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Technical Assistance to Least-Developed Countries in the Context of the Doha Development Round: High Risk of Failure

Raymond SANER* and Laura PÁEZ**

In 2002, World Trade Organization (WTO) Members pledged more than 30 million Swiss francs to ensure the achievement of the Doha Development Round (DDR). This amount was meant to finance 514 technical assistance and capacity building activities listed in the WTO Annual Technical Assistance Plan (TAP). In addition, 49 least-developed countries (LDCs) would receive assistance through the Integrated Framework (IF), to help them integrate trade policy into their development strategies. Concerns have arisen as to the scope, effectiveness and efficiency of the IF, as well as other trade-related technical assistance programmes. While the activities planned are laudable, the authors question whether they can be achieved and suggest a reassessment of the IF in order to fulfil the objectives of the DDR.

I. DOHA DEVELOPMENT ROUND AND TECHNICAL ASSISTANCE FOR DEVELOPMENT

The World Trade Organization (WTO) has been given the explicit mandate by its membership to promote the development of developing and least-developed countries (LDCs) in its trade agenda. The WTO adopted a Work Programme in its Ministerial Declaration of 14 November 2001, known as the Doha Development Round (DDR), conducive to the fulfilment of development objectives (WTO, 2001a).

Several paragraphs of the DDR Work Programme set out development-related obligations, both in hortatory and binding language for the WTO membership. These are Implementation-Related Issues and Concerns (para. 13), Small Economies (para. 35), Least-Developed Countries (paras 42 and 43), Special and Differential Treatment (para. 44), and, notably, Technical Cooperation and Capacity Building (paras 38, 39, 40 and 41). The final category of obligations dealing with Technical Assistance (TA) and Capacity Building (CB) addresses the pivotal measures required to reduce poverty in developing states and in LDCs.

The vital nature of TA and CB is immediately apparent and referred to in the Preamble of the Doha Development Agenda (DDA):

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“The majority of WTO Members are developing countries. We seek to place their needs and interests at the heart of the Work Programme adopted in this Declaration . . . In this context, enhanced market access, balanced rules, and well targeted, *sustainably financed technical assistance and capacity-building programmes have important roles to play.*” (emphasis added) (WTO, 2001a: para. 2)

In addition to a specific mandate for technical assistance, due consideration is also given to technical assistance and capacity building in all of the issues of the Work Programme. The WTO commitment to LDCs specifically articulates:

“The delivery of WTO *technical assistance shall be designed to assist developing and least-developed countries and low-income countries in transition to adjust to WTO rules and disciplines, implement obligations and exercise the rights of membership, including drawing on the benefits of an open, rules-based multilateral trading system.*” (emphasis added) (WTO, 2001a: para. 38)

Specific obligations of Trade-Related Technical Assistance and Trade-related Capacity Building (TRTA/CB) in the Work Programme of the DDR include providing secure and predictable funding (WTO, 2001a: para. 40). This has been translated into the design and adoption of an Annual Technical Assistance Plan (TAP), issued by the WTO Secretariat and approved by the membership, defining the allocation of capital and human resources to TRTA/CB projects for LDCs.

In addition to funding, the mandate for technical assistance envisions coordinated delivery of TRTA/CB by the WTO Secretariat in conjunction with the Development Assistance Committee (DAC) of the OECD, other international agencies such as the United Nations Conference for Trade and Development (UNCTAD), the International Trade Centre (ITC), as well as bilateral donors and country beneficiaries. This inter-institutional effort is deemed “. . . to identify ways of enhancing and rationalizing the Integrated Framework for Trade-Related Technical Assistance to Least-Developed Countries and the Joint Integrated Technical Assistance Programme (JITAP)” (WTO, 2001a: para. 39).

II. DEVELOPMENTS IN TRADE-RELATED TECHNICAL ASSISTANCE AND TRADE-RELATED CAPACITY BUILDING SINCE THE DDR

The explicit mandate of Trade-Related Technical Assistance and Trade-Related Capacity Building (TRTA/CB) in the WTO has led to the implementation of the DDR Declaration. What has been delivered so far is: (a) a revised and enhanced JITAP, implemented in 16 countries (WTO, 2003b); (b) the Integrated Framework for Trade-Related Technical Assistance to Least-Developed Countries (IF); (c) a TAP, containing the funding and allocation priorities and activities and a Doha Development Agenda Global Trust Fund (DDAGTF) (see Table 1), which consolidates external funds and resources from donors for WTO TRTA/CB activities; and (d) a WTO/OECD joint Trade Capacity Building Database (TCBDB), documenting on all the TRTA/CB related activities (WTO, 2002c).

In the two years following the clear mandate established by the 2002 DDA proceedings, the WTO has published data on the progress of TRTA activities, as depicted in Figures 1–3, which illustrate the changes in WTO TRTA activities, expenditure and resources.¹

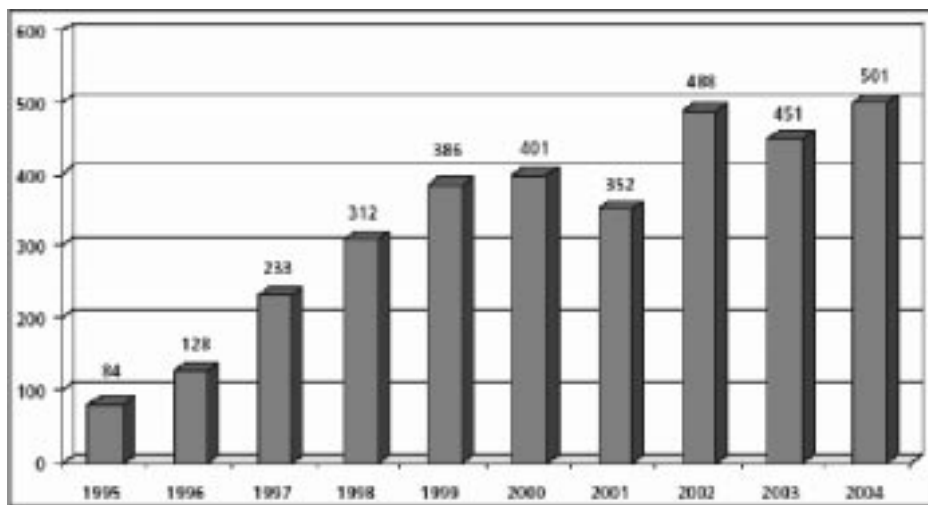


FIGURE 1: NUMBER OF TRTA ACTIVITIES

Source: WTO, Annual Report 2005, p. 158.

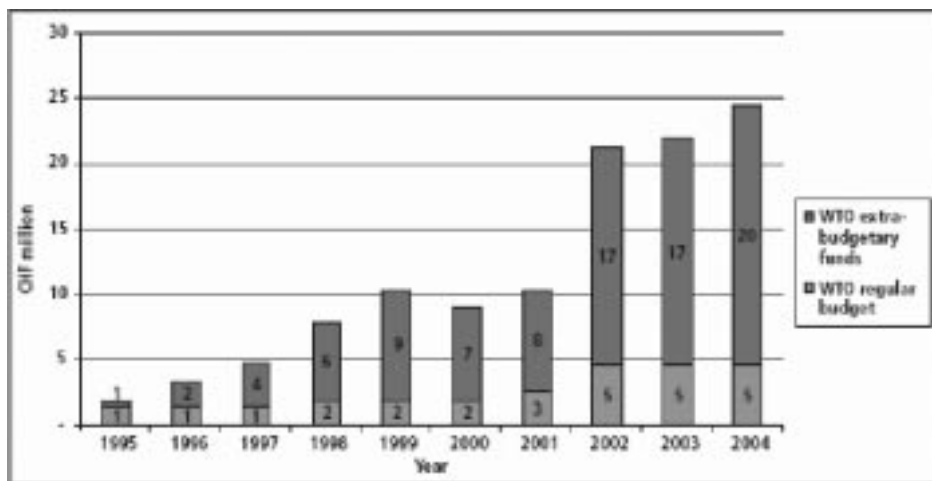


FIGURE 2: WTO TECHNICAL ASSISTANCE—EXPENDITURE

Source: WTO, Annual Report 2005, p. 158.

