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NOTE ON THE MEETING OF 8 OCTOBER 2001

Chairman: H.E. Mr. Nathan Irumba (Uganda)

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A. ADOPTION OF THE DRAFT AGENDA

1. The Chairman introduced the draft Agenda for the meeting, contained in airgram WTO/AIR/1614/Rev.1 of 3 October 2001. There were several changes – both insertions and deletions - from the original airgram as had been sent out on 12 September, and he requested the Secretariat to outline those changes.

2. The Director of the Development Division said that there were a number of revisions to the airgram reflecting new developments. First, Item D, on Participation of Developing Countries in World Trade, had been deleted. There were two reasons for that. The first was that the information the Secretariat had been compiling for that paper had been pre-empted by the Director-General's Report on Developments in the Multilateral Trading System, which would be issued before the Fourth Ministerial Conference. That document would contain substantial sections on both the participation of developing countries in international trade, and their participation in WTO activities. The Secretariat had therefore decided to hold off but continued to consider how value could be added to the Director-General's paper later in the year. The second reason was that the developments of the last few months and weeks had changed the economic prospects for developing countries. It was already difficult to "call" the changes in the economic scene emerging from the downturn in the US and world economy since late 1999, and that had recently been made even more difficult and more negative, at least in the short run. In those circumstances, it would be pointless to put out a paper now. The Secretariat therefore proposed to issue, if possible by the end of the year, a paper which would complement and if possible update the Director-General's report. The proposed study would bear the tentative title of "Implications for Developing Countries of Changes in the Structure of World Trade" and would be factual. It would focus on examining the ways in which the changing product and service composition of world trade impacts on the trading opportunities of developing countries.

3. He went on to say that other changes in the revised airgram were:

- inclusion of a notification by the European Communities of the "Everything but Arms Initiative" Item D(I);
- inclusion of a notification by Côte d'Ivoire on the West African Economic and Monetary Union (WAEMU) customs procedures, noted under Item E;
- inclusion of a revised draft work programme on electronic commerce, under Item F(II); and
- inclusion of a report on Geneva Week under Item I.

4. There being no items raised under "Other Business", the agenda was adopted.

B. OBSERVERS

(i) *Request for attendance for ad hoc observers*

5. The Chairman recalled that at previous sessions of the CTD it had been agreed to invite the following intergovernmental organizations on an ad hoc, meeting-by-meeting basis. Those organizations were: the Arab Maghreb Union (AMU); the Economic Community of West African States (ECOWAS); the Economic Cooperation Organisation (ECO); the Inter-Arab Investment Guarantee Corporation; the Islamic Development Bank (IDB); the Organisation of African Unity (OAU); Organisation of the Islamic Conference (OIC); the South Centre; the South Pacific Forum; the United Nations Environment Programme (UNEP); the West African Economic and Monetary Union (WAEMU); and the World Intellectual Property Organisation (WIPO). He proposed that those organisations be invited to the next formal meeting of the CTD.

6. It was so agreed.

(ii) *Further Consideration of requests for observer status by the League of Arab States, the Organization of the Petroleum Exporting Countries (OPEC), the Gulf Organization for Industrial Consulting and the Organization Internationale de la Francophonie*

7. The Chairman recall that the Committee had four outstanding requests for observer status from the League of Arab States, from OPEC, from the Gulf Organization for Industrial Consulting and from the Organization Internationale de la Francophonie. He had carried out some informal consultations on those requests, and he regretted to inform the Committee that it appeared that there was not yet consensus on those requests. The positions of delegations were well known and on the record. Unless there had been any recent change of position, he proposed that the Committee revert to those requests at its next formal meeting of the CTD.

8. The representative of Egypt said that there had been some developments and his delegation was hopeful that the four requests could be agreed to, on an ad-hoc basis, for the next meeting of the CTD.

9. The representative of the European Communities gave the view, that as far as the Organization Internationale de la Francophonie (OIF) was concerned the CTD should show flexibility and allow it ad-hoc observer status. The OIF was already working together with the WTO on technical assistance matters, was represented in Geneva and could actually be present at meetings.

10. The representatives of Jordan, Cyprus, Qatar, Tunisia and Morocco supported the statement made by the representative of Egypt.

11. The representatives of Guinea, Madagascar and Côte d'Ivoire supported the statement made by the representative of the European Communities and noted that the OIF was working together with the WTO on technical assistance matters for African least-developed countries (LDCs).

12. The representative of Israel said that he had no instructions and suggested the matter be taken up at a later stage.

13. The representative of the United States said that her delegation was in a position to support the requests for ad-hoc observer status made by the Gulf Organization for Industrial Consulting, the OIF and OPEC.

14. The representative of Egypt said that if there was an objection to one of the four his delegation would prefer postponing the decision to the next meeting in order for the four organizations to be treated together.

15. The Committee agreed to revert to the requests at its next meeting.

C. SPECIAL AND DIFFERENTIAL TREATMENT

(i) *Report by Chairman on the informal consultations held on special and differential treatment in the context of the Implementation Review Mechanism.*

16. The Chairman provided a brief report on the consultations, adding that he did not propose to reopen that discussion; and that the report was just for the record and for the purposes of transparency. He recalled that the Chairman of the General Council had requested the Committee to review all special and differential treatment provisions in the WTO Agreements and report to the General Council by 30 September 2001 on how they could be operationalised and further enhanced. In response to that request, the Chairman had conducted consultations on 13 and 28 September as well as 1 October. He said that a reasonable degree of progress had been made. However, Members had not been able to reach final consensus on a proposal for submission to General Council. In his report on the consultations, contained in document WT/GC/52, the Chairman had included the proposal on which Members had worked, using square brackets to indicate those parts of the text on which divergences persisted. He believed that that text was a useful basis for further consultations under the umbrella of the General Council.

17. The representative of the United States said that her delegation had one comment on the report, concerning a sentence on page 2 which read "In relation to transition periods, a key concern was that these should be responsive to the underlying challenges and costs of implementation faced by Members according to such factors as differences in levels of development, size, or availability of resources". She noted that some, as opposed to all, delegations held this view, during the Chairman's consultations.

18. The representative of India said that he had one comment with regard to paragraph (i) of Annex 1 on page 4 of the report. He said that the two options were given in brackets, and that no decision had been arrived at through the consultations. The paragraph in the second bracket was his delegation's alternative formulation. Had Members accepted that formulation, his delegation would have thought it fine to leave it in, but since no decision had been reached, his delegation wished to retain the initial formulation which read as "with clear recommendation for a decision by July 2002".

19. The Chairman said he took note of the comments, and recalled that the report was issued under his own responsibility. The observations made would be relayed to the Chairman of the General Council.

(ii) *Background Note on the Implementation of Special and Differential Treatment Provisions*

20. The Chairman said that the CTD had had a number of discussions on special and differential treatment (S&D), both in the context of the work programme of the CTD and in the context of the General Council's work on implementation. The question of operationalisation of special and differential treatment had come up repeatedly, and was discussed in the Secretariat Note (WT/COMTD/W/77/Rev.1). He said that in the CTD's past discussions, he had detected a strong interest by Members in moving forward on the question of special and differential treatment in order to make it more effective. He wondered whether, without prejudice to what Members may decide in

the General Council in relation to implementation and preparations for Fourth Ministerial Conference, Members were prepared to continue in that forward looking spirit and attempt to examine ways in which special and differential treatment could be made more effective and operational. He said the Secretariat Note contained a number of questions which he believed provided a useful framework for discussions, and hoped that Members in their comments would speak to some or all of these.

21. The Director of the Development Division introduced document WT/COMTD/W/77/Rev.1 and noted that it was a complete update of the earlier document WT/COMTD/W/77 produced in 2000. He drew the attention of Members to sections II:B and II:C of the paper in particular. Section II:B contained a breakdown of the provisions for special and differential treatment in WTO agreements according to the six different categories that had become common usage in WTO discussions. The section contained a short description of each category of special and differential treatment provisions, as well as a listing of each individual provision that fell into a particular category. Provisions listed in bold indicated those which, in the assessment of the Secretariat, were couched in mandatory language. An analysis was also provided of how the provisions relating to LDCs were broken down in relation to the five other categories. In section II:C, the paper raised a number of questions that might facilitate consideration by members on how provisions for special and differential treatment could be operationalised and enhanced. These questions drew on the information contained in part II:B and part III of the paper. Part III of the paper provided a substantial amount of information on each provision and each agreement, in particular where steps had been taken in Councils and Committees concerning the provisions for special and differential treatment. Information was provided on an agreement-by-agreement basis, including on negotiating proposals presented in the Special Sessions of the Committee on Agriculture and the Council for Trade in Services. He hoped that the document would be a good basis for the discussions that would take place on operationalising S&D provisions in the WTO.

22. The representative of the United States said that the document was a useful reference for the Committee in its work on special and differential treatment. However, his delegation did not believe that the document reflected adequately the benefits derived by developing country Members already received in areas and agreements discussed by the paper. For example, the paper recorded numerous criticisms of the Generalised System of Preferences (GSP), but did not contain any discussion of its benefits or data on the use of GSP schemes by developing countries. He said the paper should be changed to better reflect the benefits and technical assistance developing countries were already receiving, and recommended that in redrafting the paper, the Secretariat make use of information on the participation of developing countries in international trade, that was currently under preparation.

23. The representative of the European Communities welcomed the document as a necessary basis for getting to grips with the issue of special and differential treatment, which was being dealt with not only in the CTD, but had gained prominence elsewhere, notably in the implementation debate. He said that Members were looking ahead, although there was no agreement as yet, to continue work on special and differential treatment, be it in the Committee on Trade and Development, a special procedure stemming from the report presented by the Chairman (WT/GC/52), the implementation debate, or a debate on rules, depending on the future work programme of the WTO which he believed would be ambitious. He said that the paper was particularly useful in putting the right questions, and his delegation was intrigued by pages 10 and 11 where a number of good questions had been raised. The discussion that had been held following the request by the Chairman of the General Council in a more pragmatic way already showed that many of the points had come back in the short discussion on the possible mandate of the CTD. He said that it was necessary that the discussion be forward looking, as well as backward looking on the existing provisions. It was understood that there was much discontent with the manner in which special and differential treatment provisions operated, and his delegation agreed that making them more effective and operational was a major objective of the organisation, and one to which his delegation fully subscribed. He said it was interesting to note that, as reflected in part D, part of the debate on special and differential treatment

was now connected to new negotiations in agriculture and services, and his delegation expected that focus on special and differential treatment to be reflected in any other area which Members might take up in the future. He said that that was not a call for a new round of negotiations, but rather a reminder that it was important to keep in mind the overall objectives. He pointed to the concept of flexibility of commitments, of action, and use of policy instruments, and, referred to GATS Article XVI which showed that flexibility in the agreement was built-in on a case-by-case basis. That was a prime example which showed how the future construction of rules, and future negotiations in agriculture, services and beyond, could look at the architecture of agreements to see how it would be possible to achieve the objectives of the organisation without having excessive recourse to a rules-and-exemption type approach which had characterised the debate to date. WT/COMTD/W/77/Rev.1 was a useful working document. He welcomed the fact that it had the nucleus of a distinction between mandatory and non-mandatory provisions, which had been discussed at length elsewhere. With respect to the discussion on special and differential treatment held in the context of Implementation Tired 96, his delegation looked forward to further discussions and hoped these would lead to a meaningful decision.

24. The representative of Kenya thanked the Secretariat for the document, saying it was a useful input which would inform the discussions Members would have on a framework agreement on special and differential treatment.

25. The representative of Switzerland said that the document could be useful in the future. His delegation was ready to discuss existing special and differential treatment provisions, as well as proposals to make them more effective and operational. In doing that, it was necessary to take a step back to define the purpose and objectives of special and differential treatment and evaluate which measures were the most effective in reaching these objectives.

26. The representative of Norway said that his delegation considered the subject a fundamental part of the immediate and future work programme, and shared many of the thoughts expressed by the representatives of the European Communities and Switzerland.

27. The representative of Pakistan said that the document facilitated Members' comprehension of some of the problems faced by developing countries in the operationalisation of special and differential treatment provisions. He said that the illustrative list of questions prompted a good thought process, and his delegation wished to reflect on the questions and return to them at a subsequent date.

28. The representative of Barbados said the whole matter of special and differential treatment, and that of how to make it operational, binding and effective, was a key issue. It was a core element of the current and future WTO work programme. The document was a useful reference tool, particularly in helping capacity-constrained delegations launch their deliberations on the issue and the list of questions was pertinent.

29. The representative of Guinea said that her delegation hoped that Members would work on operationalising special and differential treatment, which was an essential question.

30. The Chairman suggested that Members reflect on discussions as well as the information contained in the document.

31. The Committee took note of the comments made and decided to revert to the item at the next meeting.

D. GENERALIZED SYSTEM OF PREFERENCES

(i) *Notification by the European Communities (WT/COMTD/N/4/Add.2)*

32. The Chairman said that the Committee first had a notification by the European Communities before it, contained in document WT/COMTD/N/4/Add.2. That notification concerned the initiative often referred to as the "Everything But Arms" initiative for LDCs. As agreed at the meeting of the CTD of 16 February 2001, the Committee is to transmit notifications regarding market access measures taken specifically in favour of the LDCs, to the Sub-Committee on LDCs, for substantive consideration and reporting back. He therefore proposed that the Committee follow that procedure.

33. The representative of the European Communities said that he wished to draw delegations' attention to the fact that the initiative had already been discussed in various stages under various bodies. The Secretariat paper on the Generalized System of Preferences (WT/COMTD/W/93) to be discussed under the following agenda item had a sentence on page 7, which stated that "At the time of drafting this report (September 2001), the changes had yet to be notified to the WTO." His delegation had then realized that it had not fulfilled the formal requirements and had therefore submitted a notification. He did not wish to see another discussion in the CTD, especially as it would be transferred to the Sub-Committee on Least-Developed Countries. He apologised for the late submission of the notification.

34. The representative of Ecuador said that, the second sentence of the third paragraph on page 2 of the notification by the European Communities stated that "Duties on those products will be gradually reduced until duty-free access will be granted for bananas in January 2006 ...". His delegation thought that the European Communities already granted duty-free access for bananas in the quota. What was mentioned in the notification was duty-free access for the three quotas A,B and C as of 2006. That had neither been agreed to, nor authorized and there was no waiver for it. The waiver and the conditions were to begin to be negotiated in the coming 90 days. His delegation could therefore not prejudice efforts in the Council for Trade in Goods.

