

# WORLD TRADE ORGANIZATION

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General Council

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## PREPARATIONS FOR THE 1999 MINISTERIAL CONFERENCE

### Proposal on Technical Assistance/Capacity Building

#### *Communication from the United States*

The following communication, dated 27 July 1999, has been received from the Permanent Mission of the United States.

#### **Proposal**

1. Ministers decide to establish a new direction and priority to the technical assistance and support for capacity building provided to WTO Members to facilitate their integration into the trading system. They request the Director-General, in cooperation with the Chairpersons of the Committee on Trade and Development and the General Council, to launch a new action agenda to strengthen and enhance the WTO's ability to work with other international institutions in delivering such assistance to Members, particularly the least developed. The new action agenda shall promote greater coherence among institutions and emphasize efficiencies among donor countries in the conduct of their programmes; ensure that the programmes are "demand driven" and responsive to the needs and interests of recipients; and adapt the general concepts embodied in the Integrated Framework to a broader range of WTO Members.

#### **Action agenda**

2. Not later than July 2000, Members shall complete an evaluation of current technical assistance delivery mechanisms and develop proposals for General Council consideration to adapt and extend the existing Integrated Framework to:

- improve cooperation among international intergovernmental organizations (IGOs) in the identification and delivery of technical assistance and to expand the number of participating IGOs in the expanded Integrated Framework;
- incorporate bilateral donors and technical assistance providers into the expanded Integrated Framework, and explore ways to improve coherence in the interaction among bilateral donors, IGOs, and the NGO community, particularly development and environmental organizations, trade associations and private philanthropic organizations;
- evaluate current funding mechanisms and expenditures on technical assistance, to ensure effective use of resources, including in the WTO Secretariat's ability to coordinate the broader Integrated Framework;

- ensure that capacity-building assistance to address so-called “supply-side” and/or regulatory and other infrastructure needs are appropriately brought to the attention of relevant institutions for further action; and
- explore the viability of a development partner programme for the least developed to facilitate cooperation between donors and recipients as noted above to ensure continued progress in the pursuit of the new directions agreed by Ministers.

### **Rationale**

3. During the General Council debate many Members have commented on the need for a new approach to technical cooperation and capacity building and their interest in participating in the design and evaluation of programmes. The experience of the first five years of the WTO leads us to the conclusion that broadening, enhancing and more effectively coordinating technical assistance is desirable and that Ministers meeting in Seattle need to give specific directions to the WTO, under the leadership of the Director-General, to make important and immediate improvements in this area, building on the experience of the Integrated Framework.

4. In 1997, as part of the High-Level Meeting on Integrated Initiatives for the Least-Developed Countries' Trade Development, the Integrated Framework was developed to foster an integrated approach to trade-related technical assistance activities for the least-developed Members, aimed at improving their overall capacity to respond to the challenges and opportunities offered by the trading system. The process began with the identification of needs by each country, followed by a joint response to those needs by participating IGOs. Ultimately, each least-developed country received an integrated technical assistance plan from the IGOs.

5. The Integrated Framework was a sound approach, but, in practice, had some shortcomings in terms of implementation, particularly with respect to lack of follow-up and poorer-than-expected coordination among IGOs. Nevertheless, with appropriate attention to the problems identified, the concept can be applied effectively to additional WTO Members and can become the basis for meaningful technical assistance/capacity building. The WTO can facilitate this effort by playing a more active coordinating role.

6. There are many actors in the technical assistance/capacity building field – from IGOs to WTO Member donor countries to WTO Member recipient countries, although not all are yet granted observer status in the WTO. Numerous IGO's are involved, including the World Bank, the IMF, UNCTAD, UNEP, UNDP, the International Trade Centre, and the ILO. Assistance also is provided at the bilateral level and via the extensive network of NGOs and other organizations. At the same time, recipient countries have called for a better means of working within the framework of assistance to select and make the best use of programmes that will meet their particular needs. There has been considerable emphasis on the importance of ensuring a demand-driven component to programmes and that they include identification of priority projects based on recipient country needs assessments and their relationship to trade-related capacity building. In the context of World Bank country programmes, reflecting government priorities, the World Bank can incorporate trade-related projects that facilitate WTO capacity building.

7. A new approach should be adopted by Ministers at Seattle with the aim of revitalizing the success of the initial work done under the Integrated Framework and strengthening existing forms of cooperation. Many governments found that the needs assessments were an invaluable tool for considering the viability and efficiency of new programmes. The WTO need not compete with other international institutions or development institutions, but it must strengthen its ability to assist Members in maximizing the opportunities for assistance and ensuring that they enhance prospects for fuller integration of Members into the trading system. WTO Members have a special responsibility in

this regard with respect to the least-developed Members of the WTO. In an effort to assist the least developed, through the administrative and coordination process, WTO Members should consider establishing a programme of development partners that might take the responsibility in ensuring that there is appropriate follow up in organizing roundtables and other coordinating activities, including possible involvement of members of the NGO community in the effort, including development and environmental organizations, business organizations and philanthropic organizations.

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