¹ For complete graphs, see WTO, Annual Report 2005, pp. 157–159.

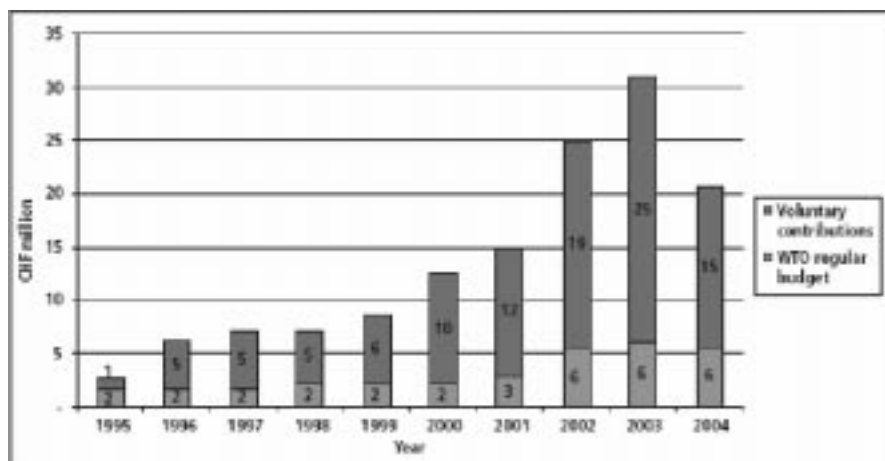


FIGURE 3: WTO TECHNICAL ASSISTANCE—RESOURCES

Source: WTO, Annual Report 2005, p. 159.

In examining Figure 1, it is apparent that while there is an overall positive trend in TRTA activities, the increase is marginally significant. Taking 2002 (the year in which the DDA obligations were undertaken) as a starting point, one observes that TRTA activities increased from 488 to 501, or less than 3 percent, and actually fell during 2003.

The data on TRTA expenditure in Figure 2 at first glance appears to be more hopeful, but must be considered carefully in the light of two shortcomings. First, it must be noted that the entire expenditure increase *post* DDA was partly linked to WTO extra budgetary spending. In fact, no permanent increase was made in the WTO regular budget spending for TRTA after the DDA. This information is particularly worrisome if considered jointly with the information illustrated in Figure 3. The increase of TRTA resources was entirely attributable to voluntary contributions from Member States. Third, Figure 3 also registers a sharp decrease of voluntary contributions from 25 million Swiss francs in 2003 to only 15 million Swiss francs in 2004, with no changes whatsoever in the share of the WTO's regular budget to compensate for the fall in TRTA resources in the previous year. If this is any indication of a trend, then TRTA faces a very uncertain budgetary present and future.

III. THE REVISED AND ENHANCED JOINT INTEGRATED TECHNICAL ASSISTANCE PROGRAMME

The Joint Integrated Technical Assistance Programme (JITAP) was originally a joint initiative between UNCTAD, ITC and WTO, dedicated to enhancing the export capacities of African developing countries and promoting their active participation in the multilateral trading system.

In 2002, an evaluation of the JITAP was issued by two independent evaluators, based on their interface with the organizations, donors and recipient countries involved at all levels. Although the evaluators recognized the value of the JITAP contribution to the multilateral trading system, they also drew attention on the shortcomings of the programme, criticizing the asymmetrical application, a lack of sub-regional scales of TRTA, a preference for national rather than local institutions, and most importantly a focus on market access and market issues, even though supply-side issues dominate LDC concerns.

To address these issues, the report recommends “A future JITAP should focus on ... on building HRD capacities, through extensive engagement of local institutions; and through assistance to the development of export-sector strategies, focusing on supply-side issues. Greater emphasis on trade and poverty issues is essential in these three areas” (De Silva and Weston, 2002).

What follows is a more extensive analysis of the Integrated Framework (IF) instrument, as it was created with the specific aim of helping least-developed countries which are the main focus of this article.

IV. THE INTEGRATED FRAMEWORK FOR TRADE-RELATED TECHNICAL ASSISTANCE TO LEAST-DEVELOPED COUNTRIES

A. OVERVIEW

The Integrated Framework for Trade-Related Technical Assistance to Least-Developed Countries (IF) was initiated in late 1997 as a joint programme between the United Nations Conference on Trade and Development (UNCTAD), the WTO, the International Trade Centre (ITC), the UN Development Programme (UNDP) and the Bretton Woods Institutions (World Bank and International Monetary Fund) to strengthen LDCs' trade capacities.²

Relaunched in 2000, after an exhaustive review of its first three years, the IF revised programme sought to resolve previous implementation problems in LDCs, by introducing “mainstream trade”³ into the national development plans of the beneficiary States. The preferred format of such development plans were so-called “Poverty Reduction Strategy Papers” (PRSPs), developed by the Bretton Woods Institutions and used in the context of conditional debt financing. Under the IF, coordinated TRTA/CB was to be delivered in areas specified by LDCs in their development plans. This new approach of the IF, translated into an expanded work programme to include more countries and increased funding with a trust fund managed by UNDP (see Table 4).

² For complete information on the IF, see <www.integratedframework.org>. Also see WTO (2000a).

³ For a complete analysis of the elements and conditions of mainstreaming trade, see WTO (2001a).

The IF was endorsed in the Doha Declaration, setting specific tasks in the context of the WTO, as follows: (i) the design of a work programme for LDCs, (ii) the increase of funding through donor Members' contributions, and (iii) the delivery of an interim report by December 2002, as well as a full report by the DG on all issues affecting LDCs in the V Ministerial.⁴

B. THE IF AND LDCS

The progress in fulfilling the IF mandate raises several considerations worthy of mention. First, in terms of IF coverage of issues, the Sub Committee on Least-Developed Countries produced the *WTO Work Programme for the Least-Developed Countries (LDCs)* shortly after Doha, in February 2002 (WTO, 2002e). The programme highlighted the core systemic issues of relevance for LDCs in the context of the WTO. These issues were market access, TRTA/CB, support to the agencies dealing with export and production diversification, mainstreaming trade into the LDC-III Programme Action, participation and accession to the multilateral trading system, and a follow-up to LDC-related decisions and declarations.

The Work Programme was further enhanced and narrowed by the *New Strategy for WTO Technical Cooperation for Capacity Building, Growth and Integration*, issued in the same month (WTO, 2002f). Concretely, the strategy consists of 10 points that are summarized below:

- Technical Assistance is seen as a mechanism for “mainstreaming” trade into national development strategies, in particular within programmes such as the PRSPs.
- Joint application of the revised IF is foreseen by the six agencies, where supply side constraints and capacity deficits prevail, and where trade is “mainstreamed”. Here, the WTO has clarified that providing trade-related infrastructure falls outside its mandate and resources.
- Effective and sustained coordination is to be sought with bilateral donors under the DAC/OECD, in the context of the Integrated Framework Steering Committee (IFSC).

C. SHORTCOMINGS

As is the case with the JITAP, a first shortcoming of IF seems to be the budgetary constraints. This has affected the extent, comprehensiveness and speed of implementation of TRTA/CB. For instance, even though funds have been made available for mainstreaming trade, one of the priorities in the context of the WTO DDAGTF, the ability to guarantee sustainable financing, remains a major concern (see Figure 1).

⁴ See Doha Declaration, paras 42 and 43 (WTO, 2001a).

