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**Committee on Trade and Development**

**STRATEGIC REVIEW OF WTO-PROVIDED TRTA**

Management Response

**I. BACKGROUND AND TERMS OF REFERENCE**

1. The Strategic Review (SR) of WTO-provided Training and Technical Assistance (TRTA) (WT/COMTD/W/152), presented to the Secretariat in July 2006, is the first external evaluation of TRTA provided by the Secretariat conducted by a team of independent consultants. The start of this process goes back to July 2003, when donors proposed that an external (independent) evaluation of WTO TRTA activities be commissioned. Terms-of-Reference (TOR) of a Strategic Review were prepared and endorsed by Members in May 2005 at the Committee on Trade and Development (CTD) (WT/COMTD/W/140). A Steering Committee (SC) was set up, consisting of six members, including donors and beneficiaries, to conduct the selection process for the evaluation team and to monitor the process of the review. A consortium made up of CUTS, NSI and FLACSO<sup>1</sup> was retained. The contract was signed in November 2005, following which work was initiated. According to the TOR, the review would be conducted in 2005 and completed within six months (Spring 2006). The Final Report of the Strategic Review of WTO-provided TRTA Activities was presented to the Secretariat on 29 July 2006 and will be discussed at the CTD on 3 November 2006.

2. The timing for the review process, as stated in the TOR, had been chosen to permit the outcome of the review, following discussion with the Members, to be reflected in the Technical Assistance and Training Plan 2007 (the TA Plan), which is drafted and coordinated Secretariat-wide in the summer. Due to delays in the strategic review process, the discussion of the SR now coincides with the first reading of the TA Plan 2007. The Secretariat has nevertheless incorporated several key recommendations of the SR in the TA Plan, but further changes can only be contemplated after an in-depth discussion of the Report by the Members.

3. In line with the TOR, the SR focuses on three main issues: WTO's comparative advantage in offering TRTA *vis-à-vis* other agencies; the relevance of WTO TRTA to Members and to participants, and the efficiency and management of WTO TRTA. The TOR define the objectives, the stakeholders, provide the scope of the review and give detailed information on the aspects to be addressed, including a number of questions that would need to be covered in the review. They define the review methodology, expected outputs, implementation arrangements etc. Based on the outcome of the review, the report presents the findings, lessons learned and recommendations, followed by conclusions and future scenarios. The Annexes contain the TOR, the questionnaires used for evaluation purposes and the summaries of country reports on Bangladesh, Barbados, Cambodia, Ecuador, Kenya, Kyrgyz Republic, Moldova, Senegal and Yemen, which had been identified for field visits. The Secretariat, especially staff of the Institute for Training and Technical Cooperation

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<sup>1</sup> CUTS-Consumer Unity-Trust Society (India); Flacso-Facultad Latinoamericana de Ciencias Sociales (Argentina); NSI-North-South Institute (Canada).

(ITTC), as well as the Technical Cooperation Audit Unit (TCA), interacted regularly with the SR Team, and provided relevant documents, information and data for the Review.

4. The TOR state, *inter alia*, that the Review will cover TRTA provided by WTO since 2002, solely or in cooperation with other agencies, and cites ITC, UNCTAD, WB, IMF, OECD etc. They also indicate that the report, rather than repeating JITAP and IF multi-year programme evaluations, should include the assessment of WTO's role, inputs and performance in contributing to those programmes, as appropriate. The Review is expected to be forward-looking and result in what outside experts can offer by the identification and analysis of new priorities and/or modalities for the TRTA; formulation of recommendations and lessons learned for future improvements and suggestions of creative ways to maximize TRTA benefits. The output should be user friendly in order to facilitate consideration of all stakeholders of WTO TRTA. The review should be based on desk studies, questionnaires and interviews with key staff of co-operating agencies in offering TRTA etc. The report resulting from the review is required to relate the conclusions and recommendations to evidence.