35. The representative of the European Communities said that his delegation was willing and committed to having a WTO conform procedure of achieving the goal stated in page 2, paragraph 3. The appropriate discussion on how that was to be achieved was going on elsewhere. Nevertheless, what was important was the political intention to grant duty-free access for those products and he was confident his delegation would succeed in that.

36. The Chairman suggested that the document be transmitted to the Sub-Committee on LDCs, for substantive consideration and reporting back.

37. The Committee took note of the statements made and so agreed.

(ii) *Note by the Secretariat (WT/COMTD/W/93)*

38. The Chairman said that a study entitled "The Generalised System of Preferences: A preliminary analysis of the Generalised System of Preferences Schemes in the Quad" had been prepared by the Secretariat in response to requests from delegations for further information on the benefits of the Generalized System of Preferences (GSP). He asked the Secretariat to introduce the study.

39. The Director of the Development Division said that the study was a preliminary analysis of aspects of the GSP schemes of the Quad and did not yet cover other developed country markets. The study had been carried out at the request of the Committee but in response particularly to a request from the delegation of the United States, at the 32nd Session of the CTD, for further information on the

benefits of the GSP. He realised that Members would not have had time to study the document and therefore wished to hold it on the agenda for a future meeting of the CTD. The aim of the study was to provide an introduction to the functioning of the GSP, including the preferences provided by developed countries and the benefits drawn by developing countries. In practice, what the Secretariat had been able to do in the time available and the material to hand was a limited analysis of the GSP schemes of the Quad. The survey was divided into five parts. After an introductory section, Section II provided an overview of the history and rationale of the GSP system from the earliest days of the Prebisch and Singer academic work till now, relating it to the Enabling Clause provisions of the GATT and raising some points that had been brought up in the WTO context, for example in Trade Policy Reviews. Section III aimed to give a brief description of the main features of the GSP schemes of the Quad, including criteria under which countries might qualify for GSP treatment, rules of origin and some indication of utilisation rates. In preparing the study the Secretariat had used a wide range of material, including useful work done by UNCTAD on utilisation of GSP. Part IV of the study was an attempt to give a consistent statistical analysis of tariff treatment and trade of GSP beneficiaries and other export sources in the Quad countries, MFN or other preferential sources. It showed quite graphically the relative importance of GSP and other preferential sources in the US, Canadian, EC and Japanese markets.

40. He continued by saying that in compiling the statistical analysis the Secretariat had principally used the IDB data base, supplemented in one case by information from UNCTAD's TRAINS data base. In the analysis, trade was categorized by tariff treatment rather than by source, with the aim of avoiding double counting and to make it as clear as possible how far preferential access was being granted and how far the different categories of preferential access were applicable. The rules that had been applied in doing that were spelled out on pages 14 and 16 of the study. Tables 2 to 5 on pages 17 to 24 showed, successively, the value of imports by forms of tariff treatment; the average rates of duty corresponding to the same forms of treatment; the number of tariff lines covered by the various forms of treatment; and the top 20 GSP beneficiaries in each of the Quad members. The data were all for 1999 which was the most recent year for which compatible figures were available. Tables AI and AII completed the statistical analysis presented in Part IV by breaking down the tariff treatment and trade by various preferential categories, including GSP by agricultural products and industrial products. In those areas, the definitions conventionally used in the Uruguay Round defining industrial and agricultural products had been used. Part V of the study raised some questions that the Secretariat believed to be relevant, or possibly worthy of further study. Those were outlined in bold in paragraphs 82, 84, 86, 87, 88, and 90. A suggestion for possible further work on the basis of a modelling approach was made in the final paragraph.

41. The representative of the Secretariat said that one of the lessons that had been learned quite quickly from the research for the study was that, despite the fact that Members had generally made regular notifications of the changes in their GSP schemes, as noted in Annex I, there was no easy way of using the notifications. The fact that the Secretariat had changed the numbering of notifications since the introduction of the WTO incidentally made them easier to track; the GATT references to GSP schemes made in the L-series of documents were far from easy to track. Few notifications, were in electronic form. Few, if any, were formulated in a way that easily showed how changes related to the full structure of the schemes or to their impact. It was therefore difficult to analyse the impact of GSP schemes using the notifications alone. Fortunately, UNCTAD had done some useful work in producing handbooks on individual schemes and the Secretariat had leaned heavily on that work in describing the scheme. One of the most important questions for the utility of the notification process for all Members of the WTO might be to obtain comprehensive notifications on GSP schemes available through electronic means and readily accessible to all Members. He suggested that, in the future, this might be done through links with relevant national websites. If it was agreed, at a later meeting of the CTD, to continue work on the issue, it would also be useful to consider joint research with the UNCTAD Secretariat to look at how data on GSP could be supplied in a compatible way by various Members and to explore what other aspects of GSP schemes could possibly be examined in

the future. He apologised for the late delivery of the document. However, the complications of bringing all the data together had been considerable.

42. The representative of Barbados said that preferential access was critical to the survival of an economy the size of Barbados. She suggested that the item be kept on the agenda for the next meeting of the CTD. The tables on the top 20 GSP beneficiaries made interesting reading.

43. The representative of the European Communities said his delegation would welcome a possibility to discuss the methodological approach including the follow-up questions.

44. The representative of Kenya said that there was no ACP-country mentioned with respect to utilisation-rates of the EC GSP and that it would be interesting to compare those to the EC-ACP utilisation rates. Kenyan utilisation rates of the Canadian GSP scheme seemed to be 60 per cent while only 14 per cent for the US GSP scheme. He suggested that the effects of the US Africa Growth and Opportunity Act also be considered in future utilisation rates.

45. The representative of the Secretariat said that it was difficult to analyze, in practice, whether a Member was using one type of preferential provision or another in access to different markets, particularly the EC market. As a convention in the Secretariat study, when an ACP country could use separate ACP benefits into the EC market, it was assumed that it had done so and had consequently been counted as ACP rather than GSP preference utilisation. However, it was almost impossible to know whether, in practice, a Member such as Kenya had used ACP preferential treatment for some products and GSP treatment for others.

46. The Committee took note of the statements made and agreed to put the item on the agenda for a more substantive discussion at its next meeting.

E. NOTIFICATIONS UNDER THE ENABLING CLAUSE

(i) *Notification by Côte d'Ivoire regarding the Treaty on the West African Economic Union (WT/COMTD/N/11/Add.2)*

47. The Chairman said that the Committee had before it a notification by Côte d'Ivoire regarding the Treaty on the West African Economic Union. The notification concerned procedures for customs valuation. The initial notification of the West African Economic Union had been made by Senegal in document WT/COMTD/N/11 of 3 February 2000, and a second notification concerning various tax régimes had been made by Burkina Faso in March 2001 in WT/COMTD/N/11/Add.1.

48. The representative of Côte d'Ivoire said that within its sub-regional integration efforts, especially in customs matters, the West African Economic Union (WAEMU) had requested the delegation of Côte d'Ivoire to notify the WTO of its regulation 05/99/CM/UEMOA of 9 August 1999 on the customs value of goods. The document was a recognition by the WAEMU of the implementation of Article VII of the GATT. Within the aim of developing sub-regional trade, it was necessary to assure customs authorities and economic operators of the application of equitable and uniform rules regulating to the customs value of goods which would also be neutral and compatible with the multilateral trading system. His delegation was pleased to submit the notification under the Enabling Clause on behalf of the West African Economic Union.

49. The Committee took note of the notification and the statement made.

F. ELECTRONIC COMMERCE

(i) *Chairman's report on the seminar*

50. The Chairman reported on the Seminar on "Government Facilitation of E-Commerce for Development" held on 14 June 2001, under the auspices of the CTD.¹ The seminar had been useful. It had been well attended, the presentations were interesting, as were the discussions following each session. The four sessions had covered regulation and deregulation, promotion of modern information and communication technologies, education and information, and government coordination.

51. Some of the main lines of thought that had emerged from the seminar were that:

- Governments have an important role to play in creating an enabling environment for e-commerce. In this way, focus can be placed on digital "dividends" rather than digital "divides";
- A strategic government plan on e-commerce is advisable and should be inclusive;
- Economic, technical and legal measures are all necessary elements in creating an enabling environment;
- The development of physical, legal and human infrastructure, as well as fostering confidence are important aspects of that environment;
- Experiences of developing and developed country governments are similar and overlap in many respects; both developing and developed countries may learn from each other's experience. However, the resource availabilities and constraints are very different;
- Relations among parties change through e-commerce; therefore, Governments, private sector and civil society have to work together to build a coherent framework for e-commerce.

52. The Chairman said that it was important that the proceedings of every seminar fed into the work of the Committee. To a large extent, a seminar was a possibility for Members to deepen their knowledge and get inspiration and ideas. However, the long-term aim was that the ideas would move the work of the Committee, and the overall WTO Work Programme, forward. The seminar had fulfilled this purpose, as it had fed both into the dedicated discussion on cross-cutting issues which had been held under the auspices of the General Council on the following day, and into the later informal consultation on a programme of work on electronic commerce in the CTD.

53. The Committee took note of the report by the Chairman.

(ii) *Work Programme on E-commerce*

54. The Chairman said that a draft programme of work on e-commerce for the CTD had been discussed at an informal meeting on 17 July 2001. A revised version, taking into account suggestions by delegations at that meeting was now before the Committee in document WT/COMTD/W/92. The document outlined work the Committee might pursue in respect of the development implications of e-commerce and suggested the format such work could take. However, he believed that a work

¹ See Attachment to these Minutes.

programme should be updated continuously in order to take account of requests from the General Council, Members' wishes and opportunities to invite speakers who happened to be in Geneva.

55. The representative of the United States said that the overall WTO Work Programme on Electronic Commerce was being considered in the preparations for the Fourth Ministerial Conference. His delegation believed that the CTD should wait for that process to determine further action for all subsidiary bodies.

56. The representative of Canada welcomed the initiative of the proposed Work Programme in the CTD and could agree to the elements contained therein. However, Ministers would consider the issue of electronic commerce at the Fourth Ministerial Meeting and would then instruct the General Council on the direction of future work to be undertaken on electronic commerce in the WTO. Whatever was done with the CTD Work Programme at this meeting it was crucial that it was without prejudice to decisions taken at the Fourth Ministerial Conference or subsequently by the General Council. With respect to paragraph 6 of the CTD Work Programme, his delegation fully endorsed the utility of interaction and linkages between the WTO and other international organizations. The CTD should continue to cooperate with other organizations on specifically development related issues of e-commerce.

57. The representative of the European Communities noted that the CTD Work Programme had been presented with a clause in paragraph 1 stating that "This programme of work is without prejudice to any decision taken at the Fourth Ministerial Conference or in the General Council." His delegation would prefer to wait for that decision. However, his delegation did not see anything wrong with the substance of the suggested CTD Work Programme.

58. The Chairman said that for the next meeting, he would try to find a delegation willing to share its country's experience and he invited delegations with interesting experiences to share to make that known to him.

59. The Committee took note of the Work Programme and the comments made and decided to revert to the item of e-commerce at its next meeting.

G. U.N. CONFERENCE ON FINANCING FOR DEVELOPMENT

60. The Chairman recalled that the CTD was the WTO focal point for the United Nations (UN) Conference on Financing for Development (FFD) and that WTO Members had sent a contribution to the Preparatory Committee of the International Conference on Financing for Development (document WT/COMTD/30). He invited the Secretariat to brief the Committee on the process.

61. The Director of the Development Division said that, as Members knew, the UN was planning a major Conference on Financing for Development between 18 and 22 March 2002 (the Conference). That Conference would be held in Monterrey, Mexico. A Preparatory Committee (Prep Com), currently co-chaired by the Canadian and Thai Ambassadors in New York, had been working on preparing the Conference, which was originally to have been held in 2001, but was postponed to 2002. The Committee was reminded and asked to note, that at its last meeting it had been informed of the WTO's attendance at the last Prep Com. The Prep Com had met three times so far. Its next meeting was in the week of 15 October, with the main discussion focussing on a "Draft Outcome" document which was being prepared by a Facilitator - Dr. Mauricio Escanero of Mexico - who had been appointed by the Prep Com. Copies of the Draft Outcome were available in the meeting room, and the WTO Secretariat was going to the Prep Com meeting the following week to listen to the discussion, to be able to report on the outcome of the discussions of the "Draft Outcome".

62. The context of the Conference's work was the role of financing for development in achieving the aims set out in the UN's Millennium Declaration as the International Development Goals for 2015. The Conference would have three segments: a High-Level Officials' meeting, a Ministerial segment where governments would be invited to send fully integrated delegations with representatives from all relevant national Ministries, and a Summit segment. The Conference would take up six main themes: domestic resource mobilization in developing countries; the role of private capital flows; the role of trade; the role of international development cooperation, including the ODA; and a series of "systemic issues" relating to the framework of international cooperation on economic, financial and developmental questions. All relevant information and documentation concerning the Conference could be found on the interactive website <http://www.un.org/esa/ffd>.

63. The representative of the Secretariat went on to explain that page 1 of the "Draft Outcome" set out seven broad principles to which it recommended that the nations commit themselves: equity, solidarity, co-responsibility, foresight, participation, ownership and partnership. With respect to trade-related issues, page 4 of the Draft Outcome discusses international trade as an engine for growth and development. The Draft Outcome, on trade-related issues makes the following points:

- Trade liberalization would substantially contribute to achieve development of world wide; trade barriers and subsidies in developed countries – which currently impose costs on developing countries that significantly exceed aid flows – must be eliminated. The multilateral trading system must decisively benefit all developing countries and countries in transition.
- Lifting of trade barriers should not be followed by the introduction of new ones;
- Labour and environmental concerns should be pursued as separate goals through the appropriate institutions and fora;
- World trade should support development goals including by securing full implementation of commitments made by developed countries in the Uruguay Round;
- Enhancing the role of regional and subregional agreements and free trade areas, could be a role in providing building blocks for the construction of a better global trading system;
- All industrial countries that have not already done so, should take steps to liberalize all imports except arms from LDCs;
- Multilateral, financial and development institutions should devise ways to stabilize the export revenue of developing countries that still depend heavily on commodity exports; and
- Multilateral and bilateral financial and development institutions should deepen their support for efforts by developing countries to remove supply-side constraints and improve their trade infrastructure.

64. The afore-mentioned points were proposals prepared by the Facilitator for consideration in the following week's Prep Com meeting, at which the WTO would be present as a participant observer, along with participants, who were essentially the same as those of the WTO membership. It was suggested that delegations could use the "Draft Outcome" in giving advice and instructions to the participant members in the upcoming Prep Com meeting.