“In terms of liquidity, the DDAGTF was in the black at the end of June 2003. As the funds received stood at CHF 13.2 million and total expenditures (including commitments undertaken amounted to CHF 10.9 million by that time, a balance of CHF 2.2 million was available. The terms of reference of the DDAGTF required, however, that the full amount be paid in the WTO bank account by the end of the second quarter. That threshold has been missed by more than CHF 10 million and could jeopardise the sustainability of the financing of training and technical assistance activities for 2003 and beyond.” (WTO, 2003b: para. 83)

A second limitation is mobilizing additional resources for capacity building programmes highlighted in an earlier and very succinct report by the UNDP, the responsible body for the management of the Integrated Framework Trust Fund (IFTF), (UNDP, 2002). By the date the report was made public, the amount pledged by the 17 bilateral and multilateral donors was US\$ 10.5 million, of which only US\$ 6.9 million had been effectively disbursed in the IFTF (see Table 1). Given the foreseeable growth in demand for TRTA/CB in LDCs, the DDR mandate on the effective coordinated delivery of technical assistance with bilateral donors is, at best, off track and hardly achievable.

TABLE 1: CONTRIBUTIONS TO THE DOHA DEVELOPMENT AGENDA GLOBAL TRUST FUND

| Donors | CHF | | | Total |
|-----------------------|---------|-----------|-----------|-----------|
| | 2001 | 2002 | 2003 | |
| Members and observers | | | | |
| Australia | | 400,377 | 432,850 | 833,227 |
| Austria | | 292,000 | | 292,000 |
| Belgium | | 299,315 | | 299,315 |
| Canada | | 1,050,600 | | 1,050,600 |
| Czech Republic | | 12,570 | | 12,570 |
| Denmark | | | 587,400 | 587,400 |
| Estonia | | 10,265 | | 10,265 |
| European Commission | | | 818,160 | 818,160 |
| Finland | | | – | – |
| France | | | 1,475,000 | 1,475,000 |
| Germany | | 772,481 | 1,348,366 | 2,120,847 |
| Greece | | | | – |
| Hong Kong, China | | 722,525 | | 722,525 |
| Iceland | | 15,000 | 15,000 | 30,000 |
| Ireland | | 496,740 | | 496,740 |
| Italy | | 1,468,000 | | 1,468,000 |
| Japan | | 1,581,657 | 210,275 | 1,791,932 |
| Korea | | 429,379 | | 429,379 |
| Liechtenstein | | 20,000 | | 20,000 |
| Luxembourg | | 45,668 | 181,375 | 227,043 |
| Netherlands | | 2,029,455 | | 2,029,455 |
| Nigeria | | 1,000 | 1,000 | |
| Norway | 234,908 | 1,273,839 | – | 1,508,747 |
| Poland | | 20,000 | | 20,000 |
| Spain | 8,078 | 110,959 | | 119,037 |
| Sweden | | 4,111,200 | 1,602,693 | 5,713,893 |

TABLE 1: CONTINUED

| Donors | CHF | | | |
|--------------------|---------|------------|-----------|------------|
| | 2001 | 2002 | 2003 | Total |
| Switzerland | | 749,999 | – | 749,999 |
| Chinese Taipei | | 473,427 | – | 473,427 |
| United Kingdom | | 558,945 | – | 558,945 |
| United States | | 2,454,808 | – | 2,454,808 |
| WTO Members | 46,924 | | | 46,924 |
| Total | 289,910 | 19,399,209 | 6,672,118 | 26,361,237 |
| IGOs | | | | |
| Arab Monetary Fund | | 123,118 | | 123,118 |
| Total | – | 123,118 | – | 123,118 |
| NGOs and others | | | | |
| Total | – | – | – | – |
| Grand total | 289,910 | 19,522,326 | 6,672,118 | 26,484,355 |

Source: WTO (2003b).

A third problem related to financing is the IF's conditionality; in order to become an IF beneficiary, countries have to fulfil three basic criteria, namely (i) demonstrate sufficient commitment to streamline trade into the respective national development strategy (preferably PRSPs), (ii) the PRSPs process should be in a preparatory stage, when requesting IF assistance, and (iii) meetings with the WB or the UNDP should also be in a preparatory stage. The conditionality present throughout the process and the subsequent high level of expectations on LDCs can be a prohibitive burden towards those States in need of TRTA (see Figure 4).

In practice, the demands of IF conditionality require many of the human and financial resources that LDCs are actually applying for under TRTA/CB. For example, the IF requires the elaboration of a Diagnostic Trade Integration Study (DTIS),⁵ the organization of national workshops to discuss the trade policies of the DTIS, and the design of a Technical Assistance (TA) Action Plan. All of these activities need to be endorsed by the government of the beneficiary country, as well as the stakeholders, and subsequently need to be approved by the donors. It is contradictory to demand lengthy processes requiring coordinated skills, resources and technical capacity often beyond the possibilities of LDCs in order to qualify for TRTA/CB.

The IF conditionality is also present in the type of policy reforms undertaken by countries in their DTIS. There seems to be a bias favouring those strategies that focus

⁵ DTISs are part of the diagnostic phase of IF, which comes into effect after the approval of assistance to a particular LDC. This diagnostic phase entails a nation-wide process in close coordination with the World Bank, seeking to stimulate discussion between the different sectors involved. The DTIS consists of the design of a plan of action containing trade policy reforms and measures to be executed by the LDC, and which lays out the scope of TRTA/CB delivery.