## II. OVERALL ASSESSMENT

5. The report contains a useful review of WTO-provided TRTA, which is positively rated and makes welcome suggestions and proposals that are aimed at improving quality and sustainability through planning, preparation, delivery and follow-up to TRTA. Many key suggestions and recommendations are duly reflected in the TA Plan 2007; others would first need to be considered by Members. By way of illustration, the draft TA Plan for 2007, is designed in such a way as to:

- put more emphasis on the quality of the activities;
- enhance the methodology of training and of the material itself, course content etc.;
- use needs assessment more systematically as a basis for the delivery of assistance;
- further strategic cooperation with other agencies, based on comparative advantage;
- strengthen the selection process of participants;
- work towards a follow-up to activities;
- strengthen the use of e-training, as a tool for disseminating information, enhancing the knowledge base, a precursor to the face to face courses and for selecting participants;
- explore effective ways to outsource some activities, including with academics.

6. The report confirms overall levels of satisfaction with WTO's delivery of TRTA through ITTC, both from a donor and a beneficiary perspective. Given the number of subject areas and the number of Members that technical assistance must serve, the fact that WTO has been able to draw up a framework and undertake activities with a 95 per cent success rate, as measured by interviewees, is noteworthy. The report confirms that 89 per cent of participants consider the training received to be good or very good and 87 per cent are actually applying the knowledge gained in the regional courses. It is equally re-assuring to find widespread agreement that the WTO has strong comparative advantage in knowledge and information about the WTO rules and procedures. But there is no room for complacency: there is scope for improvement and the report provides several welcome indications to that effect.

7. In consultation with Members, the TA Plans have gradually evolved and contain a broad menu of products that are all geared towards human and institutional capacity building, as well as towards enhancing ownership of the TA programmes by the beneficiaries. The Secretariat has made considerable efforts to improve didactic methods or approaches to teaching, other than in relation to greater use of simulations and exercises. The innovations and introduction of new products by the Secretariat into its approach to TRTA have generally been welcomed by Members. A fuller appreciation of this reality would have been useful for the reports' assessment of how these improvements have contributed to a more effective delivery of TRTA. Also, a closer focus on the efforts to forge partnerships might have allowed the authors to offer further suggestions of how to manage these relationships. The suggestions made in the review on didactic methods are welcome, but more specific guidance could have been provided on how these methods could be strengthened further.

8. The WTO Secretariat TRTA delivery is flexible as long as it remains within the limitations of its mandate. The mandate given to the Secretariat by the Members clearly requires it to be neutral

9. With regard to the methodology used in the review, it is noted that the quantitative data supporting the findings and conclusions are based on nine countries that were visited, and 118 participants interviewed, compared to more than 14000 participants benefiting from WTO TRTA per year. Given this (understandable) limited magnitude, and in order to support and validate the views and findings contained in the report, and provide evidence (as required in the TOR), the report could usefully have included a formal desk-review of the documentation and made specific references to official WTO documents, e.g. the minutes of the meetings of the CTD. In fact, there is only scarce reference to official WTO TRTA related documents and none at all to the official records of CTD meetings. The review of the literature could have contributed to a solid foundation for the recommendations, but for this it would have benefited from being more broadly based. This could have at least partly avoided the issue of not knowing what degree of support a particular statement and/or recommendation in the report has. In one instance, off-the-record remarks are generalised and then presented in the findings and recommendations. It would also have been helpful if the report had provided more systematic indications whether and to what extent a particular recommendation applies to the Secretariat or the beneficiary (e.g. selection process).

10. In terms of the methodology used, and more particularly from the point of view of coverage, most of the data refer to the period 2002-2004 and only some qualitative statements are made on the basis of information from 2005. More importantly, the TOR are not systematically referred to throughout the Report. Therefore, some of the issues in the TOR, e.g. as in the following sentence: *"The Review should be based on an appropriate set of performance indicators and targets, which can be used in assessing the effectiveness, efficiency and relevance of the TA Plan, as a whole as well as those of the individual products included in the TA Plan"*, are left out.