65. The representative of the Secretariat then drew the Committee's attention to the report of a High-level Panel, appointed by the UN Secretary-General and headed by former President Zedillo of Mexico. The report had been presented to the General Assembly in June 2001. English-language copies of the Executive Summary of the Panel's report were made available in the room and the full 70 page report could be downloaded from the FFD website. The WTO was involved at Secretariat and Membership levels in the FFD process. At the same time, WTO Members' own Ministerial process was currently taking priority in the work of WTO Members. WTO Members could therefore probably not make any substantial input at the moment as the preparations for the Forth WTO Ministerial Conference was ongoing. The outcome of the Ministerial Meeting would undoubtedly be an input into the UN process. He hoped that the WTO would be able to make a positive contribution to the Monterrey Conference.

66. The representative of the European Communities said that his delegation had followed the process closely and that there had been a large number of discussions in the CTD to produce the Members' input. His delegation was unsure about how much of the valuable and difficult work WTO Members had carried out that had been taken into account in the various papers from the Preparatory Committee. However, the recent report by the Facilitator and the Zedillo Panel seemed to have taken some of it into account. He asked how the members of the WTO Secretariat who would continue to participate in the process would address those issues. He also asked whether they would come back to the paper, which had been partly reflected, but on export subsidies for example there were stronger language in the report from the FFD process that WTO Members would not sign up to. The CTD was the focal point within the WTO, but he was not clear as to what the CTD could do more than to take note of reports. He asked if CTD Members were of the view that the CTD should do more, such as for example go through the papers emerging from the FFD process in more detail and what they thought a useful role for the WTO could be. To only produce one paper as an input and then withdraw would not fulfill the role the WTO should play.

67. The representative of the Secretariat said that when he had last participated in a meeting of the Preparatory Committee, the CTD had just managed to produce a consensus document. As he had reported back to the CTD, he had brought that document with him to the meeting of the Preparatory Committee. It had been well received but as it had just been put before the Preparatory Committee there had not been any substantial discussion of it at that meeting. Since then, the Zedillo report and the Facilitator's report had been issued which touched on a large number of topics on which the WTO Membership might have views. WTO Members might deal with the issue directly in New York depending on how the interaction between their Geneva-based and New York-based missions worked. WTO Members could ensure that their representatives in New York expressed the same views on the Facilitator's report, which would be the main topic at the upcoming meeting of the Preparatory Committee, as WTO Members expressed in Geneva, particularly on the two areas of the report dealing with international trade and the section on systemic issues in so far as it touched the WTO. The WTO Secretariat would be represented by Deputy Director-General, Mr. Ouedraogo, at the meeting of the Preparatory Committee and he would point out that the Facilitator's Report had not been fully reviewed in the WTO and that WTO Members would have different views on different topics. The text was the proposal of the Facilitator. It would not be easy for the WTO Membership to express firm views on the FFD documents at this stage, apart from saying that the Facilitator's report was interesting but still controversial. The WTO Membership might be in a better position, after the Fourth Ministerial Conference, to make a full input into the next stage of the preparatory process, which would be in January 2002. The CTD could, if noted, hold an intensive meeting on the FFD process after the Ministerial Conference.

68. The Committee took note of the statements made and decided to revert to the item at a future meeting.

H. TECHNICAL ASSISTANCE AND TRAINING

- (i) *New Strategy for WTO Technical Cooperation: Note by the Secretariat (WT/COMTD/W/90)*
- (ii) *Coordinated WTO Plan for Technical Assistance Activities: Note by the Secretariat (WT/COMTD/W/90/Add.1)*

69. The Chairman proposed that the Committee treat the two first sub-items together, i.e. the New Strategy for WTO Technical Cooperation (the Strategy): Note by the Secretariat (WT/COMTD/W/90) and the Coordinated WTO Plan for Technical Assistance Activities (the Plan): Note by the Secretariat (WT/COMTD/W/90/Add.1).

70. The Deputy Director-General, Mr. Ravier, said that, at the May meeting of the CTD, he had hoped to be able to present a new technical cooperation strategy and a revised plan of action in October. He was happy that the deadlines had been met. He said that he would introduce the new documents and give the state of preparations for the current year and the outlook for 2002. In introducing the New WTO Strategy for WTO Technical Cooperation he would focus on five specific issues:

- (a) The importance of technical assistance and capacity-building;
- (b) Sources of inputs into the Strategy, (document WT/COMTD/W/90);
- (c) The structure of the Strategy document;
- (d) Coordinated WTO Secretariat Annual Technical Assistance Plan for 2001-2002, (WT/COMTD/W/90/Add.1); and,
- (e) Procedures for the consideration of the Strategy.

71. First, on the importance of technical assistance and capacity building, he said that one of the core issues that had stood out in the preparatory exercise for the Fourth Ministerial Conference was the vital importance of technical cooperation and capacity building. That had been emphasised by all Members, particularly developing countries, LDCs, small and vulnerable economies, as well as economies in transition. It had been a central element in many regional preparatory meetings for the Fourth Ministerial Conference organized by developing countries and LDCs. It had been linked to implementation of WTO rights and obligations, developing countries' ability to exercise their rights, and ability to draw on the benefits of the open, rules-based multilateral trading system. Evidence for that abounded in the various declarations that had been circulated as WTO Working documents. Technical cooperation and capacity building had to be taken seriously.

72. Second, on sources of inputs for drafting the New Strategy he said that in drafting the New Strategy, the Secretariat had relied on several sources. First, it had drawn on the many comments made by Members in the CTD. Second, it had reviewed comments in the Sub-Committee on Least-Developed Countries. Third, valuable comments had been taken from the contributions by Members in the process of reviewing the IF. Fourth, the records of the General Council had proved useful with regard to comments made by Members, including in the context of implementation. Fifth, the Secretariat had taken into account the comments made in the on-going preparatory exercise for the Ministerial, both in the two rounds of consultations under bullet 6 of the Chairman's Checklist of 20 April 2001, and in the comments by delegations at the 30-31 July 2001 Reality Check. Finally, he knew that the Director of the Technical Cooperation Division had consulted extensively with individual delegations. The Secretariat had reviewed the records of statements and contributions on

technical cooperation extensively. It had listened carefully, and he believed that the Secretariat had learned. The entire Secretariat had been given the opportunity to comment and comments received had been accommodated in the text.

73. Third, the structure of the New Strategy document was simple and divided into four Sections and eight Annexes.

Section I: set out the objectives;

Section II: referred to several of the various approaches that had been suggested by Members;

Section III: identified ten elements that should be at the core of any optimal strategy for WTO technical cooperation. That section was the centrepiece of the New Strategy;

Section IV: described the new structure and the re-organization of the Technical Cooperation Division. That section referred to the format of the new plan for the delivery of technical assistance, which would operate on a 12-month basis. The re-configured format was contained in document WT/COMTD/W/90/Add.1; and,

Annexes V-VIII: defined specific WTO technical assistance policy/strategy for beneficiary regions and for the area of Information Technology/WTO Reference Centres. The value of that section was that it related the broad strategy to region-specific needs and priorities.

74. Fourth, there was a new structure for the Coordinated WTO Secretariat Annual Technical Assistance Plan, as contained in WT/COMTD/W/90/Add.1. The Plan was structured as follows:

Section I: contained Regional Seminars, Workshops and Multilateral Conferences;

Section II: referred to Short Trade Policy Courses as Technical Assistance Outside Geneva;

Section III: contained information on National Technical Assistance Programmes;

Section IV: dealt with Information Technology and WTO Reference Centres;

Section V: concerned the Integrated Framework (IF); and

Section VI: contained Technical Assistance Tools Development.

75. The newly formatted plan covered the period August to December 2001. That was the period of reorganization of the WTO Technical Cooperation. In the period under review, some 30 activities originally planned for the year 2001 had been postponed to 2002 for a variety of reasons. In some instances, for security considerations, in others, at the request of beneficiary countries. Although that plan contained entries for the year 2002, it was not the Plan for the next year. The entries for 2002 referred to those activities that had been deferred because of overriding circumstances and activities that had been linked to follow-up from 2001. These activities would also appear in the Plan for 2002, to be finalized in the second week of December 2001.

76. Finally, he outlined what he had foreseen as a procedure for the implementation of the New Strategy. In light of the extensive informal consultations held on the Strategy and the comprehensive

use of inputs from the Membership, he suggested that Members commented and offered guidance on the New Strategy. He further suggested that the Chairman, after interventions by delegations, would propose the CTD to take note of the new Strategy, on the explicit understanding that the Secretariat, in implementing the new Strategy, would be guided by the comments made and guidance offered at the meeting, which should also be in the formal records. Paragraph 20 of the Strategy stated that subsequent revisions of the Strategy would be undertaken at the periodic annual reviews. In proceeding in that way, the CTD would support the efforts underway at the informal sessions of the General Council with regard to the paragraph on technical assistance in the draft Ministerial Declaration.

77. The Chairman asked Members to agree to the suggestion made by the Deputy Director-General that the views expressed and guidance offered on the new Strategy should be reflected in the Minutes of the meeting and that the Secretariat should be guided by those comments in the implementation of the Strategy.

78. The representative of Lesotho said that, his delegation fully shared the view expressed by the Deputy Director-General in his introductory remarks that technical assistance had emerged within the current series of consultations in preparation for the Fourth Ministerial Conference as the most central issue in all discussions. His delegation too, considered technical assistance and capacity building central to current and future work in this organization. He said he wished to make some specific comments on the Strategy, in particular its core elements. On technical assistance as a mechanism for mainstreaming, he supported the view that technical assistance could only be made effective if implemented in concert with other elements of a country's development strategy. However for the mainstreaming strategy to be effective it was imperative that the overall strategy which, in that case was the World Bank/IMF Poverty Reduction Strategy Paper (PRSP) process made adequate provision for the role to be played by trade policy. From his country's experience the present guidelines on preparations of PRSPs were not clear, and as a consequence, the resulting PRSPs were weak on trade policy issues. He was aware that that issue would need to be raised again during the meeting of the Sub-Committee on Least-Developed Countries. His delegation agreed with the call for efforts to be intensified to address the issue of coherence between government ministries. Perhaps, one practical way the WTO could assist would be for the Trade Policy Review Division to undertake an assessment of the degree of coherence between ministries in developing countries, and in LDCs specifically, as part of the overall preparation for a review.

79. He continued by saying that his delegation had been actively involved in the work to revamp the IF, and continued to be closely involved in its implementation. His only comment was that it was important to bear in mind that mainstreaming could not be achieved through the PRSP process alone. That was important to Members who were not PRSP countries and therefore efforts should be made to ensure that the framework was supportive of other initiatives being pursued by LDCs. His delegation was of the view that Integrated National Plans for WTO implementation were important and warranted full attention. The current discussions in the General Council on Implementation-related issues bore testimony to that point. Furthermore, while he did agree that there was a need to improve coherence between national institutions, he also believed that it was equally critical for the WTO Secretariat to improve its approach to delivery of technical assistance. By that he referred specifically to the quality of the missions undertaken by the WTO Secretariat. The experience of his Government had been that the Secretariat concentrated more on reading out the legal texts than on actually outlining the practicalities of the WTO Agreements. The main problem for his country was not to understand the legal text but to acquire the ability to relate WTO agreements to real life situations on the ground. With respect to bilateral donors, he supported the view expressed in the Strategy document that effective co-ordination was the key. To that end his delegation was actively involved in the work of the IF Steering Committee. It was important to underscore the importance his Government attached to the relationship it had with its bilateral partners. Regarding coordination, his delegation welcomed the creation of the Technical Assistance Management Committee which had

been set up in the WTO Secretariat. As far as auditing, monitoring and evaluation was concerned he considered it to be among the most critical elements of the Strategy and urged the Director-General to institutionalise its operation as early as possible. However, it was equally important that the channels for feedback from recipient countries were maintained and taken into account when conducting audits on the effectiveness of WTO technical assistance. Regarding funding, his delegation was of the view that it was critical to the successful implementation of the Strategy. It was a well-known fact that the ineffectiveness of past strategies was partly a result of the inadequate availability of predictable funding. As delegations moved towards the Fourth Ministerial Conference, they would be judging the commitment of their trading partners on the reaction to the proposal tabled requesting an increase in the regular budget of the WTO for Technical assistance. In conclusion, he pointed out that while his delegation welcomed the recent administrative restructuring of the WTO Secretariat, he hoped that the attention that had been directed at LDCs would not be eroded and that LDCs would continue to be a priority in the technical assistance activities of the WTO Secretariat. He had a question with respect to Section V of the Coordinated WTO Plan for Technical Assistance Activities, on the IF. He asked how the countries listed there had been selected and whether the selection had been made on the basis of the time frame prepared by the IF Steering Committee. The reason why he was posing that question was that his delegation had submitted a request for a national seminar a long time ago. If the Plan was the one for the year 2002, it meant that his request would only be met in 2003. If that was not the case, he sought guidance as to how it could be undertaken.

80. The representative of Zambia said that the new Strategy aimed at charting a new path for WTO technical assistance which would emphasize capacity building. That was a welcome change as WTO technical assistance had been mostly about conforming to the rules. While the objective was good, the proposed means still conveyed the conventional WTO approach. His delegation's comments were meant to assist the Secretariat improve the thrust of the Strategy. They were meant to be constructive and although they might be rough, they were not meant as unproductive criticism. His comments were preliminary as he intended to submit a refined paper to the Secretariat. As stated in the Preamble to the Marrakech Declaration, the over-riding goal of the Multilateral Trading System (MTS) was to promote, through trade, the sustainable development of all countries, for them to participate in, and benefit from, the global creation of wealth and its equitable distribution. Furthermore in recognition of the fact that not all the world's nations were in a position immediately to participate equally in global trading system, the preamble called for the design of positive efforts to ensure that developing countries, particularly the least-developed, secure a share in the growth of international trade commensurate with the needs of their economic development. The need for positive efforts for developing countries to address their particular needs as a necessary element in their effective participation was given expression in the principles of special and differential treatment in the Uruguay Round Agreements.

81. He went on to say that, over the past six year's life span of the WTO, developing countries and LDCs had experienced increasing marginalization. While that was related to structural economic difficulties in those countries themselves, it was recognised that a significant factor had to do with difficulties in relation to Uruguay Round Agreements. Fundamentally, these were problems related to the imbalances in the Agreements; the undermining of their rights by the other members of the WTO who had failed to live up to their commitments; the negative implications and impacts of some agreements on their economies; and the inadequate capacity to participate in shaping the processes, agenda and rules of the WTO. It was the inability to respond to those difficulties that defined the capacity needs of developing country members of the WTO, and should provide the framework for the technical co-operation Strategy designed to enable those countries participate fully and meaningfully in the MTS.

