

**Japanese Approach for WTO Related
Capacity Building Cooperation
– Basic Concept and Measures –**

Japan International Cooperation Agency (JICA)

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INTRODUCTION

With the launch of the “Doha Development Agenda,” cooperation for World Trade Organization (WTO)-related capacity building is increasingly drawing keen attention from various countries concerned.

Following the initiative of the Asia-Pacific Economic Cooperation (APEC)/WTO Capacity Building Group, the Japanese Government has been actively engaged in activities to provide assistance in this particular field since 2000.

The Japan International Cooperation Agency (JICA) established the Committee on Cooperation for WTO Capacity Building, chaired by Prof. Mitsuo Matsushita of Seikei University in 2001. The Committee has discussed the basic concept of cooperation and drawn up a report to record and publicize the know-how accumulated through past assistance activities.

This booklet was produced on the basis of the above-mentioned report for the purpose of publicizing widely both at home and overseas Japan’s efforts to cooperate in WTO-related capacity building. In Chapter One, the basic concept and understandings are presented, which are important foundations both for current and future cooperation activities. Chapter Two discusses challenges for developing countries in this field, and finally in Chapter Three, the modalities of cooperation projects are presented.

Currently, a number of international organizations and donor countries are undertaking projects for trade-related/ WTO-related capacity building in a variety of areas, while simultaneously planning future assistance programs. It is our sincere hope that this publication will contribute to more vigorous discussion to help bring about further beneficial results of cooperation in this field for both developing and developed countries. It is hoped that, with government officials in developing countries in charge of WTO/trade-related matters and aid reception policies as well as with policy makers and trade officials of other donor nations, we can share the basic concept, modalities and results of Japan’s cooperation both at present and in the future.

EXECUTIVE SUMMARY

Importance of Cooperation for WTO-related Capacity Building

- The international trading system is becoming more diversified and complex year by year, with an ever-growing web of bilateral and regional trade agreements surrounding the multilateral trading system centering on the WTO. For the maintenance and stable development of the multilateral free trading system, effective participation by developing countries to the system is essential. These countries account for a majority number in the world. However, many developing countries have not been sufficiently equipped with personnel, institutional or financial capabilities necessary to enjoy the benefits of the free trading system.
- Thus far, trade-related assistance in the arena of development assistance has been narrowly limited in principle, to the areas such as export promotion and automation of customs services. In recent years, however, greater attention has been paid to the relationship between poverty reduction strategies and trade. WTO Agreements and other trade rules have been discussed in relation to such development issues as the environment, labor and investment. Thus, the aid community has now come to recognize the importance and urgency of trade-related assistance in a much broader sense.
- The enhancement of capacities to implement WTO Agreements is essential for developing countries to integrate themselves into the international free trading system and to draw on sufficient benefits from it. It is expected that assistance activities in this area will bring about benefits to individual countries and to the world as a whole both in terms of trade expansion and international development. Given the Doha Ministerial Declaration reaffirming the importance of capacity building in developing countries, there is a growing international momentum toward strengthening activities in this particular area. As one of the responsible developed countries that have benefited greatly from the WTO system, Japan is determined to make positive contributions in this area.

Japan's Understanding of the Modalities of Cooperation for WTO-Related Capacity Building

- The basic understanding in undertaking development assistance activities in this area is to facilitate effective participation by developing countries in the multilateral free trading system which has been built around the WTO so that they can realize economic development in harmony with global trends in trade liberalization and fully enjoy its benefits. This understanding is shared as the primary objective by the parties concerned in recipient countries and in Japan.