11. While it is stated in the report that the key players have been interviewed, it is unclear how many and to what extent staff members were consulted. Several key senior WTO officials, including at the management level, directors and members of the Technical Assistance Management Committee (TAMC), have not formally been interviewed. Meetings and discussions with these officials would have completed the broader picture on how TRTA activities are coordinated in a Secretariat-wide manner, enhanced the review team's understanding of how each Division uses partnerships in the delivery of their activities with specialized agencies. It would also have contributed to their understanding of the critical importance of the academic component in the TA Plan.

12. It would have been useful for the SR team to address the question to what extent the institutional mechanisms in the Secretariat, including the establishment of the ITTC in Spring 2003, are adequate in meeting the objectives of the TRTA programme, and to ensure synergies between two core elements in trade capacity building, i.e. training and technical cooperation. This could have

included a discussion of the TAMC, as well as other forms of regular interaction with members, e.g. through the Committees, the informal consultations with donors and beneficiaries, the regular CTD meetings, and interaction with regional groupings. This interactive network has led to excellent working relations between all stakeholders; it has paid dividends in both the design and the delivery of TRTA. Such analysis could also have included feedback and suggestions relating to the process of preparation of the TA Plans, as coordinated within the Secretariat and with partner agencies, based on comparative advantage, and with Members, and how this process could be further improved. In fact, it is through this process that all activities contained in the TA Plan, not just the national activities, are the result of a demand driven process, taking into account the views of the beneficiaries, as well as those of WTO Committees.

13. While the financial constraints (funding) are a serious issue for the Secretariat, regularly brought to the attention of Members, the report contains recommendations that are not accompanied by an analysis of the financial implications, as well as the implications for the programme as a whole. It should be clear, however, that with a constant budget, if the Secretariat does more in one area, it will have to reduce its activities in another area, even if changes of focus are accompanied by efficiency gains in some instances. What is needed are useful, practical suggestions to address the financial constraints that the Secretariat faces, and the review could have made a useful contribution to this. The Report could have given more specific guidance for the future directions of TRTA, i.e. how long term financing could be assured and how it can be improved and enhanced further, as stipulated in the TOR. It is important to have a forward looking, longer term vision, e.g. in light of the DDA negotiating context, and suggestions about "strategic" directions and priorities in light of the limited financial resources available.

14. The Strategic Review could obviously not cover all products and aspects of WTO's TRTA programme, but there are a number of products in the Plan which are considered important elements in the Secretariat's trade capacity building efforts and on which the report is silent. This includes *inter alia*, the academic partnership programmes, the Netherlands Trainee Programme (NTP) as well as mission intern programmes, which are instrumental in enhancing ownership in the beneficiaries and are all geared towards human and institutional capacity building. The same applies to JITAP and IF (referred to in Chapter III), but the elements presented in the relevant parts are not used in the review process, i.e. providing indications on how they contribute to attaining some of the key objectives. There are some other products that have hardly been covered: the reference centres, which are increasingly used by beneficiaries as a source of WTO information, and as a means to undertake distance learning; the Secretariat's efforts to build and strengthen beneficiaries' negotiating skills, both at the national and regional level; and the Geneva-based Trade Policy Courses, as well as the Regional Trade Policy Courses (RTPCs), to which together a considerable portion of the TRTA budget is devoted.