82. With respect to the inadequacies of the Strategy Document he said that while the New Strategy had a lot to be commended for, it suffered from a one-sided focus on the promotion of trade liberalisation and reform as the strategic aim of technical co-operation. For instance, paragraph 1 of

the Strategy Document stated that "the core mandate of the WTO was trade liberalisation". It continued: "trade liberalisation and reform yield essential development dividends." On that basis, the purpose of technical assistance was defined as providing "enabling assistance for Members to undertake trade liberalisation". Secretariat saw its function as support to "Members/Observers to assist them understand WTO rules and disciplines, the obligations of Membership, and in building institutional capacity for trade policy". Not only did that not pay sufficient attention to the vision in the Marrakech Agreement whereby the liberalisation of trade was placed in the context of, and served as one instrument of sustainable development, requiring positive efforts for developing countries to meet their particular economic developmental needs. The one-sided focus on trade liberalisation as the core mandate of the WTO within which the technical co-operation Strategy was premised was limited in a number of ways. Firstly, that the primary orientation of the Strategy Document was towards simply assisting developing countries to better understand and act within the existing agreements, with their rights and obligations. Secondly, where there was effort to place it in a wider context, the context was that of trade liberalisation and reform. Thirdly, those two concerns would seem to shape the interpretation that the Strategy Document placed on all the practical elements of technical co-operation, including such items as policy coherence, and co-operation with other institutions and stake holders and mainstreaming trade policy in national development policy. For instance footnote 5 on page 3 described a MoU between the WTO Secretariat and WIPO for assistance to LDCs on TRIPS. However, it appeared from the note that the main purpose of the memorandum was to assist "LDC to implement their obligations under the TRIPS Agreement, which fall due in 2006". LDCs and other developing country members had indicated that part of the problem of implementing TRIPS had to do both with the imbalances in that agreement, as well with the implications for their developmental priorities, and had been seeking a review of that Agreement. That strategic orientation of the Strategy Document was inadequate, and would not assist developing countries to effectively address, in a comprehensive manner, the obstacles they faced with full and meaningful participation in the MTS. For that, technical co-operation needed to have a more holistic orientation.

83. He continued by referring to what his delegation saw as strategic aims and objectives. Informed by the developmental visions stated in the Marrakech Declaration, as well as by the experiences of the developing and LDCs, an appropriate strategy of technical assistance should aim to enable those countries to make the MTS respond to their needs. While assisting the countries to activate their rights and live up to their commitments under the existing rules, it also had to enable them identify the elements of the existing agreements which acted as obstacles in meeting their specific economic developmental needs (including, but not limited to, problems of market access, the destruction of domestic production and national productive capacity, food security, etc) and assist them in formulating proposals, and actions for dealing with these difficulties. Equally importantly, it had to be recognised that for the MTS to be sensitive to the specific and often peculiar development problems of developing countries, it was necessary that the developing countries themselves had the ability, above all the political autonomy and space, to identify their developmental needs and strategy, nationally and regionally, in response to those needs. That could be expressed appropriately in the rules and agreements of the MTS. Technical assistance had to be designed to facilitate, rather than crowd out those national processes of formulating trade policy on the basis of national development needs. The objectives of technical assistance should therefore include:

- (a) assisting beneficiary countries to understand WTO rules and disciplines, strengthen their capacity to implement multilateral trade agreements so as to exercise their rights under the agreements, identify elements of existing agreements and proposals for further agreements which act as obstacles in meeting their economic developmental needs so as to enable them to formulate proposals and undertake actions to address them; and exploit the benefits and opportunities;

- (b) increasing the participation and negotiating capacity in regional trade agreements in a way that is consistent with their development priorities and options;
- (c) enhancing national capacity in the private sector, civil society and research and training institutions and other national stakeholders to enable them to participate in the formulation and implementation of trade policies;
- (d) ensuring that the WTO worked jointly with other inter-governmental institutions, and international and regional, as well as national stakeholders in order to ensure that technical assistance is coherent with national developmental priorities. Trade policy coherence was, in that regard, not simply coherence among inter-governmental institutions, but based on identified development options and priorities within a national development strategy. Those objectives were both additional to, and sharpened the focus of, the objectives listed in the Strategy Document;
- (e) developing countries had to have access to the WTO and be able to participate adequately in the formulation of trade rules that imposed benefits and obligations on all Members. A number of LDCs were non-resident members of the WTO, and many of those who were present, were inadequately represented. He asked how, for example, non-resident members were represented in the Strategy document in terms of inputs to it and how they could claim ownership of it.

84. He went on to speak about the setting of trade policy as an element of a national development strategy and plan. In terms of the content, the Strategy Document made constant reference to the need to mainstream trade within national development. The meaning of that concept was ambiguous, and the usage tended to suggest that national development had to be formulated in the light of the multilateral trade regime. While there was a virtuous cycle between trade and development, it was clear that, in the current context of most developing countries, the role of trade in economic development and poverty reduction was related to its contribution to the development of national productive capacity. To play that role, trade policy had to reflect and contribute to the realisation of national plans for development and poverty reduction. Technical co-operation had to reflect that relationship. As regarded the process, it meant that WTO technical assistance "as a mechanism for mainstreaming trade" needed to go beyond co-ordination among government departments. Such co-ordination had to be part of a dialogue among government, and national stakeholders, including the private sector and governments. The Strategy also had to state clearly that it was the beneficiary countries that should set the objectives and determine the mainstreaming of trade into developmental policies. Developing countries should not have to feel that the Strategy was imposed on them from outside. Therefore, the issue of ownership was primordial, and had to be recognised and stated clearly in the Strategy document. That dialogue also had to extend to co-ordination among intergovernmental agencies; in particular those key ones involved in the IF. The complementarity between the WTO and other international organisations, based on their respective comparative advantage, had to be made visible and effective not only in the execution of technical co-operation activities, but also in their design. Usually, the participation of other organisations was introduced late, when the activities or the programs had already been conceived and sometimes launched. For instance, the draft rightly mentioned the importance of achieving a "link between appropriate trade policies and development needs". The most natural complementarity was the one between the WTO, UNCTAD and ITC, that was already implemented in some projects in the field, but could be further enhanced and improved. He noted that there was no reference to the technical co-operation role of ITC, which was a subsidiary of the WTO. Although the competence of ITC was not directly related to policy issues, ITC had an important role to play in terms of supply capacity, hence, the need for the Strategy document to mention co-operation with that organisation. In the new drive to develop capacity building, a necessary component was collaboration with other agencies like UNCTAD and ITC to address the various interrelated dimensions of technical assistance. In that regard, the Joint Integrated Technical

Assistance Programme for Selected African and Least-Developed Countries (JITAP) was missing in the Strategy document. JITAP was an innovative example in that respect and a model that could be used. He asked how JITAP was envisaged to contribute to the Strategy and what its place in the Strategy was. Complementarity should also extend to the linkages between UNCTAD and the Convention on Biological Diversity (BCD) in the context of TRIPS as they had comparative advantages in the area of bringing out more strongly the developmental needs. The over-riding goal of complementarity had to be to ensure appropriate policies that effectively worked in the development interests of developing countries and which did not restrict the range of their development options and policies. Moving on from complementarity to flexibility he said that it was important to achieve a good conciliation between the three approaches mentioned in the draft. If not well managed, they might become contradictory. In other words, the ownership and the demand-driven approach were key. There was a need to set priorities in a multi-year plan. The evolving trade agenda also required flexibility. According to his delegation, flexibility was to take into account changes in the subjects covered by technical assistance.

85. He went on to say that the regional dimension of the WTO technical assistance Strategy should be a priority. The support that the WTO could provide, particularly to the regional secretariats of integration schemes of developing countries, needed to be reviewed and expanded. Ideas such as ownership and complementarity might remain empty words if links with regional institutions were not seriously taken into account. For many developing countries, the formulation of trade policies at the regional level was as important as the participation in the MTS. Regarding the autonomous efforts of capacity building by governments, he said that given the diversity of issues and interests that had to be involved and mobilised at the national level for appropriate national development-oriented trade policy formulation for participation in the global system, the capacity building delivered should not crowd out, but endorse and encourage other capacity-building initiatives undertaken by governments, private sector and civil society. While the WTO Secretariat had a key role to play in the delivery of technical assistance and capacity building, it had to work together with other inter-governmental institutions with a tradition in trade and development. Above all, the WTO Secretariat had to play its role in consultation and association with all stakeholders at the national level, and with appropriate bodies at the regional level. To that end, the role of the WTO Secretariat could be to adopt methods and instruments, which enabled it to work in association with other bodies to deliver technical assistance, especially, at the national level. Finally, with respect to strategic targets and developmental goals, he said that the delivery of technical co-operation had to be guided by strategic targets, defined in relation to the identified development interests, goals and priorities, especially of LDCs, to be met by trade instruments and policies. His delegation would make a submission to the Secretariat which he hoped would be helpful, especially as it came from one of the main beneficiaries of WTO technical assistance.

86. The representative of Canada said that her delegation thought the document really was a strategic paper. It was not perfect and might require some further work along the lines suggested by the representative of Zambia. However, it had properly situated WTO activities within the context of national development plans, which was critical, and in collaboration with multilateral and bilateral donors' assistance strategies. The WTO could not undertake everything with respect to trade-related capacity building. It was a critical player, but it was one of many. The Strategy attempted to prioritise as to what would be addressed first. LDCs, African countries, non-residents, and modest and capacity-constrained missions were the focus of the Strategy. Her delegation also noted that there was a focus on effective cooperation recognizing that ad-hoc interventions did not have a lasting impact. That was something which had been raised by several delegations in previous sessions of the CTD and she noted that it had been taken into consideration. Her delegation's preference was to increase the WTO technical assistance budget rather than voluntary contributions to a centralized global trust fund. However, as that might not be immediately possible, her delegation recommended that consideration be given to a methodology to maximize the benefits of the many different trust funds. The Budget Committee could be tasked with looking at how to ensure that there was ongoing

access to the financing required to deliver on the plan. In general, her delegation endorsed the Strategy.

87. The representative of Switzerland said that his delegation basically agreed with the approach presented in the paper. The paper gave a comprehensive view integrating all areas and divisions dealing with technical assistance in the WTO and all actors involved in the delivery of technical assistance. The paper outlined a process-oriented approach which could eventually replace the current approach dominated to a large extent by ad-hoc requests. Crucial elements for the working of the Strategy would be the functioning of national contact points, who first had to be committed to elaborating integrated national plans for implementing the WTO Agreements, and secondly had to be committed to take the idea of mainstreaming seriously. While the Strategy was good in theory it was not clear how it would be implemented in practice. One question related to whether there would be some kind of implementation plan on how to evolve in direction of the mainstreaming process. Another was whether there would be any kind of sequencing, for example to start the implementation with a number of pilot countries, or regions only. A third question was whether there were any concrete plans with regard to coordination with the donors. A more general question related to the next steps, after the document had been taken note of, with a view to put the Strategy into practice.

88. The representative of the United States said that the new Strategy was useful in the efforts to increase the effectiveness of technical cooperation through coordination with bilateral and multilateral development partners. While his delegation was opposed to more funding out of the regular budget, his delegation had heard the issue of predictability and had done much on technical assistance with funding to the IF Trust Fund, the WTO Global Trust Fund and Africa Initiative Funds to the WTO directly. His delegation encouraged the WTO Secretariat to focus on the Agreement by Agreement approach to technical cooperation and capacity building as it was where the WTO had a well-established comparative advantage. Regarding the Coordinated WTO Plan for Technical Assistance, he said that it could increase the effectiveness of WTO technical assistance and coordination with bilateral and multilateral development partners. He encouraged the Secretariat to see that the Plan was given as wide a distribution as possible.

89. The representative of European Communities said that it was easier to criticize a strategy than to draw one up. Work on the Strategy had been ongoing for a year and that his delegation had been active in the debate and fed in ideas, not only because they were major donors in the field, but because they believed that they would be even more so if there was a coherent strategy. If EC member states had to convince their Finance Ministries to contribute even more money to technical assistance to trade-related matters, within or outside WTO, a coherent strategy in the WTO was part of the evidence that had to be brought forward to convince them. Following an intensive debate internally, the EC had no opposition to take note of the Strategy and use it as a basis for further work. Members had to be practical so the work could progress. The paper was not perfect and it would never be so no matter how long it was discussed. He had a number of comments regarding where his delegation wished to see the process going. The Secretariat had to concentrate on implementation. First, the paper was called a Strategy, but it was largely also a description and other things. It was not a strategy where the objectives and means were clearly set out with time frames for implementation. His delegation recognized how difficult it was to put such a paper together, but took the paper as the document that described the objectives, pointed out the approaches and means available. His delegation was happy that mainstreaming had been recognized as a main point, that the roles Trade Policy Reviews could play had been highlighted in a more satisfactory way, that bilateral and international coordination had been taken up and that the question of monitoring and evaluation were part of the integrated concept, together with the ongoing changes in the Secretariat to improve its administrative structure. What was less clear was how the approaches matched the objectives. One question was how the Secretariat would act when there were contradictory approaches on certain issues and if there were ways to get around such situations. Agreement-by-Agreement approaches was for the rules implementation but not for all of technical assistance and capacity building. Those

types of points had to be worked out in more detail. The questions of whether there would be an implementation plan or a work-programme to follow up and how delegations would be able to see that the well intentioned and ably put down points would influence the day-to-day work.

90. He went on to say that another observation his delegation had made was that the Strategy gave the impression that mainstreaming was a core WTO responsibility. It was mainly the countries themselves and other international organizations which dealt with that. The WTO could contribute and had to be conscious of it but could not drive the process. That was for others to do. The statement that the WTO technical assistance seeks "to mainstream trade priority areas of action into national development plans..." was somewhat too ambitious for what the WTO could do. It was nevertheless important that there was awareness of the concept and that work was done to make WTO action complementary in the field. Where do we go from here was the most important question and how the WTO would cooperate with international and regional organizations beyond the formalistic point of Memoranda of Understanding (MoUs) and the IF which were mentioned in the document. How the Strategy would be followed-up within the Secretariat was another important question. A Technical Assistance Management Committee (TAMC) had been established but delegations did not know how that Committee prepared the one-year plan. He wondered if everything had been cleared within that Committee and how the self-coordinated WTO Secretariat Annual Plan had been put together as it did not indicate why the various elements had been chosen and where the priorities came from. Some short justification for the individual projects in line with the Strategy and the objectives would be useful for transparency reasons. That would convince delegations that internal Secretariat coordination was functioning. Otherwise, the one-year plan only looked like a shortened version of the Strategy and that was not what it was supposed to be. He wished to hear the Secretariat representatives explain how follow-up and implementation were supposed to be handled. Paragraph 20 mentioned a review. That review should not only concern the Strategy but, above all, its implementation and the feed-back the Secretariat might wish to take from implementation back into the Strategy. Nevertheless, it was work in progress. The theory and principles should not be discussed forever. A great deal had been achieved with the Strategy and WTO technical cooperation should move forward, but delegations' comments should help to constantly improve it.