- In order to ensure effective participation of developing countries in the free trading system, it is essential to develop infrastructure that allows them to implement WTO Agreements. In particular, development of trade-related legal and other systems such as the promotion of trade, strengthening of export competitiveness and trade facilitation provide more solid infrastructure. Such infrastructure is essential for developing countries in their future endeavors to alleviate poverty and achieve economic development. Bearing in mind such need for development of infrastructures, the basic policy for future assistance should be addressing WTO-related capacity building cooperation in a broader perspective, not narrowly limiting the scope of support to the enhancement of capacity to implement existing WTO Agreements. It is also important for us to consider both “medium- and long-term development of developing countries” with the “maintenance and development of the WTO system” as the ultimate performance goals. In other words, it is necessary for us to pay attention to a balance between the development policy and trade policy.
- In addition, it is necessary to provide assistance with a view to generating medium- and long-term effects on the basis of actual conditions in developing countries. WTO Agreements cover a broad and wide array of areas, while developing countries find themselves in a variety of situations. To be effective, it is necessary to identify precisely issues and needs of each recipient country with regard to each area to be supported, and to formulate made-to-order cooperation programs. In doing so, it is essential for both recipient country and Japan to understand the actual conditions of recipient countries and ensure to build confidence among recipient countries through adequate communications.
- Issues that developing countries will have to deal with in implementing WTO Agreements are as follows: (1) to respect WTO principles and rules in domestic policies; (2) to participate in multilateral negotiations on the basis of an analysis of their own industries and domestic policies; (3) to prepare domestic laws which are consistent with WTO principles and rules; and (4) to administer and execute various systems and institutions having in mind the implementation of obligations under WTO Agreements. To cope with these issues of different dimensions, it is necessary to examine the contents of cooperation carefully for the enhancement of knowledge of people involved, for development of human resources, and for strengthening organizational setup.
- What is particularly important in considering the modalities of cooperation is the idea of “what Japan can share” with recipient developing countries. These countries are usually highly interested in sharing information on such matters as how Japan has adjusted its industrial and trade policies in participating in the world trading system and what are the issues that Japan is required to deal with for progressive trade liberalization. The transfer of such information can be

expected to help recipient developing countries in policy planning.

- To ensure that the beneficial results of cooperation do not end in the short-term and that these results take firm roots in recipient countries, it is necessary to make use of local resources and transfer specific and accurate information, with a help of efficient management and control of projects through preliminary, mid-term and post-project evaluations.
- In the process of information gathering and formulation of cooperation programs, it is necessary to seek appropriate coordination and cooperation with relevant organizations both at home and abroad. Furthermore, it is hoped that intellectual assets built and formed with the cooperation of Japan will be utilized in the future South-South cooperation and other frameworks of cooperation (such as economic partnership agreements).

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List of Abbreviations

ABAC	APEC Business Advisory Committee
ACP	Africa, the Caribbean, and the Pacific
AD	anti-dumping
AFTA	ASEAN Free Trade Area
AGILE	Accelerating Growth, Investment, and Liberalization with Equity activity
AIDCO	Europe Aid Co-operation Office
APEC	Asia-Pacific Economic Cooperation
ASEAN	Association of South East Asian Nations
AusAID	Australian Agency for International Development
BIA	built-in-agenda
BSN	Badan Standardisasi Nasional (National Standardization Agency of Indonesia)
CIDA	Canadian International Development Agency
CTE	Committee on Trade and Environment
CVD	countervailing duties
DAC	Development Assistance Committee
DDAGTF	Doha Development Agenda Global Trust Fund
DFID	Department for International Development (of United Kingdom)
DIP	Department of Intellectual Property (of Thailand)
DSU	Dispute Settlement Understanding
EC	European Commission
EU	European Union
FAO	Food and Agriculture Organization
GATS	General Agreement on Trade in Services
GATT	General Agreement on Tariffs and Trade
GRP	Good Regulatory Practices
IEC	International Electrotechnical Commission
IF	Integrated Framework (for Trade-Related Technical Assistance to Least-Development Countries)
IMF	International Monetary Fund
IPR	intellectual property right
ISO	International Organization for Standardization
ITC	International Trade Center
JICA	Japan International Cooperation Agency
JIS	Japanese Industrial Standards
LDC	Least-Developed Countries
MAI	Multilateral Agreement on Investment
MEAs	Multilateral Environmental Agreements

MRA	Mutual Recognition Agreement
NGO	Non-Governmental Organization
OECD	Organization for Economic Co-operation and Development
PCM	Project Cycle Management
PDM	Project Design Matrix
PNG	Papua New Guinea
SCM	subsidies and countervailing measures
SG	safeguard measures
SIRIM	Standards and Industrial Research Institute of Malaysia
SOM	Senior Officials Meeting
SPS	sanitary and phytosanitary measures
TA	technical assistance
TBT	technical barriers to trade
TC/SC	Technical Committee/Sub-Committee
TILF	(APEC) Trade and Investment Liberalization and Facilitation (Fund)
TISI	Thai Industrial Standards Institute
TPR	trade policy review
TRIM	trade-related investment measures
TRIPS	trade-related aspects of intellectual property rights
TRTA	Trade Related Technical Assistance
UK	United Kingdom
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNIDO	United Nations Industrial Development Organization
UNECA	United Nations Economic Commission for Africa
USAID	United States Agency for International Development
USBTA	US-Vietnam Bilateral Trade Agreement
WHO	World Health Organization
WIPO	World Intellectual Property Organization
WTO	World Trade Organization

Chapter One: Basic Concept of Cooperation for WTO-Related Capacity Building

1

The most important point in undertaking development assistance in the area of WTO-related capacity building is to help developing countries achieve economic development in harmony with the global trends of trade liberalization and to facilitate their participation in the multilateral free trading system built around the WTO in a manner allowing them to fully enjoy its benefits.