15. The chapter providing a broad evaluation of various agencies involved in the delivery of TRTA, which also contains observations on JITAP and the IF, seems to stand alone and is disconnected from the report itself. The SR could have usefully injected relevant findings in the analysis and established links between what the WTO can do in relation to what is already effectively done by other agencies, thus enhancing efficiency in the delivery of TRTA. Also, the assessment of JITAP is based on the evaluation of JITAP I, which was done in 2002 and not on JITAP II, and which has undergone a metamorphosis since. If that evaluation had been available to the review team, further lessons could have been drawn, which would have been useful to the overall review, including the recommendation that WTO TRTA should move from mere technical assistance to capacity building. Even without that evaluation it would have been interesting to consider if there are aspects of the JITAP II approach that can be applied in other parts of TRTA. JITAP II is a capacity building initiative, as expressly acknowledged by the current JITAP evaluation. The SR also recommends greater use of inter-agency cooperative frameworks like JITAP to attain a qualitative expansion of WTO TRTA. Indeed, the review acknowledges that greater cooperation with other TRTA agencies is

an important requirement if WTO is to move towards capacity building. Such cooperation has already been achieved in JITAP. In the same vein, the enhanced IF provides a response to many of the earlier shortcomings, as it is geared towards strengthening the institutional capacities to implement and benefit from the multilateral trade agreements and address LDCs' specific trade capacity constraints.

### III. FINDINGS, LESSONS LEARNED AND RECOMMENDATIONS

#### (a) Comparative Advantage

16. The report recognizes the strong comparative advantage the WTO Secretariat has in knowledge and information about the WTO, but suggests that the neutral approach can limit the scope for advice, and can appear to be pro-liberalization. Also, it is suggested that WTO has less capacity to address the development dimension of trade rules, on the political aspects of negotiations and on analytical techniques. As indicated earlier, the mandate given to the Secretariat by the Members clearly requires it to be neutral. This is generally considered a strength, rather than a weakness. The mandate given by trade ministers in Hong Kong to enhance the IF, as well as the one on Aid for Trade, were taken at least partly precisely because the WTO does not have the mandate to cater to all issues relating to trade and development, and yet it is clear that through their actions, Members wish the WTO to have a central role in these initiatives. They fundamentally promote closer cooperation between all stakeholders, and more coherence between trade, finance and development Ministries, to enhance beneficiaries' institutional and human capacities in the area of trade. As to its advocacy of liberalization, this again is part of WTO's core mandate, in addition supported by economic and empirical evidence.

17. On partnership arrangements, the Secretariat has at present some 30 MOUs, but generally it favours and follows a pragmatic approach, whereby the WTO partners with those agencies that can add value in the implementation of activities, irrespective of an MOU. It is felt that the signing of an MOU, as recommended by the SR, does not *per se* change the nature of the cooperation or add value. The WTO closely cooperates with partner organizations in preparing the TA Plans, including the regional activities, in order to avoid overlap, duplication and to build synergies. The Annex of the TA Plan lists all the partner agencies in the activities. The Secretariat has, nevertheless, launched a reflection process on its approaches to partnership arrangements.

#### (b) Relevance

18. With regard to needs assessments, it is recalled that the Secretariat has developed several tools to assist beneficiaries in undertaking needs assessment, including suggested guidelines, linking the needs assessment process to the Trade Policy Reviews, recruiting trainees under the Netherlands Trainee Programme etc. Ways will be considered to strengthen this process further and render it more effective. To that effect the Secretariat will further intensify cooperation with beneficiaries to overcome their institutional weaknesses limiting their capacity to assess needs. All relevant documents and information available to support needs assessment will be used, as they are already, including the Diagnostics Trade Integration Studies (DTIS) undertaken in the IF process, with the support of the main agencies, which are a key element in the needs assessment process. The Secretariat will also continue to urge beneficiaries to indicate and prioritize their needs, before committing to technical assistance activities. The regional desk officer and the beneficiary interact permanently. Furthermore, ITTC regularly interacts with regional groups to make them aware of their entitlements and what process should be followed. But there is a limitation of how far the Secretariat can go without compromising the principle of ownership by beneficiaries. Members have repeatedly indicated that the responsibility for undertaking needs assessments primarily rests with the beneficiaries.