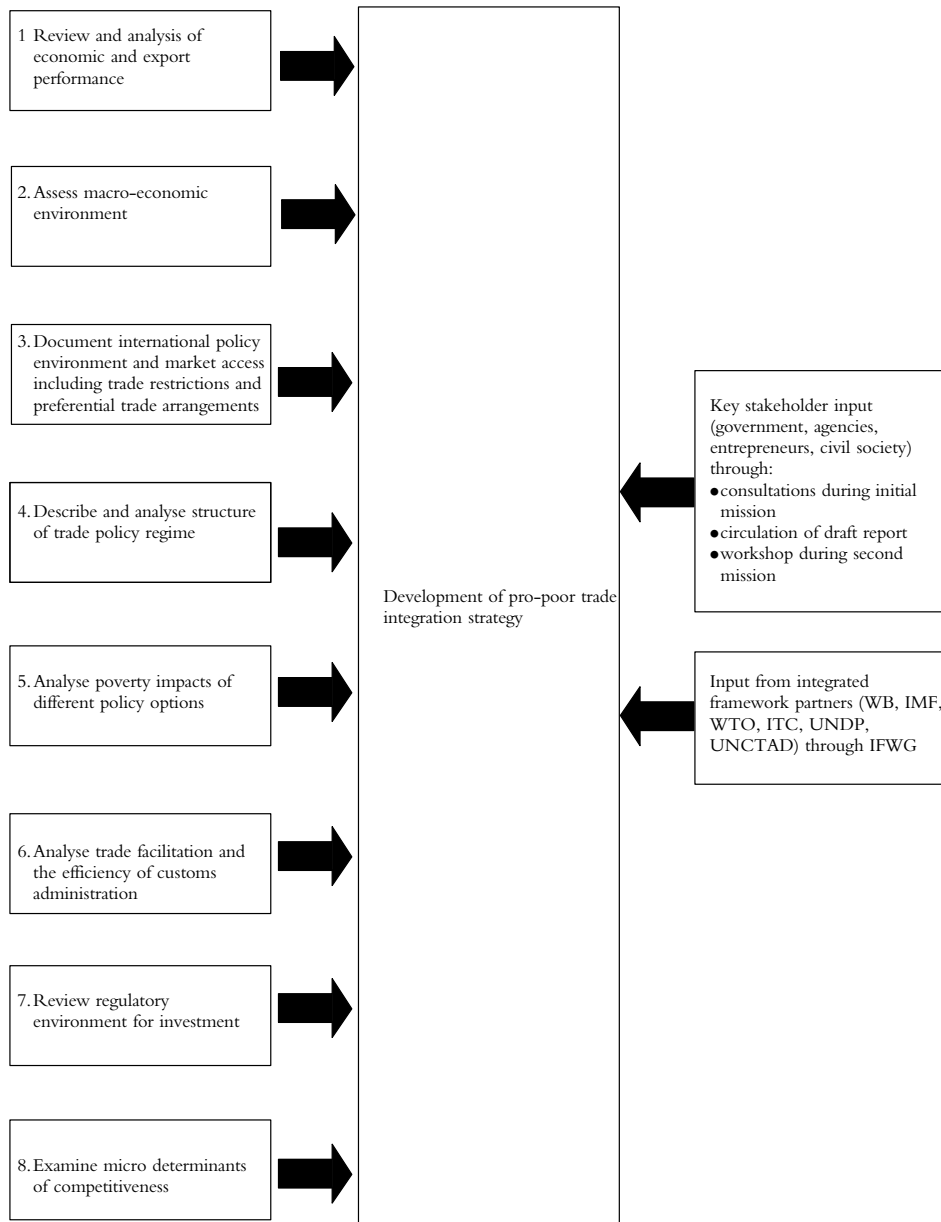


FIGURE 4: FLOW DIAGRAM ON IF PROCESS

Source: Integrated Framework for Technical Assistance for Trade Development in Least-Developed Countries. Cambodia—An Integration and Competitiveness Study Terms of Reference, at <www.integratedframework.org/files/Cambodia_tor.pdf>.

on compliance with WTO commitments and on the Singapore issues. Taking Cambodia as an example, two of the main areas addressed in its IF were trade facilitation (notably a Singapore issue) and accession to the WTO, with a particular focus of achieving WTO compliance through legislative reform and institutionalization of trade protection (The Royal Government of Cambodia, 2002). The same observation has been made in relation to DTIS of other countries. As with JITAP, critics feel that supply-side constraints have not been sufficiently addressed in the IF (Canadian Council for International Co-operation, 2003).

A fourth shortcoming is the IF's lack of comprehensiveness and limited impact, as opposed to its envisaged and expected achievements. The IF was initially conducted in three pilot countries (Cambodia, Madagascar and Mauritania). Learning from the pilot countries' experience, an adjusted IF sought deeper and more meaningful achievements, and was extended to another 11 LDCs.⁶ Still, only 14 out of 50 recognized LDCs received aid under the second round of the IF.⁷ Interestingly, the report on the IF only recommended the extension of the pilot phase to countries with a PRSP or I-PRSP, or to countries which were in the process of implementation. Again, market-driven considerations weighed heavily in determining IF eligibility, as opposed to supply-side issues.

Currently, requests from an additional 12 countries are being considered. These are Angola, Benin, Burkina Faso, Chad, Lao PDR, Maldives, Mozambique, Rwanda, Sao Tome and Principe, Sudan, Togo, and Zambia. Of these, only Mozambique has been recently admitted to the IF. The extension of IF to the other countries is "... subject to the outcome of the second evaluation of the IF, that is currently being undertaken ..." as the WTO has clearly laid out in its Technical Assistance and Training Plan for 2004 (WTO, 2004b: para. 95).

Agreements have been completed between the six IF agencies to make the IF accessible to as many LDCs as possible prior the end of the Doha Round, (WTO, 2002d). However, only 20 countries⁸ have received or are receiving IF, leaving 30 LDCs still waiting for support.⁹ All these shortcomings call for the following questions: Are the original objectives of TRTA/CB too ambitious in the light of what the organizations and donors were willing or able to offer? Or has the ability of LDCs to respond with a more enabling trade environment been overestimated by these institutions?

The institutions of the IF extol the successes of TRTA/CB and assert that the programme can remain effective with necessary reform (WTO Annual Report 2005). Yet the final and most pessimistic scenario suggests that the conditionality and market-

⁶ Burundi, Djibouti, Eritrea, Ethiopia, Guinea, Lesotho, Mali, Malawi, Nepal, Senegal, and Yemen.

⁷ For the complete listing of LDCs, see at <www.un.org/special-rep/ldc/lst.htm>.

⁸ This includes Bangladesh, Gambia, Haiti, Tanzania, and Uganda, prior the restructuring of the IF programme.

⁹ According to the condition and criteria of the IF, it is presumed that all LDCs in the official UN listing are potential beneficiaries of the programme.

driven approach of the IF (rather than a supply-side approach to TRTA/CB) may be simply inappropriate to reduce poverty in LDCs.

V. THE WTO/OECD JOINT TRADE CAPACITY BUILDING DATABASE (TCBDB)

A. CONSIDERATIONS ON THE STANDING OF THE TCBDB

In another context, the OECD has been working in close relation with the WTO on TRTA/CB. Both organizations have developed the Trade Capacity Building Database (TCBDB), conducive to fulfilling the DDR mandate. The database contains important data on TRTA and TRCB collected through surveys, as well as other information-gathering tools and techniques (WTO/OECD, 2003). Many of these findings reflect important trends of Official Development Assistance (ODA) in the context of TRTA/CB, since OECD members represent 95 percent of the international donor community. This allows for a comparison of the importance given to TRTA/CB in relation to other fields of development assistance.

For instance, TRTA/CB receives 4.8 percent of the total ODA, which only amounts to US\$ 2.1 billion. Although it may seem small, the sum originally allocated to the multi-donor TRTA/CB programmes increased by over 40 during 2001–2002, thus indicating a still too modest but positive shift in absolute terms (Carey, 2004).

The increased emphasis on TRTA/CB is part of an effort to reactivate the DDR by the OECD membership, following the failure of the Trade Ministerial at Cancun. It reflects some recognition of the concerns of developing countries and LDCs in the members' trade agendas, in order to prevent a repetition of the Cancun disaster.

Despite these efforts, the current OECD/WTO database illuminates the qualitative aspects of TRTA/CB delivery. For instance, there is no data or survey reporting whether TRTA/CB delivery is commensurate with the needs of the recipients, nor whether it has had an effect on LDCs' trade, and on their participation in the WTO (Carey, 2004). As a consequence, the current standing of TRTA/CB delivered so far does not allow for a clear assessment in terms of its effectiveness for improving LDCs' conditions.

B. UNDERSTANDING THE PERCEPTUAL DIVIDE OF TRTA/CB DELIVERY BETWEEN THE WTO/OECD AND BENEFICIARIES

Timely and adequate delivery of TRTA/CB is an important starting position for any advances in the multilateral trading system. Both developed and developing States recognize the importance of TRTA/CB, yet they have disagreed as to its place in trade negotiations.

¹⁰ The "Singapore issues" were four broad issues of interest first brought into the WTO trade agenda during the Singapore Ministerial Conference of 1996. These issues were government procurement, investment, trade facilitation and competition.

In the context of the WTO, developing countries have refused to link the accomplishment of TRTA/CB delivery to the start of trade negotiations on new issues. An example is the failure of developed States to advance on the Singapore issues¹⁰ during Cancun. Developed States perceived to have fulfilled TRTA/CB commitments in good faith, and expected concessions on the Singapore issues. The failure of the Cancun ministerial because of the refusal of Members such as the United States and the EU to provide significant commitments in sectors such as agriculture and non-agricultural market access, illustrated the vital importance of these to developing countries and LDCs,¹¹ and also the divide between developed and developing States in linking TRTA/CB to negotiating concessions.

Advances have been made in last year's negotiations in Geneva, in an effort to resolve the stalemate prevailing since Cancun. The main results of the negotiations contained in the so-called "July Package" were modalities for the abolishment of all agricultural subsidies, significant progress in non-agricultural market access and in cotton trade. In relation to TRTA/CB, there was a general reaffirmation of the obligations of TRTA in the DDR and of programmes such as JITAP and the IF (WTO, 2004a).