1-1 Global Trends, Significance and Needs for WTO-Related Capacity Building

The international trading system is becoming more diversified and complex year by year, with an ever-growing web of bilateral and regional trade agreements surrounding the multilateral trading system centering on the WTO. For the stable maintenance and development of this system, effective participation by developing countries that account for the majority of the world's countries is essential. However, many developing countries are confronted with a variety of issues in participating in the international trading system due to the lack of capacity stemming from deficient personnel, institutional or financial capabilities.

In recent years, the reality has often come to highlight negative aspects of economic globalization, suggesting that many developing countries remain unable to enjoy benefits of the multilateral free trading system. However, the promotion of trade through liberalization can actually help increase employment, revitalize the private sector and facilitate technological development. It would assure a positive impact on the national development of those countries. For developing countries, it is essential to achieve effective integration into the multilateral free trading system by making efforts of liberalization corresponding to their respective levels of economic development and to enjoy its benefit to the full extent.

In this regard, it is also essential for developing countries to plan and undertake their national trade policy from a long-term perspective. To this end, it is important for developing countries to have a good understanding of the present situation and future prospects of their own industries' export competitiveness and trade, then plan and carry out export and import industry policies, and furthermore, implement WTO Agreements for an admissible scope at an allowable pace. However, many developing countries lack political or social stability and their economic and industrial structures are still in a process of development. Complicated intertwining of these factors makes the process of transparent and fair policy planning from medium- and long-term

perspectives difficult.

The Fourth WTO Ministerial Conference held in November 2001 adopted the Ministerial Declaration that unequivocally paid attention to developing countries' needs and interests¹. The Declaration repeatedly referred to the need for trade-related capacity building in developing countries.

For a long time in the arena of development assistance, trade was narrowly interpreted as covering only limited areas such as export promotion and automation of customs services. However, in recent years trade has gained recognition as an important factor of sustainable development and poverty alleviation. In addition to the WTO, various international organizations and bilateral donor agencies are beginning to provide support in this area in earnest, making trade-related assistance a major trend in the aid community².

As for assistance activities by international organizations, the WTO Secretariat is leading the WTO-related capacity building by providing a variety of training and technical assistance to Asia-Pacific countries. The United Nations Conference on Trade and Development (UNCTAD) is providing assistance based on the country-specific approach mainly to least developed countries (LDCs) in Africa. At the Organisation for Economic Co-operation and Development (OECD), the Development Assistance Committee (DAC) formulated the "DAC Guidelines on Capacity Development for Trade" in 2001. APEC is undertaking assistance activities in WTO-related areas for developing economies in the region. Under the "APEC Strategic Plan" formulated in 2000, APEC established the "WTO Capacity Building Group" under the Trade and Investment Committee, and Japan, along with Canada, is taking the initiative in the group (for details, see 1-2(3) below). Furthermore, international organizations such as the World Intellectual Property Organization (WIPO) and the International Organization for Standardization (ISO) are providing assistance in accordance with the Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement and the Technical Barriers to Trade (TBT) Agreement, respectively.

As for bilateral assistance, the United States is providing assistance almost proportionately to all regions of the world, while Canada and Australia, as APEC

¹ The trade negotiations newly launched at the Ministerial Conference has come to be known as the "Doha Development Agenda."

² As major economic frameworks for problems concerning international development assistance, along with the trade-related framework led by the WTO addressed by this report, there exists the framework for finance, development finance and funding problems that has been developed by the World Bank, the IMF and others. The future challenge is to expand and develop the development assistance framework to gain support from both developing and developed countries while giving attention to the relationship with support activities based on the latter framework.

economies, are actively involved in assistance in the Asia-Pacific region. The European Commission (EC) is directing its assistance mostly to countries in Africa, the Caribbean and the Pacific (ACP). UK regards trade-related capacity building as one of the core activities of its development assistance, using practical guides for technical assistance. Many developed countries are now expanding budgetary appropriations for support in this area.

1-2 Japan's Position on Cooperation for WTO-Related Capacity Building

(1) Importance of Maintenance of the Free Trading System Centering on the WTO Shared by Developing Countries and Japan

The GATT/WTO system, as a common property, provides guidelines for economic development not only in developed countries but also in developing countries through trade liberalization, with the aim of enhancing welfare.

