

**Working Group on the Relationship
between Trade and Investment**

**FUTURE WTO-UNCTAD SECRETARIAT COLLABORATION IN THE AREA OF
INVESTMENT ON TECHNICAL ASSISTANCE AND CAPACITY-BUILDING FOR
DEVELOPING AND LEAST-DEVELOPED COUNTRIES**

Note by the WTO and UNCTAD Secretariats

1. This Note has been prepared with a view to suggesting ways of providing a strengthened and adequately resourced programme of technical assistance and capacity-building activities to support developing and least-developed countries' participation in any future WTO work in the area of Investment that may be decided on at the Fifth Ministerial Session.
2. Collaboration between the WTO and UNCTAD Secretariats has worked well over the past eighteen months in providing a joint programme of technical assistance activities pursuant to the mandate contained in Paragraph 21 of the Doha Ministerial Declaration. It is expected that all requests for technical assistance from WTO Members in this area will have been met by the time of the Cancún Conference. The assessment of Geneva-based delegations and capital-based officials who have participated in the programme of activities has been positive.
3. Members of the Working Group have made a number of valuable suggestions on how they believe the technical assistance programme could be improved in the future. These relate to clarifying the division of labour between the WTO and UNCTAD Secretariats to reflect better their respective areas of experience and expertise; encouraging the involvement of other international organizations which might contribute in helping developing countries enhance their capacity to attract, absorb and benefit from foreign investment; and securing on a more reliable basis financing for UNCTAD to provide technical assistance in support of the WTO mandate.
4. Taking into account these suggestions, and lessons learned from experience in the past eighteen months, the WTO and UNCTAD Secretariats believe that the following guidelines should apply in the future. It should be noted that the UNCTAD Secretariat will continue to undertake technical assistance and capacity-building activities independently, pursuant to UNCTAD's own mandate on Investment.
5. The WTO and UNCTAD Secretariats should continue to collaborate in planning a coordinated programme of technical assistance and capacity-building activities pursuant to the WTO's mandate in this area, so as to meet the various needs of Members as efficiently and cost-effectively as possible and to avoid duplication and overlap.
6. The programme will continue to be designed in response to requests from WTO Members and observers. Experience suggests that a more varied menu of activities should be provided so as to meet the needs of developing and least-developed countries. One example is that where official responsibility for foreign investment policies and agreements lies outside the ministries of trade and commerce, there is often a need for technical assistance on how WTO provisions operate and might relate to any future multilateral framework on investment if there should be a decision to negotiate one. Another is the need to integrate more fully long-term capacity-building activities into the

programme, which is an area that is frequently identified as a priority by some developing and least-developed countries.

7. In the interest of making efficient use of staff and financial resources in the delivery of technical assistance, the WTO Secretariat should focus on providing technical assistance that is related directly to Members' discussions on the Doha Work Programme in this area and on the relationship of this Work Programme to WTO provisions. UNCTAD should focus on capacity-building activities, particularly training and institution-building, and complementary technical assistance in policy analysis and development.

8. The WTO and UNCTAD should develop their cooperation with other international organizations with expertise in the area of institution-building. In this regard, it is felt that a particularly valuable contribution can be made by the World Association of Investment Promotion Agencies (WAIPA). Efforts should be made within the coordinated WTO/UNCTAD programme of technical assistance and capacity-building activities to support financially an expansion of WAIPA's ability to contribute to the programme, particularly in helping developing countries enhance their capacity to attract, absorb and benefit from foreign investment. Other organizations that can also contribute are the Multilateral Investment Guarantee Agency (MIGA), and the Foreign Investment Advisory Service (FIAS), both subsidiaries of the World Bank.

9. A proposed, coordinated programme of technical assistance and capacity-building activities pursuant to the WTO's mandate in this area will be prepared annually by the WTO and UNCTAD Secretariats within the framework of the recently concluded Memorandum of Understanding. It will be presented for approval to WTO Members. In the case of activities to be funded by the WTO, the programme will be presented to the Committee on Trade and Development in the context of its consideration of the Coordinated WTO Secretariat Annual Technical Assistance Plan. In the case of activities to be funded by UNCTAD, the programme will be presented through UNCTAD's Commission on Investment, Technology and Related Financial Issues.

10. As appropriate, funding may be sought through the WTO in 2004, separately from the Annual Technical Assistance Plan, also for activities that would contribute to the success of the programme but that remain unfinanced otherwise. Placing the whole programme on a long-term, financially secure basis is of paramount importance to facilitate planning and ensure continuity of the activities.