The July Package sets modalities for the negotiations on trade facilitation in its Annex D, while stating that the remaining Singapore issues will be left on the Work Programme of the DDR. The most important breakthrough in the modalities is the establishment of a link between trade facilitation and TRTA/CB. Paragraph 5 of Annex D of the July Package states:

"It is recognized that the provision of technical assistance and support for capacity building is vital for developing and least-developed countries to enable them to fully participate in and benefit from the negotiations. Members, in particular developed countries, therefore commit themselves to adequately ensure such support and assistance during the negotiations . . ." (WTO, 2004a: Annex D)

The July Package contains several significant implications for LDCs. First, TRTA/CB has to be effective in order to negotiate on new issues. Effectiveness in turn means that TRTA/CB must address the shortcomings vital to LDCs, and not those perceived as important by donors or agencies involved. These July Package concessions indicate that a greater commitment to TRTA/CB is recognized as necessary by developed States prior to advancing on new trade issues.

The July Package is one of the most optimistic developments in rekindling the DDA, and yet substantial hurdles remain. For the first time since the DDR, a link has been achieved between one of the Singapore issues and TRTA/CB, in favour of developing countries and LDCs. However, despite this breakthrough in negotiations, much of the official information of the WTO and the OECD corroborate the divide in perceptions of TRTA/CB delivery.

¹¹ For an overview of the country positions, negotiating priorities and coalitions see: ICTSD, 2003, *The Doha Round Still on Life Support, WTO Members Cast for a Way Forward*, Bridges, No. 7.

C. PERCEPTUAL DIVIDE REGARDING THE EFFECTIVENESS AND FOCUS OF TRTA/CB

Not surprisingly, a report issued by the WTO Director-General on the fulfilment of the mandate of paragraph 41 of the DDR Declaration reflects a positive evaluation of progress towards TRTA/CB. The Director-General concludes:

“... the Secretariat, in collaboration with its institutional partners have made considerable efforts to fulfil the Doha mandates on training and technical assistance ... Some 700 distinct activities have been conducted since Doha, involving thousands of man/hours and mission/days by WTO officials, covering all geographical regions and subjects on the negotiating agenda ... I am confident in reporting that the mandate entrusted to the WTO Secretariat under the Doha Ministerial Declaration has been fully implemented.”

Taking a closer look into the data in the joint TCBDB of the WTO/OECD, the statistical information seems to underscore a quantitative rather than qualitative results-oriented perception of TRTA/CB delivery. This can be appreciated in the simplistic representation of tables listing funding amounts and activities (see Tables 2 and 3).

The TRTA/CB activities are classified into two core areas, namely “trade policy and regulations” and “trade development”. “Trade policy and regulations” activities address issues such as effective participation in the multilateral trade negotiations, implementation of trade agreements, support of regional trade arrangements, policy mainstreaming, trade facilitation, etc. “Trade development” activities concentrate on the development of business, improving the business climate, access to trade finance and trade promotion (WTO/OECD, 2003).

Current TRTA/CB activities have mainly focused on trade facilitation procedures, regional trade agreements, trade mainstreaming and trade education within the category of trade policy and regulations (see Table 2).

Sectors of particular interest to developing countries, as voiced during the Cancun Ministerial, such as agriculture and non-agricultural market access, have received much less attention both in terms of funding and number of TRTA/CB activities. Instead, sectors such as environment, investment, and competition, which are of priority to developed countries, have concentrated considerable more resources.

Looking at trade development activities, it becomes apparent that the focus has been on business support services and institutions, trade finance, trade promotion and implementation, and market analysis and development. Less funds and activities have been committed for public-private sector networking and E-commerce (see Table 3).

From a critical perspective, trade development activities respond to commercialization concerns and, as such, address barriers that might negatively affect a finished good or service while it reaches its end destination in a foreign market. They do not encompass activities which may trigger backward linkages in the production chain of economic activities, or create positive spillovers to other sectors and industries of an

TABLE 2: TRADE POLICY AND REGULATIONS IN 2001 AND 2002 (US\$ MILLIONS AND NUMBER OF ACTIVITIES)

| Trade policy and regulations | US\$ millions | | Number of activities | |
|---|---------------|------|----------------------|-------|
| | 2001 | 2002 | 2001 | 2002 |
| 3311 – Trade mainstreaming in PRSPs/development | 94 | 73 | 201 | 233 |
| 33112 – Technical barriers to trade (TBT) and sanitary and phytosanitary measures (SPS) | 127 | 58 | 143 | 237 |
| 33121 – Trade facilitation procedures | 214 | 194 | 202 | 267 |
| 33122 – Customs valuation | 4 | 17 | 43 | 57 |
| 33123 – Tariff reforms | 0 | 0 | 6 | 7 |
| 33130 – Regional trade agreements (RTAs) | 57 | 163 | 37 | 66 |
| 33141 – Accession | 12 | 25 | 61 | 41 |
| 33142 – Dispute settlement | 1 | 1 | 23 | 26 |
| 33143 – Trade-related intellectual property rights (TRIPs) | 13 | 9 | 53 | 99 |
| 33144 – Agriculture | 10 | 6 | 38 | 49 |
| 33145 – Services | 5 | 18 | 34 | 76 |
| 33146 – Tariff negotiations—non-agricultural market access | 6 | 3 | 85 | 78 |
| 33147 – Rules | 9 | 2 | 24 | 38 |
| 33148 – Training in trade negotiation techniques | 6 | 8 | 20 | 32 |
| 33151 – Trade and environment | 80 | 34 | 69 | 88 |
| 33152 – Trade and competition | 41 | 31 | 47 | 69 |
| 33153 – Trade and investment | 9 | 11 | 24 | 35 |
| 33154 – Transparency and government procurement | 2 | 2 | 5 | 18 |
| 33181 – Trade education/training | 37 | 56 | 300 | 338 |
| Total | 727 | 712 | 1,415 | 1,855 |

Source: WTO/OECD (2003).

TABLE 3: TRADE DEVELOPMENT IN 2001 AND 2002 (US\$ MILLIONS AND NUMBER OF ACTIVITIES)

| Trade development | US\$ millions | | Number of activities | |
|---|---------------|-------|----------------------|-------|
| | 2001 | 2002 | 2001 | 2002 |
| Business support services and institutions | 575 | 449 | 872 | 764 |
| Public–private sector networking | 27 | 28 | 38 | 58 |
| E-commerce | 2 | 37 | 29 | 64 |
| Trade finance | 410 | 334 | 158 | 195 |
| Trade promotion strategy and implementation | 229 | 287 | 360 | 473 |
| Market analysis and development | 189 | 248 | 274 | 438 |
| Total | 1,432 | 1,383 | 1,732 | 1,992 |

Source: WTO/OECD (2003).

economy. As such, these activities do not address supply side constraints identified in LDCs, such as lack of export diversification in African countries¹² (OECD, 2003).

What also stands out is that almost twice as much funding for TRTA/CB has been channelled to activities falling under trade development rather than to trade policy and regulations. However, in both categories, there is not much difference in terms of the number of activities undertaken, given that trade development reported 1,992 activities and trade policy and regulations registered 1,855 for 2002. This may suggest that almost double the money is allocated to an activity in the field of trade development against what is made available for trade policy and regulations. A possible explanation is that the inherent characteristics of trade development activities are more capital intensive than those of trade policy and regulations. However, the information does not provide other measures that could allow determining the intensity of allocation and the relative importance of particular activities, such as a registry of resources or man-hours.

In addition, it is necessary to assess whether adequate TRTA/CB is being delivered efficiently and effectively. If multi-agency aid is badly allocated and there is lack of coordination between the bilateral and multilateral donors, the effects of financial assistance in TRTA/CB may be a wasteful use of resources and poor efficiency and effectiveness in TRTA/CB implementation.