Japan's postwar economic development owed much to trade with other countries, and Japan recognizes itself as one of the countries that benefited most from the GATT/WTO system. Japan's economic growth was made possible as it enjoyed benefits of the nondiscriminatory and transparent framework of international trade by joining GATT and adopted industrial policy in line with trade liberalization.

For the maintenance and development of stable free trading system, which remains vital for further economic growth of all countries including Japan, WTO-related capacity building in developing countries is crucial. The expansion of trade in terms of volume increased Japan's presence within the GATT/WTO system, making it one of the Quads at present³. Hence Japan should make proportionate contributions and assume responsibility that come with such a position. An important part of that contribution is helping developing countries gain benefits from the free trading system and share its value, through supporting trade-related capacity building.

(2) Framework for WTO-Related Capacity Building

The Japanese Government has already been providing various assistance for WTO-related capacity building by using multilateral, regional and bilateral frameworks. Support for the multilateral framework includes funding of technical cooperation activities by the WTO, UNCTAD and WIPO, while activities within the regional framework cover the formulation and implementation of the "APEC Strategic Plan" (for details, see (3) below), and contributions to the APEC Trade and

³ The US, EU, Japan and Canada are called "Quads" due to their influence on global trade and economic scale.

Investment Liberalization and Facilitation (TILF) Fund. Assistance under the bilateral framework includes assistance to Thailand, Indonesia, Malaysia and the Philippines by JICA under the “APEC Strategic Plan,” customs valuation cooperation (customs-related) by the Ministry of Finance, “Program for 1,000 Trainees” (TRIPS-related) by the Japan Patent Office, and cooperation in the field of standards and certification (TBT-related) by the Ministry of Economy, Trade and Industry.

(3) Japan’s Initiative at APEC

Japan, as the leading economy of the “WTO Capacity Building Group” in APEC, has led the exchange of information concerning capacity building as well as the building of assistance framework for APEC member economies. At the APEC Meeting of Ministers Responsible for Trade in June 2000, Japan proposed to formulate a strategy for capacity building in the APEC economies, and conducted a survey on needs in nine regional economies (Indonesia, Papua New Guinea, Thailand, Malaysia, China, Peru, the Philippines, Vietnam and Chinese Taipei) from September through October 2000. The results of the survey were submitted to the APEC Ministerial Meeting in November 2000 as the “APEC Strategic Plan,” which was then approved by the ministers as the foundation for WTO-related assistance activities in the future. This plan was subsequently transferred to bilateral assistance frameworks for the implementation of specific projects.

Beginning in December 2000, JICA held consultations with Thailand, Indonesia, Malaysia and the Philippines concerning specifics of assistance activities under the APEC Strategic Plan. The assistance project, which mainly covers seminars and workshops on major WTO Agreements, was launched in Thailand, the first recipient in this scheme, in August 2001. This was followed by the start of similar assistance in Indonesia in January 2002, in Malaysia in March 2002, and in the Philippines in December 2002.

1-3 Important Points in Cooperation for WTO-Related Capacity Building

It is important to seek a balance between the two different viewpoints: “maintenance and development of the WTO system” and “medium- and long-term development of developing countries” respectively.

Attention should be paid to ensuring sustainability of assistance and its effects, including securing ownership, so that the effects of assistance can be acquired and internalized as developing countries’ own capabilities.

The made-to-order form of assistance is desirable to help enhance the basic decision-making capabilities of developing countries. In doing so, consideration

should be given to sharing of Japan's informative experiences and implementation of assistance activities taking advantage of Japan's unique strengths.

In providing assistance to relatively advanced developing countries, assistance should envision a future extension into South-South cooperation⁴.

It is important to implement bilateral cooperation (bilateral and regional economic agreements, etc.) and multilateral cooperation in a mutually complementary fashion to maximize a synergy effect.

It is also important to provide effective assistance that responds to the actual conditions and requests of recipient countries by seeking cooperation among donor nations and others concerned. Important points to be considered in planning technical assistance activities are as follows:

(1) Trade policy and development policy

Trade-related capacity building can be generally categorized as follows: (1) WTO-related capacity building such as “support for WTO accession,” “support for enhancing the capability to implement existing WTO Agreements” and “support for enhancing the capability to deal with multilateral trade negotiations”; and (2) “broadly defined trade-related capacity building,” including the enhanced capability to plan and formulate industrial and trade policies and development of such economic infrastructures as industry-related and trade-related laws and the tax system.

This report mainly covers cooperation focusing on “support for enhancing the capability to implement existing WTO Agreements,” but in order to achieve the economic and trade expansion for developing countries, it is necessary to expand cooperation activities from a broader viewpoint in the future. For that, it is essential to keep the “viewpoint for medium- and long-term development of developing countries” and the “viewpoint for the maintenance and development of the WTO system” while continuing to seek an effective balance between these two.