91. The representative of Egypt said that his delegation welcomed the new Strategy and was prepared to take note of it in the Committee and move ahead with implementation while at the same time continue to upgrade and improve on it. It was important to reconfirm that the overarching objective of WTO technical assistance activities was to increase developing countries' share of world trade. When the technical assistance activities contributed to efforts aiming at achieving that goal, they would have successfully fulfilled their purpose. Everything in the new Strategy should be seen in that context: objectives and purposes referred to in the document should be tools and means to achieve that objective. One of the key fundamentals necessary to ensure effective implementation of the new Strategy was availability of resources on a stable basis. His delegation therefore supported the call in paragraph 4 for increased and predictable resources. The regular budget was the best means to ensure predictability while maintaining and regularly raising voluntary contributions, in addition to the needed regular resources, would provide sufficient increased resources. The various approaches listed in paragraph 6 were not and should not be mutually exclusive. That was stated in the following paragraph. However, the tools-box which grouped the various approaches should be given increased visibility, not only in the provision of technical assistance activities, but also in the evaluation of the distribution and effectiveness of those activities to all beneficiaries. That approach would also help the coordination discussed in Section III. With respect to Section III he said that mainstreaming of trade into the national development policies was an important concept that might play a role in yielding better results. However, it was necessary to underline that the mainstreaming exercise had primarily to be at the national level, in order to fit correctly in the context of the national policies and objectives. The first bullet under paragraph 8 emphasised the linkage between technical assistance and mainstreaming from an angle that his delegation believed should be dealt with in a different way. Referring to the fourth indent under the seventh bullet of paragraph 8, he said that the

newly established Management Committee would, according to its terms of reference, invite Members, as necessary, to coordinate the delivery of technical assistance. He requested the Secretariat to provide Members with the terms of reference of the Management Committee. Based on the study of those terms of reference, it might be worthwhile to request the Secretariat to submit periodic reports on the work of the TAMC. Annex IV dealt with the Arab States and he suggested that the Economic Commission for Africa be included in its paragraph 43 which related to a MoU since many countries belonging to the North African Region would fall under the ECA and not under ESQUA, although ESQUA had a somewhat different mandate. As an editorial point he suggested that Djibouti be added to the footnote on page 17 as well as to paragraph 46 where the number of Arab States should be increased from 10 to 11. Finally, his delegation welcomed the willingness shown by the Secretariat in paragraph 47, to increase the volume and improve the quality of its technical assistance to other countries and hoped that that willingness would be transformed into practical and concrete activities.

92. The representative of Rwanda said that his delegation generally was satisfied with the Strategy and particularly with the integrated approach, with the cooperation activities with higher institutions of learning in the concerned countries as well as with the training of trainers. However, his delegation had three comments. First, the new Strategy had to be financed through the regular budget. In addition, it was necessary, at least for the LDCs, to get the technical assistance, starting with the permanent missions in Geneva. Third, the essential elements of the Strategy should be reflected in the Declaration of the Fourth Ministerial Conference.

93. The representative of Peru said that it was important that the Strategy be financed. Even if a strategy were designed with deadlines and review mechanisms, it would not bring many benefits unless it was financed. That was of utmost importance as it was part of the concerns of developing countries in connection with a possible new round of negotiations. Section II of the document contained the right approaches. The ten core elements constituted a comprehensive strategy. The mainstreaming mechanism and its application was important in order to include technical assistance and capacity building at the national level. Efforts had been made in Peru with respect to the institutionalization of focal points and the creation of a national coordinating committee. A national commission with participation of both the public and the private sectors had been set up. Its mandate was to disseminate information, make broad policy guidelines and above all train businessmen, academics as well as government employees on WTO matters. The follow-up of the benefits of technical assistance was important as it was a means to improve and contribute to the improvement of technical assistance. Specific approaches on the basis of subjects or regions were worthwhile as they would lead to the application of technical assistance taking into account the characteristics and the special needs of each member. His delegation therefore supported the training of trainers who would become sources of information and dissemination on the rules and commitments which countries required within the WTO. These together with distance learning and appropriate links with academic institutions would have a positive multiplier effect. He therefore hoped that these elements would be included in the Annex relating to the Latin American and Caribbean countries. His delegation generally supported the Strategy and would continue improve on it.

94. The representative of Turkey said that he first had a comment regarding the allocation of priorities regarding the available technical assistance resources of the Secretariat. It was not surprising that the new Strategy gave high priority to the LDCs. His delegation had always been in favour of giving high priority for LDCs in technical assistance. However, that should be without prejudice to the rights of other developing countries. At least the current level of technical assistance provided to developing countries should not be reduced, and when possible, should be increased. The language of paragraph 15 did not fully address the specific concern of his delegation. Second, with respect to Annex V, he said that his delegation wished to see an explicit reference to two important regional organizations operating in his country's region: the Organization of the Black Sea Economic Cooperation and the Economic Cooperation Organization. The Secretariat had been working closely

with those two organizations and his delegation had been happy to see the fruitful results of that cooperation and was confident that the cooperation would continue in the future. It was therefore appropriate to make a clear reference to them in Annex V.

95. The representative of Japan said that the Strategy covered and responded to many of the concerns raised in previous meetings. His delegation endorsed the Strategy. The first of his delegation's three concerns related to the fact that the WTO could not undertake everything. There were several dimensions to the development of a developing country, but the WTO was not the main executing agency for technical assistance and only covered a limited part of the whole picture of development. His delegation wished to see the WTO play an active part in mainstreaming trade into the development strategies of each country. In order to do that the WTO had to strengthen its coordination with other international organizations and bilateral donors. Second, his delegation was happy to note the new WTO unit for technical cooperation audit and wished to see the positive feedback from the outcome of auditing and monitoring. Third, there seemed to be some concern regarding the predictability of technical assistance funding. Several Members had raised the possibility to increase the regular budget. His Government wished to study that option, but as had been mentioned earlier, the WTO was not an executing agency for technical assistance. There were a certain amount of contributions on a voluntary basis to several trust funds. His delegation wished to see predictable funding by also utilising other resources.

96. The representative of India said that his delegation welcomed the new Strategy, endorsed the thrust of it, and hoped that it would enable the Secretariat to follow a more coherent approach for the effective implementation of technical assistance.

97. The representative of Jamaica said that her delegation could support the new Strategy and believed that the methodology and approach were correct. However, it was noted that the new Strategy provided for technical assistance to regions. However, the new Strategy should also recognize the need of individual countries within regions as each country had its own needs and requirements for technical assistance. The WTO technical assistance had to respond to supply-side constraints through inter-agency collaboration. The current financing through the regular budget was inadequate. Her delegation supported a multi-year funding programme to give predictability and stability to the process. The new Strategy should accord prominence to paragraph 9 which referred to technical assistance delivered in Geneva. The Secretariat should endeavour to quantify the assistance with a view to identifying how it could be expanded. Lastly, Trade Policy Reviews were critical aspects of technical assistance and capacity building. The intervals between reviews were too long. For example, for countries such as Jamaica, Trade-Policy Reviews occurred every six years. That issue had to be addressed to see how the integration of the Trade-Policy Reviews could be carried out in a constructive manner.

98. The representative of Indonesia said that the Strategy provided a clear approach of the WTO Secretariat to technical assistance. Although his delegation agreed with much in the Strategy, a couple of aspects had to be kept in mind in the implementation for it to achieve its objectives. The problems and challenges faced by developing countries differed from one country to another and had become deeper and broader in nature. No "one-size-fits-all" approach to technical assistance for developing countries was applicable. It was therefore imperative that, before embarking on any technical assistance programme, both the WTO and the beneficiary countries, conducted problem identification. That would ensure that the technical assistance provided by the WTO would be tailored to the specific problems and needs of the developing countries or regions. The essence of any technical assistance was to help developing countries, not only to implement the WTO Agreements, but also to derive benefits from them. Only by adopting such a problem-oriented approach could developing countries reap the full benefits of the liberalized trading system. Although his delegation supported increased funding for technical assistance, it should not burden the share of the developing countries' contribution.

99. The representative of Guinea said that her delegation had a procedural question. The subject was important and the documents provided to delegations were essentially in English which made it difficult for French- and Spanish-speaking delegations to work on and understand the document. Nevertheless, her delegation had made an attempt to study it. She informed Members that her Government had integrated trade into its Poverty Reduction Strategy. That was why Guinea was suited for the second phase of the pilot scheme of the IF. WTO technical assistance was directed towards making Members understand the rules and principles of the organization. That was why particular importance should be attached to the question of financing of technical assistance and why the financing had to be predictable and included in the regular budget of the WTO. Her delegation was pleased to see that some of the questions her delegation had raised with the Secretariat had been taken up in the Strategy such as cooperation with universities in developing countries on questions related to the WTO and the training of trainers in developing countries. Those were vital issues for people in developing countries to understand the WTO. However, her delegation was concerned with what was stated regarding modern information technologies. She asked how the WTO intended to hold on-line courses for participants in countries where information technology was scarce. For example there was only one reference centre in her ministry. Her delegation also wondered how the countries listed in the table on the IF in Section V of the Coordinated WTO Plan for Technical Assistance Activities had been selected. All LDCs had more or less the same needs. Apart from that, her delegation was satisfied with the new Strategy and hoped that it would be applied with the participation of all Members and that appropriate funding would be forthcoming in order for the objectives to be reached.

100. The Chairman said that he was sorry that the documentation was only available in English and thanked delegations for their understanding which permitted the Committee to continue its work.

101. The representative of Côte d'Ivoire said that his delegation accepted the excuse by the Chairman. However, every time there was an important document to discuss, it seemed to be available in English only. The fact that the document was only available in English made the work more difficult for his delegation. His delegation supported what had been said by the representative of the European Communities. Even though all developing countries faced difficulties, the type of difficulties varied from country to country which made it necessary for any technical assistance provided to be targeted at the specific needs of each country. His delegation had asked for assistance in customs-valuation as the customs authorities in his country faced problems in the application of certain texts adopted at the WTO because of a lack of training of customs officials. That was what he meant by targeted tailor-made training which could even be given in the country itself. Ideally, a certain degree of coherence should be guaranteed between the technical assistance given at the sub-regional level where countries were in the process of integrating. Sub-regional technical assistance programmes could then be harmonized with WTO technical assistance. The usefulness of technical assistance provided could otherwise diminish. It was important that the support for the JITAP be maintained and consolidated for it to be extended. Some had already benefitted from the JITAP while others were still to benefit. The document, although interesting, was yet not complete. He therefore suggested that once specific technical assistance programmes had been decided upon, there would be the possibility for the concerned Members to discuss them with the Secretariat in order to make the technical assistance provided as effective as possible.

102. The representative of Norway said that the principle of comparative advantage often was stressed in the WTO and that it should guide the WTO's work on technical assistance as well. However, no matter how important the issue of technical assistance and capacity building was, the WTO should not primarily become a development organization. Coherence was important. The WTO had a role to play together with other relevant organizations, and not the least, with national governments. One of the main weaknesses of the current regime was the lack of predictable financing and the following ad-hoc character of some technical assistance provided. An increase in the regular

budget, allowing for more predictable technical assistance did not necessarily mean increased costs for all Members. That was a technical issue that could be addressed in its own way.

103. The representative of Morocco said that his delegation was happy with the implementation of the new approach proposed in the Strategy which it hoped would respond to the expectations of developing and LDCs as technical assistance was crucial for the effective implementation of WTO Agreements. To date, the assistance provided had only provided information instead of a true training of trainers. The new Strategy seemed to rectify that situation and permit real capacity building. As far as financing was concerned, it was clear that enhanced predictability would give more substance to the new approach. The new approach regarding national focal points was essential. It was currently a substantial gap between the different technical departments involved in WTO matters. The identification of focal points would result in enhanced local coordination. The new approach would also reinforce regional integration. As far as cooperation with universities was concerned, his delegation reiterated its proposal to organize, in collaboration with the Secretariat, a third cycle of specific studies of WTO-specific issues. That initiative could be carried out within an African framework in order for African students to familiarize themselves with WTO matters.

104. The Director of the Technical Cooperation Division said that the Secretariat had appreciated the constructive comments made by delegations which would guide the Secretariat in the implementation of the new Strategy. With respect to the implementation of the new Strategy he said that as soon as Members had taken note of it, the Secretariat would collate the views expressed and intended to take up the practical issues that would arise, not only within the Technical Cooperation Division, but also make an appropriate presentation to the TAMC. He proposed that the Secretariat proceed with the conclusion of the tripartite, and in some cases, the quadrilateral MoUs referred to (quadrilateral with regard to the MoU with the Arab region). There had been a suggestion for the inclusion of the Economic Commission for Africa for the Arab region. The Secretariat would begin to develop, on a more systematic basis, and refine the Coordinated Plan for WTO Technical Assistance. The Plan would be revised for the year 2002 and that would be the test on the basis of which Members should judge the Secretariat's implementation of the Strategy. The Coordinated Plan should reflect the Strategy and the comments made by Members. Several delegations had mentioned the issue of mainstreaming. There was a limit to the delivery of WTO technical assistance as a mechanism for mainstreaming trade-priorities into strategies for poverty reduction and development plans. In pursuing that objective, the Secretariat would be operating within an inter-agency framework. The reason the WTO Secretariat had to work with the other agencies was the guidance Members had given. Although trade was recognized as an engine for growth within the more development-oriented institutions, trade-components were not normally ensured parts of development plans. What the Membership had told the Secretariat was that the WTO, as a primary trade institution, should champion the integration of trade priority areas of action into development plans. The Secretariat would be doing as it had been mandated, taking into account that mainstreaming should be less abstract and more nationally oriented.

