: Johannesburg Summit Secretariat, e-mail: dsd@un.org
February 1 Geneva	WTO Dispute Settlement Body Contact: Nuch Nazeer, tel: 5393, fax: 5458
February 7 Geneva	WTO Committee on Agriculture Special Session Contact: Peter Ungphakorn, tel: 5412, fax: 5458
February 13 Geneva	WTO General Council Contact: Nuch Nazeer, tel: 5393 fax: 5458
February 14 Geneva	WTO Committee on Trade and Development Contact: Lucie Giraud, tel: 5075, fax: 5458
February 19-20 Geneva	WTO Committee on Regional Trade Agreements Contact: Hans-Peter Werner, tel: 5286, fax: 5458
February 20-21 Geneva	WTO Textiles Monitoring Body Contact: Luis Ople, tel: 5374, fax: 5458
February 21 Geneva	WTO Committee on Government Procurement Contact: Luis Ople, tel: 5374, fax: 5458
March 4-8 Yokohama	3 rd Session of the Codex Intergovernmental Task Force on Biotechnology Contact: John Riddle, Media Relations, tel: (39-6) 5705-3259, e-mail: John.Riddle@fao.org ,
March 5-7 Geneva	WTO Council for Trade-related Aspects of Intellectual Property Rights Contact: Peter Ungphakorn, tel: 5412, fax: 5458
March 8 Geneva	WTO Dispute Settlement Body Contact: Nuch Nazeer, tel: 5393 fax: 5458
March 11-22 Geneva	WTO Council for Trade in Services Contact: Nuch Nazeer, tel: 5393 fax: 5458
March 14-15 Geneva	WTO Working Group on the Interaction between Trade and Competition Policy Contact: Hans-Peter Werner, tel: 5286, fax: 5458
March 14-15 Geneva	WTO Committee on Technical Barriers to Trade Contact: Luis Ople, tel: 5374, fax: 5458
March 18 Geneva	WTO Council for Trade in Services Contact: Nuch Nazeer, tel: 5393, fax: 5458
March 18-22 Monterrey	UN International Conference on Financing for Development Contact: FfD Secretariat, tel: (1-212) 963-2587, e-mail: ffd@un.org , web: www.un.org/ffd
March 21-22 Geneva	WTO Committee on Trade and Environment Contact: Hans-Peter Werner, tel: 5286, fax: 5458

WTO DOCUMENTS

Canada – Export Credits and Loan Guarantees for Regional Aircraft. (WT/DS222/R). 28 January 2002. Report of the Panel

Committee on Trade and Development. 5 October 2001. The Generalised System of Preferences: A Preliminary Analysis of the GSP schemes in the Quad. (WT/COMTD/W/93) Background note by the Secretariat

United States – Tax Treatment for Foreign Sales Corporations. Recourse to Article 21.5 by the EC. (WT/DS108/AB/RW). 14 January 2002. Report of the Appellate Body

OTHER PUBLICATIONS AND RESOURCES

Haufler, Virginia. 2001. A Public Role for the Private Sector: Industry Self-regulation in a Global Economy. Carnegie Endowment for International Peace. Washington D. C.

UNEP. 5 November 2001. Economic Reforms, Trade Liberalisation and the Environment: A Synthesis of UNEP Country Projects. United Nations Nations Environment Programme. Geneva

UNEP. 5 November 2001. Enhancing Synergies and Mutual Supportiveness of Multilateral Environmental Agreements and the WTO. UNEP. Geneva

World Business Council for Sustainable Development. October 2001. The Business Case for Sustainable Development. WBCSD. Geneva

NEW FROM ICTSD

Dutfield, Graham. 2001. Intellectual Property Rights and Development. Comments are sought on this draft Policy Discussion Paper prepared by Graham Dutfield for the joint ICTSD/UNCTAD Project on TRIPs and Development Capacity Building. The aim is to produce a readable and accessible document that can contribute to a better understanding of the key issues regarding the TRIPs Agreement and development by national authorities and other stakeholders.

Kostecki, Michel. 2001. Technical Assistance Services in Trade Policy. The objective of this ICTSD Resource Paper is not to advocate any specific model of technical co-operation but rather to pave the way for a much-needed international debate on trade policy-related technical assistance, doubly important in the WTO's post-Doha work programme, in which enhanced capacity-building is a central element.

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