(2) Viewpoint for medium- and long-term development of developing countries

Trade-related capacity building is designed to enhance various capabilities of developing countries necessary to promote the trade and investment environment, revitalize economic activities by corporations of domestic and foreign origin, and achieve economic development through the promotion of trade and investment. The strengthening of organizational capabilities and human resources development do not produce the immediate results of short-term inputs. A longer approach from the

⁴ South-South cooperation is assistance by developing countries possessing a relatively well developed fund of knowledge and trained personnel to other developing countries on the path to development.

medium- and long-term perspective is necessary for assistance in these fields.

(3) Viewpoint for the maintenance and development of the WTO system

For the stable function of the WTO system, member countries must fulfill their obligations accordingly. The ability of developing countries in this regard is an important yardstick to measure the results of cooperation. At the WTO, cooperation for capacity building may be sought through various political commitments in order to successfully conclude trade negotiations. Support from this viewpoint is also important in order to maintain and develop the WTO system encompassing developing countries.

(4) Balance between development and trade

It is important to seek an appropriate balance between the above-mentioned two viewpoints in providing cooperation. It is necessary to recognize that the issue of how developing countries secure benefits from the WTO system and the issue of how to maintain and develop the WTO system are closely connected with each other.

(5) Sustainability and ownership

In developing countries, it is often the case that administrative human resources are scarce and qualified people tend to move toward the private sector that offers better pay and conditions. Against this background, some ingenuity and efforts are needed on the part of donors to have the results of cooperation take firm root in recipient countries. Since the capacity building in this area cannot be achieved with one-off assistance by its nature, projects need to be structured with a view to ensuring sustainability. In particular, projects need to be structured and implemented to secure ownership of recipient organizations.

(6) Sharing of Japanese experiences and utilizing Japan's advantages

Providing assistance to policy planning involves the delicate issue of capability enhancement of negotiating counterparts and also has limitations in handling the specific content of policies themselves. As such, approach to assistance and cooperation in this area should basically focus on the improved understanding of trade agreements that serves as the basis of decision making, the improved practical knowledge and better systems for the implementation of trade agreements, and the sharing of experiences of Japan (or other countries) that might serve as good references for developing countries in planning their policies.

Needless to say, made-to-order cooperation projects are desirable to respond to specific circumstances of respective countries. Matters of interest and needs of recipient countries can change with progress in negotiations at the WTO. Therefore, the extension of timely assistance should require due attention being paid to the circumstances and progress in ongoing WTO negotiations. On this score, it is particularly expected that developing countries will increasingly seek assistance on new issues in the future.

In order to make effective use of the limited funding and personnel, assistance should be focused on areas where the strength of Japanese experts can best be utilized. Developing countries hope to get technical cooperation in terms of how to make good use of the WTO system for their own industrial development, as well as for performing their obligations under WTO Agreements. Assistance should be effectively formulated so that Japan's experiences can be shared accordingly.

(7) Support envisioning South-South cooperation in the future

In South-South cooperation between developing countries with relatively equivalent degree of development or with similar cultural background, it is likely that knowledge and experiences are shared more effectively, corresponding more to their actual conditions or needs. An assisting developing country can further develop its capacity by providing assistance to other countries and this would also result in firm relationship of trust between countries concerned. Moreover, if, with cooperation of an assisting country, a recipient county adopts similar legal and other trade-related domestic systems, it would reduce the cost of later harmonization.

Some ASEAN countries have the potential to become aid donors to least developed countries (LDCs) within the region in the future. After the necessary assistance for these countries is completed, it is deemed effective to provide them with cooperation that may help them become providers of assistance in South-South cooperation.

(8) Broadening of Capacity Building Based on Bilateral Economic Partnership Agreements

The conclusion of bilateral economic agreements is gaining momentum to complement the multilateral framework centering on the WTO. Most of these agreements cover existing WTO Agreements and also front-loaded issues now under discussion at the WTO. The results of assistance under bilateral agreements should not only contribute to the WTO system but also be conducive to the facilitation of developing countries' participation in bilateral or regional free trade agreements.