105. He continued by saying that there had been several questions about how the various approaches would relate to the Strategy. The Secretariat believed that it should proceed on the basis of a tools-box approach. Some of the approaches could not be reconciled, but that only meant that they operated on different tracks. What the Secretariat would endeavour to do was that, with respect to specific elements and depending on the national situation, a particular approach, for instance the agreement-by-agreement approach, would be applied to advance a particular aspect of the Strategy. Some delegations had mentioned the varying national needs and those were covered in Section III of the Plan which contained a design of country-specific technical assistance, essentially based on demands made to the Secretariat. That individual developing countries had different needs was the rationale behind the separate section focussing on country-specific activities. There had been some comments as to what the WTO technical assistance should do and it had been mentioned that it would be judged by the extent to which it assisted developing countries increase their share of world trade,

not just in the multilateral trading system but also in the global economy. That was why one of the core elements was mainstreaming and why WTO had to work with other international agencies.

106. He went on to say that there had been a suggestion for periodic reports to the CTD on the functioning and discussions in the TAMC and he said that it would be discussed with senior management but he was optimistic that such a procedure could be agreed to. There had been questions of supply-side responses and those related to mainstreaming as the WTO did not have country-offices and could only work at two levels to address the supply-side issues: with the bilateral donors and with other agencies (World Bank, IMF and UNDP in particular). Bilateral donors had begun to dedicate more resources to supply-side responses and had been showing the way for the new WTO Strategy. Turning to technical cooperation in Geneva which some delegations had mentioned he said that time and resources of the Secretariat were dedicated to providing technical assistance to the entire Membership. Attention had also been given to non-residents for the past three years. On JITAP he said that the WTO continued to provide technical assistance in the tripartite collaboration with ITC and UNCTAD. There was a clearly designed programme for the WTO modules in the JITAP programme. JITAP had been designed to come to an end at the end of 2001 even as a consolidation programme was under way. It was a matter for donors to decide what to do with the JITAP. The Secretariat had been asked informally to see how the JITAP and the IF could be merged, not necessarily involving the disappearance of the JITAP which was a successful and robust programme that had worked well at the grass-root level. The Secretariat would have to come back to Members as the negotiations between beneficiaries and donors evolved. The point that had been made about reconciling regional programmes related to regional integration agreements with the WTO technical assistance. That was what the Secretariat wished to achieve as could be seen in the Annexes and in working with various other international and regional organizations. Djibouti would be included in the list of Arab countries. That had already been pointed out by a colleague who had been specifically recruited to work on Arab countries. The Secretariat would take the comments made by delegations into account when implementing the Strategy.

107. The Committee took note of the New Strategy for WTO Technical Cooperation, the Coordinated WTO Plan for Technical Assistance Activities and authorized the Secretariat to proceed with its implementation on the understanding that the Secretariat would take those comments into account when implementing the Strategy and the Plan.

(iii) *Future activities of the WTO Training Institute: Note by the Secretariat (WT/COMTD/W/89 and Corr.1)*

108. The Director of the WTO Training Institute said that, as Members would recall, they had already been informed, during a recent session of the General Council, of the decision by the Director-General to reorganize the Training Division of the WTO Secretariat. That division had become the WTO Training Institute. The document before Members presented the future activities of the Institute which went beyond the trade-policy courses organized up to then by the Training Division. The new activities included training of trainers, a range of short-term courses, distance-learning services as well as extended cooperation with universities and other educational establishments. To introduce the document, he wished to make the following remarks. First, financing had not yet been assured for some of the scheduled activities as they would largely depend on extra budgetary resources. However, he was confident that some donors would continue to contribute as some of the activities had become "traditional" in the training programme. That was for example the case of the programmes for the LDCs as well as the training on rules and procedures of the dispute settlement system. He took the opportunity to thank the donors who continued to support the training activities.

109. Second, certain new activities, especially those relating to distance learning, could not be undertaken unless new sources of financing could be found rapidly. An appeal to donors had been

launched. However, a balance had to be struck between increased human resources (funds for new trainers for example), increased financial resources (funds for additional fellowships for example), and improvements to or new acquisitions of the training equipment (such as new training rooms). Some concrete proposals to that effect would soon be presented, in the context of but not exclusively when the draft 2002 budget was to be presented.

110. Third, the document explained what the Institute would be in a position to offer to its beneficiaries in terms of training courses. This "offer", which was currently quantitatively quite limited, constituted an initial but modest response to the needs for capacity building. However, it would enable the beneficiaries to plan the training of their officials responsible for WTO matters and it would be important that the beneficiaries indicated, on the basis of that offer, the type of training they wished to receive from the WTO in the future.

111. Fourth, the programme of activities presented by the Training Institute was in line with the new WTO Technical Cooperation Strategy. The fact that there was an addendum to the Strategy containing the plan for technical assistance activities and that the Training Institute had issued a separate document should not be interpreted as expressing a special situation which should be dealt with aside from the Strategy and the other technical cooperation activities. It was only because of the different nature of the activities. Many of the activities of the Training Institute had not yet been financed and as and when funding was found they could be included in the new document to be issued before the end of the year which would be considered by the TAMC at a later date. The Training Institute was an integral part of the Strategy. The reason why the document on the Training Institute referred to a two-year period was that only one fellowship per country could be offered every two years with the current availability of resources. If the Director-General succeeded in his request for doubling the capacity, the Training Institute would also be able to work on a yearly basis. It was clear that there were some overlap and duplication between training and technical cooperation activities. In a somewhat arbitrary but pragmatic manner it had been determined that any activity undertaken in Geneva fell under the Training Institute while all activities in the field belonged to technical cooperation.

112. Fifth, the coherence and complementarity between the activities of the Institute and the ones carried out in the field in technical cooperation constituted one of the priorities of the Secretariat. The role of the TAMC, chaired by Deputy Director-General Ravier was to look after the implementation of that priority. There was also the Joint Consultative Board on WTO-related Training which regrouped representatives of UNCTAD, ITC and the World Bank as well as the chairmen of certain WTO bodies such as the Budget Committee, the Committee on Trade and Development and the Sub-Committee on Least-Developed Countries. All these representatives were being contacted with a view to organizing a first meeting before the Fourth Ministerial Meeting. The Joint Consultative Board on WTO-related Training would also have a role to play in the coordination of WTO activities. He ensured delegations that, with respect to on-line training and modern information technologies, there was a pilot project about to be launched and for which financing was sought from Members. Consideration was also given to provide those courses in parallel on CD-ROMs to provide the same material off-line as well. However, CD-ROMs did pose the problem of monitoring and follow-up but the possibility was being studied. With the cooperation of the Technical Cooperation Division, links would be made to all regions as far as the training of trainers, distance learning and contacts with universities were concerned. Since the establishment of the Institute in June 2001, two agreements had been signed with universities on WTO-related training and it was nice to hear at the present meeting that Members were working on the same thing.

113. The representative of Zambia sought clarification on the complementarity, in relation to TRIPS, between the WIPO Academy and the WTO Training Institute.

114. The representative of the European Communities asked what the rationale for the creation of the Training Institute was, how the transition would be carried out and where the value added for the Members lay. Such information could back up requests for funding.

115. The representative of the Secretariat said that the participants in the trade-policy courses visited WIPO and received a lecture on the TRIPS Agreement and other aspects on TRIPS by WIPO officials for a full day. That was in parallel to the training they received on the same Agreement and in more detail from WTO officials. That cooperation did not go beyond the other existing extensive cooperation between the Intellectual Property Division in the WTO Secretariat and WIPO set out in a special agreement. The collaboration of WIPO had been sought as far as the setting up a distance learning facility was concerned. WIPO had an Academy since mid-2000 and had experience in setting up on-line, computer-based training courses. The WTO Secretariat hoped to benefit from their experience. However, the relations between the WIPO Academy and the WTO Training Institute did not preclude any other activity taking place at the level of the cooperation programme set up between WIPO and the rest of the Secretariat, in particular the Intellectual Property Division and the training that went on in the field and elsewhere.

116. He went on to say that the idea of a WTO Training Institute had come up in the context of better responding to the needs of developing countries in the areas of distance learning, training of trainers as well as enhanced collaboration with universities. Universities were important sources of developing country training and closer relationships between the WTO and universities would enhance knowledge of WTO matters. It was also the idea of providing better services and having a broader outreach to the most relevant "clientele". That the Training Institute had been created in June 2001 was not unrelated to financing either. It was believed that, with a Training Institute, it would be easier to seek financing from foundations as the General Council recently had authorized. Private foundations might find it more appealing to fund a Training Institute than a Division of the WTO Secretariat. The Institute, in its current form, was only a first step in what it could become. Well-designed projects had to be developed before additional human and financial resources were sought. Without any additional increase in resources, the Institute was currently preparing pilot projects in various areas for financing. However, the current staff had been working harder since the creation of the Institute to come up with concrete plans and projects to implement the mandate received from the Director-General.

117. The Committee took note of the document and of the comments made.

118. The representative of UNIDO said that UNIDO welcomed the new Strategy for Technical Cooperation and the initiative to create a Training Institute. He said that he wished to highlight some of the technical assistance activities implemented by UNIDO in the context of WTO Agreements. The submission by the delegation of Côte d'Ivoire had mentioned the UEMOA Treaty. UNIDO was initiating implementation of an EU/UEMOA/UNIDO initiative in capacity building in the fields of accreditation, standardization and quality promotion aiming at facilitating trade and reducing poverty in West Africa. 12.5 million Euros were available for the eight countries in West Africa. A similar initiative was currently under preparation for 14 other countries and a regional workshop had been held in August 2001. In line with the Millennium Declaration, and based on requests made by the vice-presidents of six Central American countries, UNIDO was designing an integrated programme at the regional level with a view to eliminate non-tariff barriers to trade affecting market access related to the SPS and TBT Agreements. Multilateral organizations had been invited to participate in the context of the High-Level Committee on Programmes meeting of the UN System and Bretton Woods institutions to ensure coordination. UNIDO was working closely with the ITC, with which UNIDO had signed a cooperation agreement a few weeks earlier, and with UNCTAD, FAO and WHO and would welcome WTO participation in such initiatives in the future.

119. The representative of Zambia said that what UNIDO did with respect to WTO reinforced the call for UNIDO to be included as one of the core agencies of the IF.

120. The Committee took note of the statements made.

I. GENEVA WEEK

121. The Chairman recalled that the WTO Secretariat recently held the third Geneva Week in favour of non-residents, i.e. WTO Members and Observers who did not have representation in Geneva. Although it was not, strictly speaking, a CTD activity as such, there was value in having the Secretariat report on it.

122. The Director of the Development Division said that the third Geneva Week for WTO Members and Observers without representation in Geneva had been held from 10-14 September 2001. Sixty-three participants from 34 countries had attended, as had representatives of 32 regional secretariats and agencies working directly with non-resident members. The third Geneva Week had been financed by contributions from the governments of the United States, South Korea, and Germany. The Geneva Week was one of a number of initiatives aimed at enhancing the capacity of non-resident Members to take part in the work of the WTO, and had a number of objectives. It provided for comprehensive briefings on various aspects of the WTO's work programme; time for consultation with WTO officials and Geneva-based delegations; and hands on training in the use of IT tools.

123. The focus of this year's Geneva Week had been the preparations for the Fourth Ministerial Conference. Non-residents had been briefed by the Secretariat and the Chairman of the General Council on the process undertaken under the General Council to develop a draft Ministerial Declaration, and on the work that was on-going under the Implementation Review Mechanism. The Chairman of the General Council had also set aside some time to consult directly with non-residents on their concerns and aspirations in relation to the Ministerial Conference, in order to take these into account in the drafting of the Ministerial Declaration. Non-residents had been given extensive briefings on work in the following areas: Agriculture; Services; Intellectual Property; Sanitary and Phyto-Sanitary Measures; Technical Barriers to Trade; Market Access; Trade facilitation; Rules of Origin; Customs Valuation; Trade and Investment; Trade and Competition Policy; and Technical Cooperation and Training. In a number of those areas, non-residents benefitted from complementary presentations made by invited international organisations, and, in the case of briefings on technical cooperation, by bi-lateral partners (the Department for International Development, UK; USAID; and the European Commission's Directorate General for Trade). He also thanked Ambassador Perez-Motta of Mexico who had shared with non-residents his perspectives on the WTO and development-related issues.

124. An innovation of this year's Geneva Week had been to invite the representatives of secretariats of regional organisations and agencies which work closely with non-residents. Collaboration with these organisations was an important element in the WTO's strategy to build the capacity of non-residents to take part in the WTO. Invited organisations and agencies had given an overview of their methods and mechanisms for building capacity, sharing information and coordinating negotiating positions amongst their constituent members. The discussion had been enriched by the insights provided by the European Commission and Romania, for the Central European Free Trade Association, on what possible options Members had at their disposal to achieve coordination and a collective sharing of the burden of WTO work.

125. Geneva Week had also focused on the question of representation, which, almost by definition, was the single largest concern of non-residents. The discussion had been facilitated by the

presentation of a study commissioned by the Commonwealth Secretariat which highlighted possible second-best options for those non-residents for whom the establishment of a mission in Geneva was unlikely to be a viable proposition, owing to financial and capacity-constraints. The options detailed in the study usually involved some element of cooperation on a regional basis, and the pooling of resources. The concrete implementation of those options could be facilitated by the involvement of donors, as well as cooperation with existing agencies that provided specific services to non-residents, most notably the Agency for International Trade Information and Cooperation (AITIC) and The Commonwealth Secretariat. The WTO, as an agency, stood ready to work closely with Members on initiatives they might seek to take.

126. Participants of the Geneva Week were provided with evaluation forms to enable them to provide feedback. The majority of participants who returned completed forms signalled that Geneva Week had met their main objectives, namely to prepare them for the Fourth Ministerial Conference by gaining a better understanding of WTO issues. The majority thought that the structure of the Geneva Week was good, though many would have preferred more time for greater in-depth treatment of issues and for interaction with Geneva-based delegations. An independent gauge of the usefulness of Geneva Week might also be found in the fact some non residents have – despite their absence from Geneva – played an active part in recent days by providing written comments to the Chairman of the General Council on the draft Ministerial Declaration.

127. The Chairman thanked the delegations of Korea, United States and Germany for their contributions to the holding of the Geneva Week.

128. The Committee took note of the statement made.

J. ANNUAL REPORT (WT/COMTD/W/91)

129. The Chairman said that he had been circulating a re-draft by the Secretariat of the Annual Report of the Committee on Trade and Development which showed the changes that could be made reflecting that day's meeting.