19. The report makes welcome suggestions for improving course content, using relevant examples, making it interactive with case studies, simulations, with hands-on training as opposed to theoretical lectures, preparing lists of readings, expanding pre-training, e.g. through electronic means, and including an academic dimension. This is work in progress and will get progressively more attention. WTO staff involved in the delivery of TRTA are aware of this and have been requested to ensure that training material is always adjusted in order to be directly relevant for the audience that is targeted. From the Back to Office Reports (BTORs) received in the Secretariat, following activities, it is noted that increasingly the TRTA activities are hands-on, with simulations and exercises and training material. It is a permanent feature of the Geneva-based as well as the Regional Trade Policy Courses. The suggestion to ask participants to prepare brief reports on country-specific problems and/or issues, for presentation and discussion in the courses is equally helpful and will be pursued. Also, research is very much promoted at the national level, e.g. through the academic support for training and capacity building, which is a key element in the TA Plans. It is also a main element in the RTPCs. In line with the recommendations contained in the report, the duration of some courses can be extended, so as to provide more time to treat the subject matters in depth, undertake simulations and to absorb the information. It is felt that this will contribute to further enhancing the quality of WTO's TRTA.

20. The report notes that, while the quality of trainers is high, there is room for improvement. The Secretariat agrees. Efforts to provide WTO officials with (enhanced) training skills should be pursued further. The suggestion to enrol some of WTO's staff, especially those that are more systematically engaged in training activities, in Trainer of Trainer (TOT) courses could be pursued, all the more so that most WTO staff, including those at the Institute, are not 'trainers' per se, but are hired as experts in specific areas. In addition to providing TRTA, most officials perform other Secretariat tasks, e.g. servicing the Committees, assisting and advising Geneva- and capital-based delegates, preparing reports for management and servicing panels.

(c) Management and Efficiency

21. The report notes that "there is a lack of missionary zeal in the management of the ITTC. The approach is characterised by routine churning out of TRTA activities within a pre-determined static framework". It would have been more useful, however, if the review had developed performance indicators both at the level of the Plan and its products, as provided for in the TOR, which in turn could have been used as yardsticks to measure the performance of the management of ITTC. This not having been done, the statement is not supported by evidence. It is misplaced and inappropriate, all the more so that it is based on remarks "off the record". Leaving aside the question of whether "missionary zeal" is something the Members would like to see in the WTO, the TA Plans are prepared in close interaction with Members, beneficiaries and donors, and have a specific budget that needs to be accounted for. Donors are requested to pledge their contributions corresponding to the cost of the TA Plan into the DDAGTF. The TA Plans are expected to be implemented in full, which on an annual basis represents some 500 discrete activities. The review could have focused more on the institutional mechanisms for the management of TRTA programmes, as indicated in the TOR (cf para 12).

22. As for the selection process, the record here is patchy. For activities held in Geneva, and for some of those held in the field, the WTO follows a well established and transparent process. The Geneva-based Trade Policy Courses (TPCs) and the Regional Trade Policy Courses (RTPCs), in particular, have detailed selection criteria, which are applied rigorously, so as to ensure homogeneous groups of participants, and fair access for all. For topic-based, specialized activities, the WTO Secretariat always sends out letters of invitation, which specify the requirements for the activity and the profile of the candidate. Here, the responsibility of identifying the most appropriate officials for a particular activity primarily rests with the beneficiary. Increasingly, the Secretariat uses electronic means to 'test' the candidates prior to the activity, but this approach has limitations. It should be

possible to do more, and the suggestions contained in the report will be taken into account as the Secretariat pursues options in this area. This is, nevertheless, a matter of some sensitivity in beneficiary countries.

23. The suggestion in the report that the WTO needs to adopt a programmatic approach and develop an overarching long-term plan for its training courses is welcome. To some extent this is what the existing TA Plans try to do, admittedly with a relatively short time horizon. The attainment of longer-term planning largely depends on the Members, particularly in terms of making the corresponding longer-term financial commitments. Securing timely, predictable and stable funding in accordance with established rules has been a permanent challenge for the Secretariat. Also, if a programmatic, longer-term approach is pursued, it should be kept in mind that the TA Plans are permanently adjusted in light of the negotiating dynamics. The Secretariat needs to maintain flexibility to respond to beneficiaries' demands and needs in a timely fashion and in the most appropriate way. Hence the development of a programmatic approach could be considered in close consultations with the Members. But such an approach will remain in the realm of the academic as long as it is not accompanied by a corresponding long-range approach to financing (see the next paragraph).