Japan recently concluded an economic partnership agreement with Singapore. The

agreement, which could serve as a model for future bilateral economic cooperation agreements including Japan, covers the areas of investment and competition policy on which agreements have yet to be concluded at the WTO, in addition to areas already included in existing WTO Agreements. It is also noteworthy that the text of the Japan-Singapore Agreement itself has built-in provisions for bilateral cooperation. Given all this, it is important that cooperation based on a bilateral economic partnership agreement makes good use of the results and lessons of assistance activities in the WTO-related areas and at the same time seeks to advance them to higher levels. It is also desirable that due consideration is given to make cooperation under the existing frameworks (such as cooperation under the APEC Strategic Plan) and cooperation based on bilateral economic partnership agreements mutually complementary to maximize their effects.

(9) Cooperation with Relevant Organizations in Japan and Third Countries

In extending assistance concerning WTO Agreements, the importance of sharing of latest information on ongoing discussions and negotiations as well as information on technical knowledge should be emphasized. In this sense, government officials in charge are one of the largest resources. It is important to extend assistance while maintaining a sufficient exchange of information with the Japanese Government.

Furthermore, it is important to raise the quality of the details of assistance extended by organically sharing information among academic experts who have the experience of research into WTO-related issues, and organizations and institutes with particular strength in specific issues.

Utilization of the expertise of the WTO Secretariat and other external organizations is also effective in extending high-quality cooperation. In particular, in sponsoring seminars and workshops aimed at promoting the understanding of WTO Agreements, the participation by the WTO Secretariat or those who had the experience of working in the WTO Secretariat may be useful to ensure the neutral interpretation of WTO Agreements and fair evaluation of procedures at the WTO. It is also necessary to recruit qualified people for cooperation by securing a network connecting to relevant organizations, including international organizations such as the WTO, WIPO and UNCTAD, law firms and private sector corporations.

In recent years, many donor nations have come to recognize the importance of trade-related assistance, and in fact, assistance in this area has been showing a rapid increase. This has made it necessary to pay attention to avoid overlapping with existing assistance. It is important to ascertain that recipient entities are not getting excessive assistance and find out whether they have enough capacity left to promote

projects. Due consideration should be paid to assure appropriate cooperation among donor entities so that the donor community as a whole provides assistance effectively to meet the needs of developing countries.

Chapter Two: Challenges for Developing Countries in WTO-Related Capacity Building 2

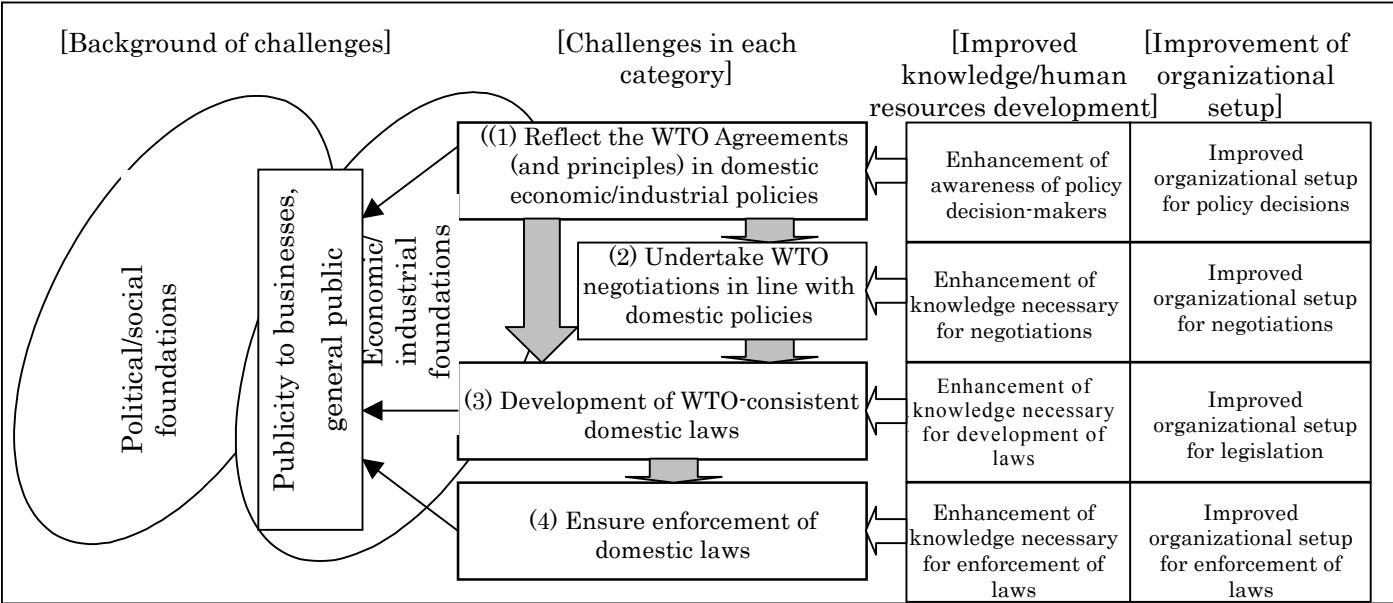
As described in Chapter One, WTO member countries will have to address many issues in implementing the broadening scope of WTO Agreements and in responding to trade negotiations backing up progressive liberalization.