VI. SHORTCOMINGS OF CURRENT TRTA/CB AND THEIR CONSEQUENCES

The scope of TRTA/CB varies substantially in the eyes of the different donors and agencies. The differences in interpretation of TRTA/CB among donors and international organizations in the context of the OECD survey, as discussed earlier, create ambiguity as to the actual scope of TRTA/CB activities. As it stands, the OECD donor community is focused on multiple priorities ranging from mainstreaming trade, private sector and SME development, investment-related assistance, to trade facilitation and import promotion (OECD, 2003b).

The second IF evaluation has identified this multi-issue focus as counter-productive. The evaluation makes two recommendations regarding the scope of the IF. First, the IFSC should pursue the development of a guideline in order to clarify the IF scope in terms of TRTA/CB delivery, and second, the LDCs should evaluate their expectations of resolving supply-side constraints through TRTA/CB on the basis of their other trade and development interests. In other words, the IF evaluation recommends a tit-for-tat solution to eliminate the difference in perceptions between LDCs on the one hand, and donors and agencies on the other. Although plausible, the recommendation does not contemplate an equitable solution among the differing parties. Rather, it asks LDCs to give up their other trade interests, such as agriculture or market access in return for a relaxation of supply side constraints on TRTA/CB in future trade negotiations (WTO, 2003a).

¹² For an exhaustive description of supply and demand side constraints, see CUTS (2001).

TABLE 4: STATUS OF IF TRUST FUND (AS OF 3 JULY 2003).

| Contributor | Total pledges (US\$) | Disbursements | | |
|---------------------|----------------------|---------------|-----------|-----------|
| | | 2001 | 2002 | 2003 |
| Belgium | 692,942 | 0 | 692,942 | 0 |
| Canada | 1,331,405 | 660,264 | 0 | 671,141 |
| Denmark | 3,281,168 | 281,168 | 0 | 0 |
| Finland | 154,497 | 154,497 | 0 | 0 |
| France | 538,213 | 0 | 0 | 538,213 |
| Ireland | 535,521 | 299,950 | 0 | 0 |
| Italy* | 900,000 | 0 | 0 | 0 |
| Japan | 500,000 | 0 | 500,000 | 0 |
| Netherlands | 330,000 | 330,000 | 0 | 0 |
| Norway | 3,815,155 | 511,946 | 0 | 1,303,209 |
| Sweden | 1,510,780 | 328,558 | 0 | 982,222 |
| Switzerland** | 500,000 | 200,000 | 0 | 300,000 |
| United Kingdom | 3,428,572 | 500,000 | 1,428,572 | 0 |
| United States | 200,000 | 0 | 0 | 200,000 |
| European Commission | 467,176 | 0 | 138,168 | 0 |
| UNDP | 300,000 | 0 | 300,000 | 0 |
| World Bank | 1,800,000 | 0 | 500,000 | 500,000 |
| Total | 19,385,429 | 3,266,383 | 3,559,682 | 4,494,785 |
| Of which: | | | | |
| Window I | 9,156,767 | 3,266,383 | 2,366,740 | 3,523,644 |
| Window II | 9,694,118 | 0 | 1,192,942 | 971,141 |

Source: *IF Financial Report* prepared by the UNDP.

Notes: * The Italian pledge was removed from the IFTF and transferred to ITC. ** Once the TOR for Window II has been finalized, Switzerland will decide on the use of their pledge of US\$ 300,000 to either Window I or II. However, based on previous discussions and until then, the amount is being placed under Window I. See <www.integratedframework.org/status.htm>.

These recommendations once again elucidate the perceptual gap between the different IF parties. Furthermore, solely donors and agencies rather than the beneficiaries have applauded the achievements and approach of TRTA/CB. This perceptual divide threatens the IF framework in two ways.

First, a lack of transparency in the IF selection process has undermined the view of the IF in the developing world. The unmet needs of LDCs in terms of TRTA/CB raise the existing incentives for poor countries to maintain LDC status in the context of the WTO. However, the selection process for IF beneficiaries has been complex, and has lacked consistency, given the distinct differences among beneficiary countries in fulfilling the IF requirements. The IF evaluation identifies the arbitrary nature of the selection process as a source of conflict that negatively impacts the IF. In this regard, the document states:

“The second broad programmatic area requiring fine-tuning, relates to country selection. From the perspective of the LDCs, the predominant concern appears to be the perception that country selection is not sufficiently objective and transparent. To address this issue, the Evaluators

recommend that the IFSC develop, and widely publicize, an objective and transparent country selection process.” (WTO, 2003a: p. 7)

Transparency in procedures and clear priority setting is necessary in order to ensure accountability of the IF process and equitable access for LDC candidate countries. To ignore such reforms will undermine IF credibility as an altruistic development framework and paint it as a politicized instrument of the developed States.

Second, the IF is a source of potential conflict between LDC recipients and developing States that do not qualify for IF aid. The IF evaluation report considers the possibility of expanding current TRTA/CB beyond LDCs as undesirable, given the limitations of capacity and financial constraints:

“In the context of country selection, the question arose whether the IF approach in general and the DTIS process in particular, should be extended beyond LDCs. This is essentially a resource issue, as well as one of focus. While it could be done, especially as some low income countries are probably better positioned to benefit more quickly from the IF, it would require a substantially larger financial contribution from the international community, and a much strengthened and enlarged Secretariat. Given the number of potentially eligible countries, much stricter adherence to selection criteria would be required, which could even lead to the exclusion of LDCs for whom the IF was created in the first place. The Evaluators would consider such an outcome undesirable.” (WTO 2003a: p. 6)

In conjunction with the lack of transparency in the selection process, the recommended “strict adherence” to the exclusivity of the IF (dealing only with LDCs) may lead to disputes between developing States. The same may be true for JITAP, but on a regional level, since it targets African LDCs in need of TRTA/CB. Recent evidence has already drawn attention on the widening gap between different developing countries, both in terms of wealth and also in terms of trade.¹³ The discrimination of IF beneficiaries could foster capacity discrepancies between developing countries in the different international fora, such as the multilateral trading system. The Cancun Ministerial saw a higher participation of developing countries, but on separate fronts. Disparate objectives, in the light of individual needs, accounted for these differences. The same may happen in future negotiations rounds, but it is still uncertain how and to what extent the current TRTA/CB practices and IF conditionalities might result in competitive tensions between developing countries.

VII. TOWARDS A MORE ADEQUATE TRTA/CB DELIVERY

The extent to which TRTA/CB may be facilitated in the WTO, depends very much on the current financial resources, capacity and mandates of the WTO Secretariat. The Technical Assistance and Training Plan 2004 states:

“The findings that were presented to the Members in the Technical cooperation Audit Report for 2002 (WT/COMTD/W/111, 28 March 2003) have been taken on board. For

¹³ See ILO (2004); Banchetta and Bora (2003); and Mattoo and Subramanian (2003).

example, the report notes that the very short duration of many TA activities, and the often great number of participants, allow more for dissemination of information, sensitization or awareness creation rather than real skill development and capacity building.” (WTO, 2004b: para. 8)

The role of the WTO, perceived by the Secretariat in the context of TRTA/CB, appears to be determined by the need for a greater rationalization of TRTA/CB, given the existing constraints. There is a clear preference for generating awareness of trade issues through TRTA/CB, rather than generating actual capacity. The role the WTO should exercise does not appear to be determined by the needs of developing countries and LDCs, as is further clarified in the document:

“The report states that the WTO TA activities could more effectively contribute to building lasting capacity if they were planned and designed on the basis of a thorough assessment of the Members’ needs and problems. Assessing needs is generally recognized as an essential element in designing a Technical Assistance and Training Programme. The Secretariat has, however, never been requested to undertake country by country needs assessment.” (WTO, 2004b: para. 9)

The final sentence of the previous quote cannot be overemphasized: “The Secretariat has, however, never been requested to undertake country by country needs assessment.” LDCs are distinct units. It should be obvious that programmes cannot be applied indiscriminately to States as widely disparate as Chad, Yemen, and the Democratic Republic of the Congo.