24. On the issue of funding, the report recommends that Members consider ways to ensure more predictable and longer-term funding for the WTO's TRTA to assist ITTC in its planning of activities, but more specific indications as to how that might be achieved would have been welcome. This question is of critical importance to the Secretariat, and it would have been helpful if the question had been explored and analysed further, especially in light of the Hong Kong Ministerial Declaration (para 54), which calls for secure and adequate levels of funding. The report refers to funding of WTO TRTA by providing a brief description of the financial situation. The issues that would require exploration are the predictability of the budget to be allocated to TRTA over a multi-year period, and how to ensure cash flow, i.e. that commitments are translated into cash in the bank in a timely way, allowing the seamless execution of the programme. One approach to sustainability would be to look into an increase in the proportion of TRTA covered from the regular budget, but it is questionable whether this would in itself suffice to solve the funding issue. Some reference in the Report to the issue of earmarking, which by definition undermines flexibility, and reduces the effectiveness of the TA programmes and their implementation, would also have been helpful.

25. The suggestion to take into account pre- and post-training activities could be developed further, including through the e-learning mode. The responsibility for developing and managing an overall plan to allow trainees to go through a structured programme of learning, should, however, be with the beneficiary. The TA Plans contains a choice of products at different levels of learning; beneficiaries can prioritize the activities that are relevant for their staff.

#### **IV. CONCLUSIONS AND FUTURE SCENARIOS**

26. The Report ends with some broader conclusions, including two scenarios: one, which is referred to as 'incremental change', and a second one, referred to as a 'fundamental rethink'. This chapter is based on the premise that two of the seven objectives of the new strategy for technical cooperation have not been addressed, or at least not been met, namely:

- assist beneficiary countries to understand their rights, implement their obligations and improve their capacity to draw on the benefits of an open, rules-based, multilateral trading system. To this end, technical assistance will focus on establishing partnerships with beneficiary countries to better understand the rules;
- support national efforts and ownership in building durable institutional capacity for trade policy formulation, advocacy and negotiation.

27. The Secretariat begs to differ. Both objectives, and more specifically the first one, are at the heart of the TA Plans and are fundamental to everything that has been carried out by the WTO in the realm of TRTA in the last five years. Nobody denies that what the WTO does is not enough on its own and there always is room for improvement. That precisely is one of the main objectives of the review exercise, i.e. to identify areas for improvement. This is also why, in accordance with the Secretariat's coherence mandate, concerted efforts are systematically made to reach out and cooperate with all relevant partners and stakeholders, with a view to ensuring an effective level of country ownership. It is through a multifaceted approach that the beneficiaries stand to gain the most; this is why hardly any TRTA activity is undertaken by the Secretariat on its own. Programmes like the IF and JITAP are all specifically geared towards supporting national efforts and ownership in building durable institutional capacities. The various trainee programmes, including the Netherlands Trainee Programme, as well as the mission internship programme, are equally supportive of these efforts. That is also where other providers of TRTA, multilateral, regional and bilateral, come into the picture. More can be done, but in a sense the WTO does make an important contribution to this by training the individuals who are or will be the decision makers in their countries' institutions.

28. As for the second scenario, the "fundamental rethink", it reiterates some of the interesting suggestions made elsewhere in the Report. The Secretariat will be examining how they might be pursued and implemented. However, it is not clear how this constitutes a fundamental change, nor why the issue of the autonomy of ITTC should be considered central to this scenario. In any case, many of the improvements can only occur incrementally, so melding into the approach of scenario one. Not surprisingly, therefore the way forward is likely to be a combination of both approaches.

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