Issues that developing countries will have to deal with in implementing WTO Agreements are categorized into common problems in general and country-specific problems depending on their stages of economic development and accession to WTO.

2-1 General Observation -Overview of Issues in WTO-Related Capacity Building -

Challenges involved in the implementation of WTO obligations can be broadly classified into the following categories: (1) to appropriately reflect WTO Agreements or the principles upheld by the WTO in domestic economic policies and industrial policies; (2) to undertake negotiations, aiming to obtain results that conform to domestic policies; (3) to implement WTO obligations by way of enacting relevant domestic laws following the results of the afore-mentioned (1) and (2); and (4) to ensure the proper enforcement of domestic laws referred to in (3). In order to meet the challenges in each category, it is necessary to promote understanding and develop human resources and it is also essential to improve and strengthen the organizational setup (see Figure 2-1).

Figure 2-1 Challenges in Implementing WTO Agreements (Overview)



Source: UFJ Institute Ltd.

In developing countries, these difficulties arise in many cases compared to developed countries. The causes of these difficulties include the following circumstances characteristic of developing countries:

- Shortage of human resources encompassing the challenges in all categories
- Inadequate legal, administrative and organizational setups
- Immature economic and industrial foundations relative to developed countries
- Fiscal problems
- Absence of political/social stability

However, it is still possible to indirectly help developing countries improve these areas over the medium- and long-term through educational campaigns aimed at the business community and the general public.

2-2 Issues Common to Developing Countries in General

(1) Reflecting WTO Agreements and Principles in Domestic Economic, Industrial Policies

The primary issue commonly found with the implementation of WTO Agreements in many developing countries is that the principles and ideas of the WTO, or provisions of individual WTO Agreements do not properly find their way into domestic economic policies or industrial policies. Difficulties and challenges associated with this issue at the respective levels of domestic politics, policy-planning officials and the private sector, including the business community, are discussed below.

[Political Level]

What is required at the political level are the sufficient understanding of progressive liberalization and other characteristics of provisions of WTO Agreements and special clauses for developing countries, development of trade policies befitting the economic structures and the level of competitiveness of the countries, and implementation of consistent policies through the establishment and utilization of high-level organizations for coordination. However, as mentioned in Chapter One, many developing countries are beset with issues such as the lack of political stability, inadequate transparency in the process of policy decision-making and shortage of opportunities of participation. Other issues concern the failure to position trade policies appropriately, including the strategy to deal with the WTO, in the context of the economic and industrial policies of developing countries.

[Administrative Level: Policy-planning Officials]

Government officials responsible for policy planning for each industry sector need to understand and utilize provisions of the relevant WTO Agreements (for example, introduction of competition by using the General Agreement on Trade in Services (GATS)), and to plan policies for the revitalization of respective industries. The protection of domestic industries is an important issue in many developing countries. But many developing countries do not have enough capacity and resources to develop strategies (policy-formulating capability) to guide domestic industries to adapt to the globalization of economic activities and the capacity to adequately present and realize their views in rule-making negotiations. These issues primarily stem from the knowledge gap on the part of policy-planning officials regarding the understanding of WTO Agreements and policy planning in view of the actual conditions of their own countries on the basis of that understanding. The issues are also related to anomalies in domestic administrative structure—a lack of coordination among government ministries and agencies makes it difficult to plan trade policies that are consistent with government goals of fostering viable domestic industries and strengthening competitiveness. Among other factors are the difficulty in accumulating experiences and knowledge due to changes in policy-planning officials, lack of the training and educational mechanism to foster policy-planning officials on a continuous basis, and difficulty in making access to WTO-related information.

[Private sector]

In the private sector, it is essential to secure human resources and organizational mechanisms (channels for dialogue) to coordinate views of the business community and other quarters of the private sector. But it is often the case that many developing countries do not have enough human resources on either side of the business community or the government, or any appropriate organizational mechanisms, including viable industry groups that can present recommendations and proposals. On top of that, it can also be pointed out that the academic community of developing countries faces a shortage of scholars who can undertake research and analysis work on the economy and policies contributory to the planning of trade policies as well as a lack of channels to reflect research results on policy-making (see Figure 2-2).