130. The Committee adopted the report as amended.²

K. OTHER BUSINESS

131. The Chairman suggested that the Committee tentatively arranged to meet after the Fourth Ministerial Meeting, but before the end of 2001 and possibly towards the end of November or beginning of December. The idea would be to consider the following Agenda: programme of work resulting from the Ministerial Conference, Special and Differential Treatment, Electronic Commerce, other possible aspects arising from the Ministerial Conference of relevance to the Committee, a further discussion on WTO input to the FFD Conference and the GSP study.

132. The representative of the European Communities said that his delegation did not oppose the proposal as long as the tentative meant pending the future work programme to make clear that the Committee was not trying to preempt work going on elsewhere.

133. The Committee so agreed.

² Later issued as WT/COMTD/33.

ATTACHMENT

Seminar on "Government Facilitation of E-commerce for Development"

Report by the Chairman

WTO, Geneva, Thursday, 14 June 2001

INTRODUCTION

134. A seminar on electronic commerce was held under the auspices of the WTO Committee on Trade and Development on 14 June 2001.³ The proceedings were intended to serve as input into the Committee's consideration of the issue of electronic commerce as part of the overall WTO Work Programme. Participation was open to WTO Members and Observers.

135. The theme of the seminar was "Government Facilitation of E-commerce for Development". Officials from Canada, the European Communities, India, Mexico, South Africa, Sweden, the United States and Venezuela made presentations concerning their countries' or regions' experiences (See Annex I for country-specific experiences). Representatives of other international organizations and the private sector (ITC, ITU, UNCTAD, UNECE and Wisekey) also made presentations. The four sessions covered regulation and deregulation, promotion of modern information and communication technologies, education and information, and government coordination. (See programme in Annex II).

136. The seminar concentrated on the policies governments can pursue for a country to benefit from modern information and communication technologies in general, and e-commerce in particular. The presentations and questions focused on some of the ways in which governments and international organizations can facilitate e-commerce, how these in turn impact on development, and the conditions for success.

137. This report, made by the Chairman on his own responsibility, aims at setting out the main points raised in the presentations and discussions. It is not a detailed description of each presentation and it does not claim to give full justice to each intervention but to summarize the main issues raised and opinions expressed. Most of the presentations made and papers circulated are available on the WTO Website under Trade Topics, Development, Special Events on Development.

SESSION I: REGULATION AND DEREGULATION

138. The first session dealt with the question of what could be the most appropriate domestic legal framework to reap the benefits of e-commerce. It was stated that governments, together with the private sector and civil society, have an important role to play in creating an enabling environment for e-commerce. A legal framework is necessary to enhance the benefits from e-commerce; however, governments should not over-regulate and regulations adopted should be technology neutral. Areas mentioned in which governments need to take action include:

1. building trust in the digital market place (privacy, cryptography, consumer protection);
2. clarifying market rules (legal framework, taxation, trade rules, IP policies);

³ A previous seminar on the development implications of e-commerce was held on 19 February 1999 (WT/COMTD/18).

3. strengthening the information infrastructure (network access and availability standards);
4. realizing the benefits/market development (adoption and use in private sector and governments).

139. Information and communication technologies and e-commerce pose challenges for governments as they have to rethink how they set the rules for the marketplace. One particular challenge is to strike a correct balance between government regulation and laissez-faire. Barriers to trade can come from over-regulation, effectively limiting choices and opportunities in markets, as well as from a lack of regulation resulting in lost opportunities because of insecurity and distrust. International harmonization of national regulations can enhance choices and create opportunities.

140. The rapid development and diffusion of e-commerce requires a broad collaborative approach by governments, the private sector, civil society and international organizations. E-commerce cannot be regulated in the old, classical sense; it needs "co-regulation", i.e. a mixed public and private approach, integrating government regulation and legislation with business practices and civil society concerns. The priorities for both government and industry should be to foster confidence in the instruments and networks of e-commerce. The role of the government should be to meet the public interest in creating an environment for global e-commerce in which the ground rules are appropriate, clear and predictable. Unnecessary international legal and regulatory barriers should be eliminated and the emergence of new ones prevented. The role of the private sector is to stimulate growth of global e-commerce through investment and dynamic innovation in products and services. Civil society must play a role in efforts to facilitate the growth of e-commerce and maximize its potential in social, civic and community development. International cooperation is very important in creating a seamless environment for e-commerce.

141. Second generation policy issues identified include technical standards for secure transactions across jurisdictions, market-place principles for industry self-accreditation, the use of broad-band infrastructure, principles and standards governing business to consumer transactions and business-codes of practice.

142. Problems of a legal nature seen as arising from e-commerce include requirements for paper documents and signatures, evidence storage, the validity of data messages, and the validity and formation of contracts made by electronic means. Other issues which can constitute barriers to e-commerce include consumer protection, authentication and security, jurisdiction and applicable law, taxation, Internet content regulation, computer crime, data privacy, negotiability (bills of lading).

143. Effective provisions regarding electronic signatures were seen as a necessity for legislation. It is technically possible to have authentication, message integrity and no repudiation (i.e. the sender cannot later claim that he/she had not sent a particular message) for electronic signatures. However, legal frameworks are missing. There is also a lack of clarity as to on-line dispute resolution with respect to consumer claims, arbitration, mediation and insurance complaints for example. Questions arise as to which law applies and as to which court has jurisdiction. The solutions could be for a country to sign an international convention, adopt international instruments, use national legislation, or allow for contractual solutions and self-regulation.

144. An international convention would bring certain benefits, for example in solving problems of harmonization. In the meantime, a tool for countries wanting to implement legislation on e-commerce today could be the UNCITRAL model laws and guidelines (UNCITRAL Law on e-commerce 1996 and the UNCITRAL uniform rules on electronic signatures). At least provisions replicating the UNCITRAL model law might be necessary in each country. Another international source from which some countries have received inspiration is the European Communities' directives on digital signatures and e-commerce. Another approach could be for governments to adopt codes of conduct

regulations. OECD and ECE UN/CEFACT are sources of information on codes of conduct. Instead of having to wait for legislation, contractual solutions could be found. One example is the model EDI Agreement (interchange agreement) of the European Communities. One of the problems associated with contractual solutions is the privacy of contracts, i.e. contracts do not relate to third parties. Another is that some governments do not enforce contractual provisions.

145. Cross-certification between countries at the international level was recognized as difficult. The European Communities have developed standards for certification authorities. Canada and the United States have developed accreditation standards for certification authorities. One problem identified is that technical standardization bodies are not always well equipped to understand the policy implications of the standards they are developing.

146. Technological neutrality of laws is another issue for governments to consider. One of the main problems in developing countries is lack of resources. The more neutral a law is with respect to the technology acceptable, the more the technical standardization body has to deal with. However, the more technology-specific the laws are, the more difficult it is for the regulators to function and the higher the probability that the law may soon become obsolete. Regulations should therefore be technology neutral. There is also a need for cooperation between bodies defining technical standards and the accreditation and licencing bodies within and across countries. The guiding principle for the regulators should be that the technologies should meet the needs of people.

147. Solutions to consumer complaints from e-commerce are also needed. The consumer law in most countries focuses on giving the consumer the possibility to bring the seller to court, rather than on mediation. Alternatives to court proceedings for e-commerce are still open to discussion and debate. Basic alternatives to court proceedings are conciliation, mediation, and arbitration. A voluntary code of conduct could be drafted by the private sector, civil society and the government in cooperation. A first step in a voluntary code of conduct could be a policy on returned goods which could apply to e-commerce just as it applies to "normal" commerce. Such a policy would resolve several problems without the need to go through the more advanced forms such as mediation or court proceedings.

SESSION II: PROMOTION OF MODERN INFORMATION AND COMMUNICATION TECHNOLOGIES

148. The question asked in this session was what policies governments could pursue to encourage domestic production and research, foreign direct investment and the dissemination of modern information and communication technologies.

149. The growth of the Internet and e-commerce presents opportunities for developing countries. There is a connection between increases in Web-hosts and trade. The effect of the Internet on trade has even been stronger in developing than in developed countries. Increasing Internet access can have positive effects on the exports of developing countries. To make use of the opportunities developing countries have had to focus on institutional issues at the local and global levels as well as infrastructure and innovation.

150. Many felt that an open and liberal approach to information and communication technologies (ICT) and e-commerce could be the right one for development. The promotion of modern information and communication technologies should be a government-wide initiative and should not concern only one Ministry. The governments also need to cooperate with the private sector and there is even some need for cooperation within private sectors, as for example is the case for banks. At the global level, membership of the Information Technology Agreement (ITA) and active participation in the WTO can be useful.

151. Strategies for technology implementation that can facilitate e-commerce development are important. An appropriate legal and regulatory environment can help to attract investment in the infrastructure for modern information and communication technology (ICT). Questions for governments to ask are: How can our existing infrastructure be used and investment attracted? Which types of services will bring the additional benefit that other sectors develop? The legal and regulatory framework should encourage competition, better services and wider availability of ICTs. In some developing countries monopolies are blocking investment, even by local businesses. Governments also need to encourage the development of networks such as the Internet and facilitate for different types of service providers. ICT should be a national priority issue for the government, which itself could use ICT to build confidence, through government procurement for example.

152. It may be useful for developing country governments to target trading sectors with clients or trading partners in industrialized countries. It might also be worthwhile for developing countries to promote intra-regional innovations and solutions for payments. It was noted that some international financial institutions assist developing countries in the development of the infrastructure necessary for electronic payments.

SESSION III: EDUCATION AND INFORMATION

153. The third session aimed at responding to the questions of what human skills are necessary to benefit from e-commerce, how those who could make use of e-commerce are informed and what role the government should play.

154. If the digital divide is the gap between what is wanted and the actual level, then every country suffers from a human resources digital divide, although it is more acute in developing countries. A key element for the use of e-commerce is to have strong domestic human capacity on technical, legal, policy and regulatory issues. However, all countries seem to experience a lack of people with ICT-related education. Several problems relating to human capacity have therefore been identified, such as digital illiteracy, ICT skills gap (lack of technicians and professionals) and high access costs. An action plan to remedy that situation could contain investment in people and skills, the stimulation of the use of the Internet, and cheaper, faster and more secure access.

155. Investments in people and skills, particularly targetting young people still in school and workers should be objectives for all governments. Schools have to be connected, teachers trained, school curricula adapted, and on-line educational support services developed. International cooperation could take the form of exchanges of experiences, identification of best practices, joint teaching programmes, bringing universities together, research and development networks, and cooperation in the development of curricula. It is also necessary to work with industry in order to know what type of skills the private sector is looking for.

156. Access to information is very important. The aim of governments should be to ensure the widest access to the largest number of people in the most user-friendly way. Access is cheaper in certain developed countries than in most developing countries, but there is sometimes too little competition in the sector to put enough pressure on prices, which are therefore still kept too high. The aim for one region was to achieve region-wide regulation with competition for each line to each consumer in order to increase access and lower prices.

157. E-commerce spans all types of activities such as education, banking, traditional business, international trade, auctions and a growing number of protagonists. The more the perspectives are shared the faster the digital divide will be bridged.

158. Awareness raising and education are problems common to all countries, but especially pertinent in most developing countries. Governments themselves can adopt e-commerce and offer

services on-line, thereby contributing to the education about the benefits of electronic transactions to the public at large.

SESSION IV: GOVERNMENT COORDINATION/TASK-FORCE ON E-COMMERCE

159. The fourth session dealt with how a government can coordinate internally for a country to benefit from e-commerce, whether a task force on e-commerce is necessary and if so, the composition of it.

160. E-commerce has links to many other development problems such as attracting investment, education and putting the proper legislation in place. Each country and continent could construct an e-balance sheet showing the e-readiness of the country. This balance sheet could contain:

1. The penetration level of ICT;
2. Internet accessibility;
3. Strength of the export-oriented sector;
4. Strength of the banking sector;
5. How far away the markets are located;
6. Standard of inter-regional transportation;
7. Service sector development (back-office operations).

161. Governments need to have ideas about how to stimulate economic growth associated with the ICT revolution, facilitate e-commerce and bridge the different digital divides. The broad objective for the government has to be the availability of information technology for everybody, not only for one section of society. The government has both to provide an enabling environment for business and at the same time build up access for the poorest segments of the population.

162. The idea of setting up an e-commerce task force was welcomed as information technology and e-commerce spans a large number of sectors. A task force might ideally comprise a large number of government departments, as the promotion of modern ICT has to be a government-wide initiative and does not concern only one Ministry. For example, the ministries with responsibilities in the areas of trade, economics, education, transport and telecommunications normally need to be involved. However, a large number of other ministries, such as tourism, might have to be involved depending on the situation of each country. As in session one, many participants emphasized a need for strategic alliances and partnerships between public and private sector entities and also with civil society.

CONCLUSIONS

163. Some of the main lines of thought emerging from the seminar were that:

- Governments have an important role to play in creating an enabling environment for e-commerce. In this way, focus can be placed on digital dividends rather than digital divides.
- The development of physical, legal and human infrastructure, as well as fostering confidence are important aspects of that environment.
- Economic, technical and legal measures are all necessary.
- Experiences of developing and developed country governments are similar and overlap in many respects, but the resource constraints are very different. Both developing and developed countries may learn from each other's experience.
- A strategic government plan on e-commerce is advisable and should be inclusive.
- Relations among parties change through e-commerce.
- Governments, private sector and civil society have to work together to build a coherent framework for e-commerce.

ANNEX I

COUNTRY-SPECIFIC EXPERIENCES

Canada

164. A balanced approach integrating government regulation and legislation with business practices and civil society concerns is conceptually the right one. ICT and e-commerce pose challenges for governments which have to rethink how they set the rules for the marketplace to operate. Questions for governments include how to stimulate economic growth associated with the ICT revolution, how to facilitate e-commerce and how to bridge the different digital divides. The Canadian approach is based on a balanced policy framework, including building trust in the digital marketplace through for example consumer protection, clarifying marketplace rules, strengthening the information infrastructure and realizing its benefits.

165. The challenge is to strike the right balance between government regulation and laissez-faire. E-commerce can not be regulated in the old, classical sense, there has to be co-regulation, i.e. a mixed public/private approach. Barriers to trade can come from overregulation, effectively limiting choices and opportunities in markets as well as from a lack of regulation effectively resulting in commercial and/or national solutions also limiting choices and international harmonization. Current initiatives on which the Canadian Government is working include cryptography, where the Government liberalizes rules and encourages industry-led accreditation of private sector certification authorities. Consumer protection laws with voluntary business guidelines have been drafted by industry, Government and consumer organizations in cooperation. The current focus is on how to operationalize these. The Government felt the need for specific legislation regarding privacy, which it enacted in January 2001. This legislation sets the rules for the collection, use and disclosure of personal information, aiming at balancing the rights of the individual with the needs of commercial organizations. A Ministerial Committee on Taxation has been established with the Government committed to have a technology neutral taxation regime. One e-commerce related bill clarified 200 other pieces of legislation with respect to electronic transactions. Consumer protection is to a large extent based on a voluntary code.