An important challenge for the future of TRTA/CB is achieving convergence of the widely dissenting opinions of the parties involved. At present, there is consensus on its shortcomings, namely lack of coordination, the scope of TRTA/CB, and task sharing and role division among the agencies, donors and beneficiaries. Further, though there is agreement on the need for more funds, and the value of concepts such as “partnership” and “country ownership” in programmes of TRTA/CB, such as the IF, countries will be wary of partnerships with the IMF and WB given the relativeness of ownership under the present situation.

A. TRADE POLICY ADVICE

It may be useful to understand the shortcomings of current TRTA/CB from a trade policy perspective. Striking a balance between increasingly free trade and fair trade may better be examined under the global public good (GPG) optic.¹⁴ In their research, the authors find the current system malprovides trade as a GPG, since the benefits of greater trade concentrate in the developed countries. Efforts towards TRTA/CB must be geared not only to opening markets to free competition, but also towards increasing the competitiveness of developing States. If developing States and

¹⁴ See Mendoza and Bahadur (2002). Such an approach has been undertaken by the Global Network on Public Goods (gpgNet). GpgNet is hosted by the Office of Development Studies in the United Nations Development Programme (UNDP). For further information, see <www.gpgnet.net>.

LDCs are provided with the means to compete internationally, then indeed trade may become a GPG.

It is evident that a one size fits all formula is not desirable. Trade liberalization that is development friendly should consider the needs of the developing countries. This process should first and foremost include a country specific needs assessment that is so far absent from WTO proceedings. The marginalization of LDCs will also have direct implications on how and whether their technical capacities allow them to design and implement trade policy. TRTA/CB plays a crucial role in improving those capacities, as a means to secure the interest of both developing countries (improved production capacity, market access, and participation in the international trade regime) and developed States (liberalized trade).

Efforts toward bridging the perception gap in IF and JITAP began in UNCTAD, one of the agencies involved in TRTA/CB:

“...the trade-related technical cooperation provided through the IF will support development best if it promotes a form of integration of LDCs into the world economy which is more conducive for sustained growth and poverty reduction. The current “disconnect” between the accumulated knowledge in providing technical assistance for commodity-dependent economies and the work of the IF needs to be speedily bridged.” (Gore, 2002a: p. 6)

The TRTA/CB financing and delivery can substantially help countries to develop a more sound trade policy design, but it cannot do the job alone. On the contrary, if conflicting policies remain in place, much of the positive effects of TRTA/CB are offset by individual developed country practices and policies. The most evident example is the agricultural subsidies of the OECD that amount to more than \$300 billion.

Development assistance in the form of TRTA/CB cannot fully bear the responsibility of integrating LDCs to the multilateral trading system. What is needed, in addition to TRTA/CB geared toward trade policy through frameworks such as “trade mainstreaming”, is a matching and coherent trade policy by all participants to allow for TRTA/CB to work toward development and poverty reduction (Center for Global Development, 2003).

Policy coherence must not be underestimated. It must not be seen as the sole responsibility of beneficiary countries. Policy coherence must ensure the set of actions of donors, beneficiaries and agencies are aligned and conduce to the same objectives of effective and meaningful TRTA/CB delivery.

B. HUMAN AND INSTITUTIONAL DEVELOPMENT

“There is little doubt that sector programme support must give much more emphasis to institutional development and capacity strengthening in the large majority of recipient countries. What these countries need is not only more resources but also institutions, procedures, and incentive structures that can help them utilize the resources more effectively and efficiently. This implies a shift of attention in aid strategies from transferring resources to building capabilities and capacities.” (Dengbol-Martinussen, 2002: p. 276)

The above statement coincides with the necessity of revamping foreign aid in order to raise its effectiveness. Part of the failure of development aid in the past has been attributed to the disconnect between the provision of assistance and local institutions and human development.

One study on the evolution and evidence of aid effectiveness in the last four decades, highlights the emphasis which should be put on allocating financial resources to countries that have a track record in policy design and institutional development:

“The international community *can* be more effective in fostering development provided that (i) foreign aid helps the process of institution building and (ii) foreign aid is targeted to those countries which are willing to implement good policies and institutions. In these circumstances, development has been shown to be highly effective.” (Weder, 2000: p. 17)

However, given that developing countries in need of foreign assistance often lack the required expertise and physical framework for policy-making and implementation, they are unable to undertake the necessary reforms and changes. Institutional and human development must lie at the heart of any relevant TRTA/CB strategy, in order to enhance development strategies and guarantee their success.

“The basic idea embodied in institutional development assistance is to strengthen institutional capabilities (in a qualitative sense) and capacities (in a quantitative sense) to perform the functions assigned to them. What this means in detail varies considerably, depending on the functions assigned, the development objectives, and the strengths and weaknesses of the institutions and organizations concerned. Certain basic differences relate to the two main stages of policy formulation and implementation.” (Dengbol-Martinussen, 2002: p. 276)

Given its competitive approach to trade, UNCTAD has contributed to TRTA/CB in two ways. First, it has pointed out how capacity building can be provided optimally by mapping different agencies with TRTA/CB activities (see Figure 5).

This is the first step in the right direction for delimiting the spheres of action, correcting the lack of coordination and wasteful duplication of efforts among actors. Further, consensus on delimiting the TRTA/CB scope and its delivery is vital for institutional development, since it will allow for the construction of networks within beneficiary countries, and also between beneficiaries, donors and agencies. Identifying the actors in an institutional partnership is therefore a necessary step (UNCTAD, 2003a).

Second, UNCTAD has elaborated a technical cooperation strategy focusing on the development of human, institutional, productive and export capacities. Concretely, institutional capacity building from UNCTAD’s perspective would seek to:

- “(a) Enhance and make full use of national expertise and institutions, so as to ensure that national stakeholders are active partners . . . ;
- (b) Promote networking, including twinning arrangements, among the institutions working in similar or related fields . . . ; and
- (c) Draw upon institutions and expertise in other developing countries . . . ” (UNCTAD, 2003b: p. 4)

INTERNATIONAL ECONOMIC ENVIRONMENT:
Bilateral dimension
Regional/subregional dimension (North/South and South/South)
Multilateral dimension