166. In the international context, a key element to the use of e-commerce is for every country to have a strong domestic human capacity on legal, policy and regulatory issues. The rapid development and diffusion of e-commerce requires a broad collaborate approach by governments, private sector, civil society and international organizations. The role of the government is to meet the public interest in creating an environment for global e-commerce in which the basic rules are appropriate, clear and predictable. Existing unnecessary international legal and regulatory barriers should be eliminated and the emergence of new ones prevented. The priority for both governments and industry is to foster confidence in the instruments and networks of e-commerce. The leading role of the private sector is to simulate the growth of global e-commerce through investments and dynamic innovation in products and services. Civil society must be engaged in efforts to facilitate the growth of e-commerce and maximize its potential in social, civic and community development. International cooperation plays a key role in creating a seamless environment for e-commerce.

167. The future agenda, applicable to any government, is to exert policy leadership. Second generation policy issues to be tackled include technical standards for secure transactions across jurisdictions, market-place principles for industry self-accreditation, the use of broad-band infrastructure, principles and standards governing business to consumer transactions, and codes of practice. The Canadian Government measures the impact of the information technology revolution on society. This will be more systematic with next national survey. What is already clear is that 60 per cent of Canadian e-commerce consumption is from sites in the United States and that e-commerce in Canada seems to bridge the urban-rural divide. It is important to clarify marketplace rules.

European Communities

168. The European Communities identified the following problems in its focus on ICT and education:

1. Digital illiteracy;
2. ICT skills gap (lack of technicians and professionals);
3. High access costs.

169. Member States had piece-meal initiatives. The e-Europe initiative was therefore launched with an action plan to address the challenges of the information society. It aims at:

1. Cheaper, faster and more secure Internet;
2. Investing in people and skills;
3. Stimulating use of the Internet.

170. Investment in people and skills will target young people still in school and workers. The objectives for all EC member states are for schools to be connected, teachers to be trained, school curricula and educational support services on line to be developed. 94 per cent of schools in the EC have computers. The EC is working on designing a standard diploma for basic information technology skills in cooperation with industry. A network of EC training centres is also being worked on.

171. For benchmarking, the EC is first identifying best practices from among the projects already ongoing. The second step is exchanges and cooperation and e-learning weeks across Europe. Third, there is funding both at Member State and Commission level to build infrastructure and develop education certificates and tools on-line. 50 per cent of EC workers use a computer but only 22 per cent of them have any computer-related training and only 6 per cent of workers are using the possibility of telework. ICT research is important, as is finding new ways of teaching. It is necessary to work with the private sector to know what type of skills the industry is looking for. A more competitive telecommunications market is part of any solution, as is inspiring people to use more ICTs. Awareness campaigns and information centers are two initiatives to make people in general acquainted with ICT and learn about the possibilities of e-commerce. The financing of loans to small and medium sized enterprises (SMEs) for e-commerce and ICT in business could constitute additional incentives for private sector use of e-commerce.

India

172. 82,000 people in India work with the Internet and e-commerce related work. Projections for 2003 are for 300,000 people to be employed in those sectors. The telecommunications market is being opened up to deal with a number of issues such as the lack of bandwidth. On the legal side an e-commerce and information technology act is already in place, based on the UNCITRAL law on e-commerce. The Government of India is in the process of giving licences to certification authorities. The Government is also working on providing its services on-line. Inter and intra-bank transactions are being worked on through a Government secure network. Management is just as important as technology issues.

173. The Government also makes awareness raising and educational efforts. A national task force was created a few years ago with private and public sector participation which resulted in recommendations such as opening up to Internet Service Providers (ISPs) and building the legal environment for electronic transactions. EDIFACT has been declared the standard for messaging. The Government and the industry work together in a pilot project for uniform standards for electronic data interchange.

Mexico

174. Mexico has during the 1990's amended and adapted its laws to promote e-commerce. Mexico's openness in the area during the last year has been an important factor determining the decision to adopt new technologies. More than 14,000 firms in Mexico today use electronic means of transaction, usually EDI (Electronic Data Interchange) and the Internet. The main effort in Mexico began in 1998 with the setting up of a group to develop the first law on e-commerce based on the UNCITRAL model law and studies of the laws of the US, Canada and certain countries of the European Communities. The law was finalized and adopted in 2000. Within the new government, a programme for e-commerce is driven by the Secretariat of Communication and Transport, because of the fundamental role played by infrastructure; it also includes technology and interconnection. Another aspect for the Mexican Government to deal with is administration, including training of personnel and monitoring of e-networks. A third is the legal aspect. Lawyers are currently analyzing different regulations to be promulgated in various fields. The fourth aspect is content and programmes where the Secretariat of Economy is involved in close cooperation with Secretariat of Communication and Transport to provide value-added aspects such as health, services, education, and trade. The Secretariat of Economy establishes special programmes for the digital economy aimed at closing the digital divide.

175. The second mission of the programme is the digitalisation of different activities of society as a whole and to encourage Mexicans to use ICT. The Secretariat of Economy also covers the development of the information technology industry such as software production, exports of products and best use of the trade agreements in the area. In addition, the Government of Mexico also tackles the trust-aspect of SMEs. 99 per cent of Mexican firms are small and without the technological means to use e-commerce whereas the larger firms already are doing e-business and have begun to include smaller suppliers. The Government has made an effort to act as an example.

176. Part of the Federal Government services are carried out electronically such as tax-payments, procurement, and national market integration systems, which are in negotiation between enterprises, the Government of Mexico and external consumers. The use of ICT can reduce bureaucracy and even corruption. The Government is adopting a legal framework on data-retention requirements, and a sectoral ministerial group has been set up which involves all leaders in Mexico in the field.

South Africa

177. The South African approach is similar to the Canadian one. However, South Africa is also very different in one important respect. One part of South Africa belongs to the international community and one part is a developing country. South Africa is two countries in one; a first world country and a least-developed country. This means that the Government of South Africa has certain rights, obligations and responsibilities. There is a dire need for building communications infrastructure overall. The South African Government has to balance the "two nations". South Africa has had to provide services for the most advanced companies in the world and at the same time meet universal service obligations.

178. In South Africa, the process of developing an e-commerce policy was a participatory one between the industry and the government. A Green Paper was produced which was open to inputs from the public. A Green Paper is normally turned into a White Paper, but that process had to be cut short because of the speed of developments in the area of e-commerce so the Government went straight to the Bill. The main objective of the Bill is universal access. It has been renamed the "Electronic Communications and Transactions Bill". Human resource development is another objective. At the top of the main objectives of the Electronic Transactions Bill is the question of development of SMEs and investor access. Assistance to SMEs is support to South Africans in general as it promotes South African e-readiness.

179. An e-readiness task force for the SADC-region has been established. However, no integrated policy for e-commerce has yet been developed in the southern African region although regional policy makers recognize its importance. The Government of South Africa aims at promoting South Africa as a preferred destination for the use and development of ICT. A clear, stable, predictable environment to facilitate e-commerce is believed important for attracting investment as well. African Heads-of-State have adopted the Millennium Partnership for African Recovery Programme which is a comprehensive programme for the development of Africa. ICTs is recognized as one of eight priorities in that programme and together with communicable diseases and market access as one of the three top priorities.

Sweden

180. The Government of Sweden aims at creating enhanced accessibility, skills and confidence in the electronic marketplace which will make people use the new opportunities created by ICTs. The aim is for Sweden to become an information society for everyone. ICTs should be a catalyst for progress and welfare. ICTs create business opportunities. The objectives of the Swedish Government are to coordinate state activities and have a coordinated policy for e-commerce. It therefore concentrates on:

1. investigating opportunities for, and obstacles to, e-commerce in the areas of the different government authorities;
2. monitoring, mapping and reporting on the impact of e-commerce on Swedish companies;
3. promoting the use of e-commerce in state-owned companies;
4. ensuring predictable and technology neutral regulations;
5. promoting e-government 24 hours a day, seven days a week. This increases the accessibility of the Government services. (The tax administration is the most visited Government site.) Most central, regional and local government agencies have Websites and e-mail addresses for the public to use;
6. ensuring IT security.

United States

181. The Government of the United States is of the view that an open and non-trade-restrictive approach to ICT and e-commerce is critical for development. The growth of Internet and e-commerce presents growth opportunities to developing countries. A study shows a connection between increases in Web-hosts and trade and that the effect on the Internet on trade had been stronger in developing than in developed countries. Increasing Internet access can have positive effects on the exports of developing countries. To achieve that, a focus on institutional infrastructure and innovation is necessary. Institutional issues should be addressed at the local and global levels. It must be a government wide initiative and not only one ministry (the ministries of trade, economics, education, transport and telecommunications normally need to be involved). At the global level, the WTO and the ITA are useful. There is a need to build infrastructure; both physical and human infrastructure. There is also a need for innovation in joint public-private projects.

182. The United States Department of Commerce has worked with SMEs and developed an Information Technologies Management tool for SMEs and small organizations to assist them assess their e-readiness and determine the potential benefits of using ICT to improve operations and achieve key organizational objectives.

Venezuela

183. The Government of Venezuela realized that the idea of setting up an e-commerce task force was a good one. E-commerce links to other development problems such as attracting investment and putting the proper legislation in place. The objectives of the Government of Venezuela are information technology for everybody, and not only for one section of society. It is important to promote the use the Internet for democracy and participation. Information technology can reach all sectors of society and can help a country to "leapfrog" in development. It is therefore a fundamental part of the state development policy.

184. The Ministry of Science and Technology is the coordinator of efforts on e-commerce in Venezuela. Obstacles encountered in Venezuela include:

1. access (costs of technology, high telecommunications costs also mean high Internet access costs);
2. know-how, (lack of knowledge of commercial possibilities/potential, cultural aspects, small sellers and consumers are not accustomed and aware. People prefer phone/fax);
3. confidence (legal uncertainty).

185. The Government of Venezuela is ready to take on the challenges. The use of mobile phones is on the increase. The Government has concentrated on the poorest segment of the population. A book on e-commerce and the law has been published. Society needs to be educated in order to take advantage of e-commerce. The development of a national infrastructure is important because it leads to enhanced living standards and enhanced quality of life. Modern ICT can make the state more efficient and effective and guarantee its services. A relationship between the public and private sectors is necessary.

186. The Government of Venezuela was one of the first developing countries to adopt laws on data messages and electronic signatures. A further law on science, technology and innovation is in the process of being approved and a data security law is in drafting. There is a national plan for information technologies and for telecommunications. "Information Centres", i.e. 300 Internet access centers developed by the state to increase Internet access and promote training and capacity for innovation and research in order to bring the less well off into the information age have been set up in schools, libraries, and factories. The Ministry of Science and Technology is responsible for the setting up of these Information Centres. Theme portals, on health, education, science and environment have been created. They ensure public access to the state and transparency. There is a project for dot.com enterprises and to provide ICT to SMEs.

187. One innovation is special programmes in health, education, modernization of enterprises and the obtention of industrial loans where innovators, institutions, centres of research, and the private sector through direct requests to the Ministry of Science and Technology develop projects which are evaluated by third parties. Any researcher can ask the state to evaluate their innovative effort. Internet use is sharply and steadily increasing and spreading to new segments of the population. The promotion of human resources is seen as being the most important. The state should ensure the highest number of beneficiaries.

ANNEX II

PROGRAMME OF THE SEMINAR ON GOVERNMENT FACILITATION OF E-COMMERCE FOR DEVELOPMENT

WTO, Geneva, Thursday, 14 June 2001

The seminar is being organized under the auspices of the WTO Committee on Trade and Development. The proceedings are intended to serve as an input into the Committee's consideration of the issue of electronic commerce as part of the overall WTO Work Programme. Participation is open to WTO Members and Observers.

10:00-11:30 First Session: Regulation and deregulation

Which domestic legal framework is the most appropriate to reap the benefits of e-commerce?

Chair: Mr. Andrew Stoler, Deputy Director-General, WTO

Panelists: Mr. Richard Bourassa, Director, International Policy, E-Commerce Branch, Industry Canada; Ms. Lyndall Shope-Mafole, Minister Plenipotentiary for Communication, South African Embassy, Paris;
Mr. Carlos Moreno, Legal Officer, E-commerce Branch, SITE, UNCTAD;
Mr. Juan A. Avellan, Chief Legal Officer, WISeKey.

11:30-13:00 Second Session: Promotion of modern information and communication technologies

What action can be taken at the government level to encourage domestic production and research, foreign direct investment and the dissemination of modern ICT?

Chair: Mr. Hiromi Yano, Chairman, Committee of Participants on the Expansion of Trade in Information Technology Products

Panelists: Mr. Gerardo Casanova, Director de Economía Digital, Subsecretaría de Comercio Interior, Secretaría de Economía, Mexico;
Mr. Kenneth Schagrin, Director for Telecommunications Trade and Electronic Commerce Policy, Office of the U.S. Trade Representative's Office, United States;
Mr. Charles Hooker, Dept. of Commerce; and Ms. Kate Rodriguez, Dept. of Commerce, United States
Mr. Alexander Ntoko, Project Manager, Electronic Commerce for Developing Countries, ITU.

13:00-15:00 Lunch break

15:00-16:30 Third Session: Education and information

What human skills are necessary to benefit from e-commerce? How are those who could make use of e-commerce informed? What role should the government play?

Chair: Mr. Peter Tulloch, Director, Development Division, WTO

Panelists: Mr. T.A. Khan, Technical Director, National Informatics Section, India;
Mr. Philippe Chauve, Coordinator, Information Society and Electronic Commerce, European Communities Commission;
Mr. Samir Blili, Chief, Human Resource Development Section, Division of Trade Support Services, ITC.

16.30-18.00 Fourth Session: Government coordination/task-force on e-commerce

How does a government coordinate internally for a country to benefit from e-commerce?
Who should be involved? Is a task-force necessary?

Chair: Amb. Nathan Irumba, Chairman, Committee on Trade and Development

Panelists: Mr. Oscar Hernández, Ministro Consejero, Permanent Mission of Venezuela;
Ms. Monica Lövström, Political Advisor, Industry Ministry, Sweden;
Mr. Ramamurti Badrinath, Director, Division of Trade Support Services, ITC;
Mr. Daewon Choi, Economic Affairs Officer, Enterprise Development Section, Trade
Division, UNECE.