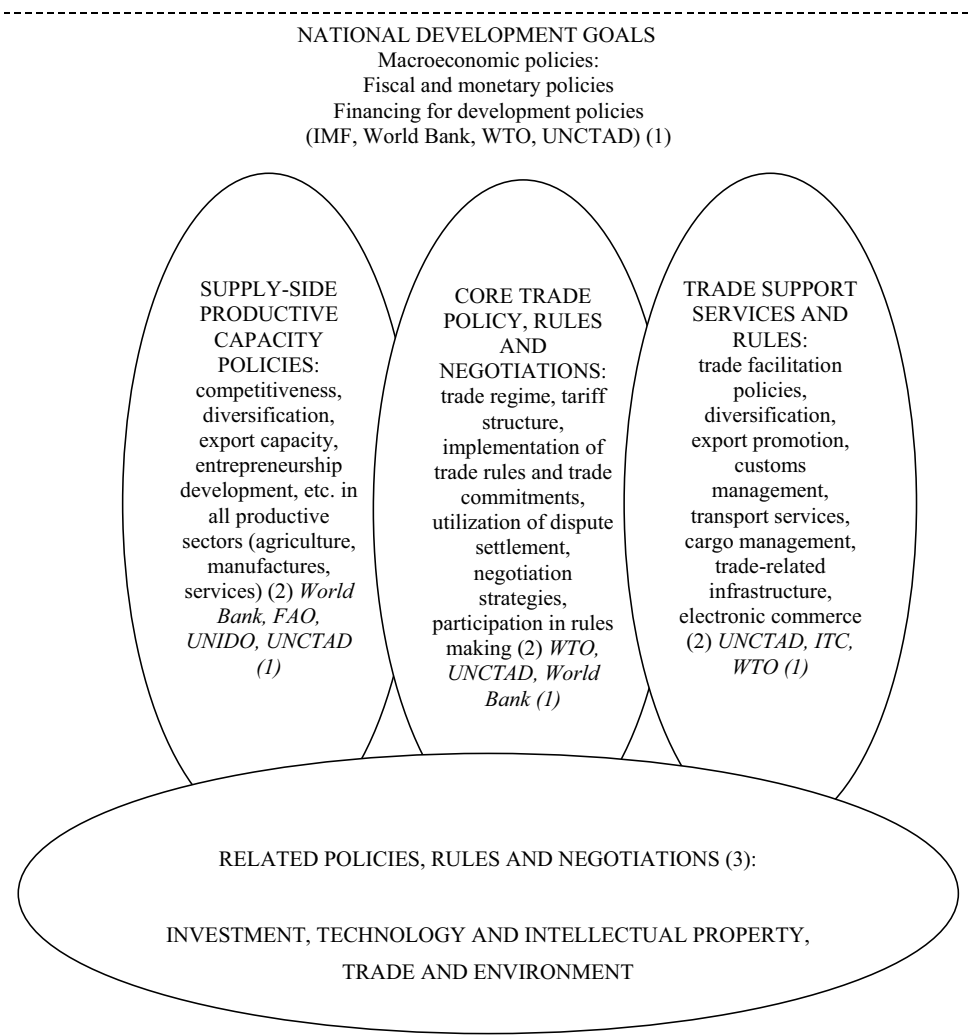


FIGURE 5: MAP OF CAPACITY DEVELOPMENT ON UNCTAD-RELATED ISSUES

UNCTAD further envisages ongoing monitoring in order to assess the impact of capacity building, which is to be results oriented, based on “benchmarks and indicators of achievements” at project formulation level. This is important for two reasons. First, it allows for a quick assessment of progress, and second it allows correcting possible

failures that may arise during the development and operation of a monitoring system in the beneficiary country. This is particularly relevant, given the evidence on the weak monitoring systems in countries with PRSPs experience.

UNCTAD also foresees the importance of a balanced partnership during project implementation, where donors and beneficiary countries have to agree on independent evaluations. This is particularly important, since existing assessments of TRTA/CB so far have been conducted by independent evaluators hired by agencies under evaluation (e.g. WTO, IMF and World Bank), and have not considered or included the issue of needs assessment.

UNCTAD's commitment to the delivery of effective TRTA/CB has materialized in institutional development projects. For example:

“Other institutional development activities undertaken by UNCTAD concern small- and medium-sized enterprises (EMPRETEC), customs authorities (ASYCUDA) and or transport operations (ACIS), all implying different methods of institutional support. Some programmes integrate various dimensions of institutional development as in the project on Building Issues, encompassing policy coordination, negotiating capacity, legal and economic policy initiatives, and regional cooperation. The Climate Change Programme also has an integrated approach targeting various institutional needs. One of the programmes that is particularly “institutional-intensive” is Competition Law and Policy and Consumer Protection, since it also includes assistance in the drafting of national competition legislation . . .” (UNCTAD, 2003a: p. 12)

The other central element of UNCTAD's TRTA/CB has been human development. Activities have mostly focused on training of trainers, and on generating human resources apt for trade through its TRAINFORTRADE programme. Both of these activities, though limited, could help ensure a more proactive participation in the multilateral trading system.

C. STRENGTHENING NEGOTIATION COMPETENCE

The complexity of the international trade regime has dramatically increased since the inception of the GATT in 1947, resulting in multiple challenges for developing countries and especially for LDCs. Developing countries amount to three-quarters of WTO's 147-State membership, including 30 LDCs. Just to follow the topics of the various WTO bodies and attend meetings requires a staff of 4–5 people. Since mid-1997, the overwhelming majority of developing countries have not been able to meet those requirements (Michaelopoulos, 1999: p. 121).

In addition to understaffing, there is a lack of continuity at the developing State's missions in Geneva, as well as in the other diplomatic posts. These shortages stem from job rotation, sudden change of government, and the subsequent abrupt removal of WTO representatives, or the personal decision by the trade official to shift from the civil servant position to a better remunerated job in the private sector. The WTO specifically cites the high turnover of officials as a major challenge to effective TRTA/CB (WTO, Annual Report 2005, p. 157).

Another damaging element to professional competence deals with traditional bureaucracy. Some WTO-based trade officials tend to monopolize meetings and information to accumulate power and defend themselves against possible replacement by other officials from their countries. Either way, if crucial WTO information and know-how is not shared nor passed on to the relevant ministries, adequate decision-making is very difficult and each departure of an experienced trade official results in a sudden expertise vacuum, requiring the instant support from the already thinly staffed WTO experts. In the long run, such behaviour impedes institutional development, as know-how is not vested in the institutions.

Many OECD programmes of TRTA/CB attempt to address the difficulties related to inadequate logistical support and insufficient trade negotiators in Geneva and the their respective capitals. Several OECD donors have joined forces to cover the living costs and provide office infrastructure for LDCs' negotiators in Geneva. Others have developed or financed training programmes for trade negotiations offered to trade officials from developing countries and LDCs. Funding and activities have been channelled either through multilateral vehicles (e.g. through the WTO's training and TPC programmes), or through bilateral programmes.

Some of the TRTA/CB in the field of trade negotiations includes components of institutional development. For instance, by encouraging the participation of other ministries, apart from the traditional "trade ministry", such programmes seek to strengthen inter-ministerial coordination. They also may include a selection of participants from the private sector (e.g. chambers of commerce), as well as trade officers, in order to strengthen public-private sector trade consultation.¹⁵

D. BUILDING TECHNICAL CAPACITIES

The International Trade Centre (ITC)¹⁶ plays a leading role in the field of trade support services, an important sphere of TRTA/CB. It is the technical cooperation agency of UNCTAD and WTO dealing with business oriented TRTA/CB.

The ITC focuses mainly on supporting the business sector by generating and disseminating trade-relevant information. This is of particular importance in developing countries since acquiring comprehensive material and capacity is often too costly for many businesses. Documents such as *The Business Guide to the World Trading System* and *The Business Management System: A Guide for Managers on International Competitiveness* (ITC, 2002), offer companies the necessary insights on how to cope with the complexities and rules of the multilateral trading system.

The ITC is also very active in promoting the business networks, and has developed a programme called World Tr@de Net (WTN), which addresses the specific concerns of the business community. In the context of WTN, ITC contributes to correcting the

¹⁵ For an example of inter-ministerial trade-related capacity building, see Saner (2001), pp. 23–33.

¹⁶ For detailed information on ITC, see at <www.intracen.org/index.htm>.

lack of advocacy of the business sector in trade negotiations, partly due to the weak dialogue that may exist between government representatives and entrepreneurs.

VIII. CONCLUSIONS

Since the Uruguay Round, LDCs have become a central part of trade negotiations. The current trade round, labelled "Doha Development Round", thus implies that special attention must be given to the needs of the developing countries and LDCs.

Taking into account that poverty has only marginally been reduced and the socio-economic conditions of most LDCs worsened, it is imperative that OECD members and large developing countries make special efforts to strengthen the supply of assistance to LDCs. Otherwise, poverty in LDCs will deepen resulting in secondary problems such as increase of armed conflicts, flows of refugees, possible increase of terrorism and environmental and social degradations.

Technical assistance in all forms discussed in this article is needed to ensure minimal conditions for the positive integration of LDCs to the multilateral trading system. Many promises were made at the outset of this negotiation round, and quite a number of bilateral and multilateral efforts to provide TRTA/CB have been initiated. However, it seems that neither the quantity nor the quality of the different initiatives is sufficient to help LDCs grasp the benefits of trade liberalization, and reduce poverty. Further efforts are necessary in terms of efficiency, effectiveness and sustainability of TRTA/CB for LDCs.

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