Figure 2-2 Issues in Reflecting WTO Agreements, Principles in Domestic Economic, Industrial Policies

Task (1) Proper Reflection of WTO Agreements (Principles) in Domestic Economic, Industrial Policies		
Background (political/ social conditions, economic/industrial bases)	Issues concerning human resources	Issues concerning organizational mechanism
<ul style="list-style-type: none"> - Difficulty in implementing long-term policy (government instability, etc.) - Difficulty in policy planning from long-term perspective - Fiscal difficulties 	<ul style="list-style-type: none"> - Lack of knowledge of top leaders - Lack of knowledge of policy-planning officials - Lack of knowledge and understanding in business community and private sector - Shortage of researchers providing basic assistance for policy planning 	<ul style="list-style-type: none"> - Organizational mechanism unfit to convey importance of WTO/trade liberalization to top leaders - Organizational mechanism unfit to link industrial, trade policies due to inadequate function of coordination among government agencies - Administrative mechanism unfit to accumulate so-called “institutional memory” - Inadequate function of coordinating business community views, inadequate channel for input of these views into government - Mechanism unfit to obtain input from academic community

Source: UFJ Institute Ltd.

(2) WTO Negotiations Consistent with Domestic Policies

In order to realize progressive liberalization in trade, the WTO is holding negotiations aimed at promoting liberalization in existing areas and also at laying down rules in trade-related new areas. To deal with these trade liberalization negotiations, it is necessary to aim for the realization of negotiating results that correspond to domestic economic and industrial policies, and that requires human resources and organizational mechanism to support that objective. As explained in Chapter One, the current negotiations launched by the Fourth WTO Ministerial Meeting in Doha were named the “Doha Development Agenda” because many developing countries expressed their difficulty in coping with negotiations for further liberalization.

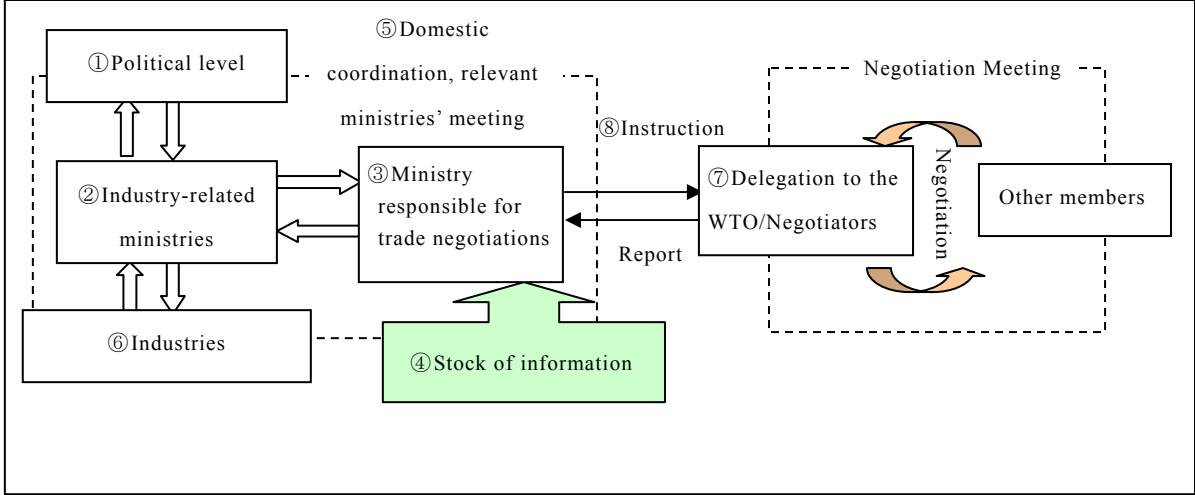
As reasons for their difficulty in coping with current negotiations, developing countries argue that they are not prepared to accept further liberalization obligations in light of their economic and industrial policies as well as current social conditions. In other words, in connection with the issue of how to apply trade liberalization policies under the WTO to domestic economic and industrial policies, as reviewed in

(1), developing countries state that they are being asked to accept liberalization at a speed and scope that is beyond their domestic policies. Developing countries also state that they are being pressed to accept further liberalization while they have yet to position trade liberalization securely in their domestic economic and industrial policies.

Furthermore, negotiations require smooth communication between the home government and Geneva (or wherever negotiations are being held) for decisions and coordination on negotiating positions at the policy level, liaison between relevant ministries and agencies, and decisions and instructions on responses to the results of negotiating meetings (see Figure 2-3). Several developing countries feel that they lack the organizational mechanisms, human resources and information infrastructure to make all these things possible.

For developing countries to be engaged in negotiations properly, it is essential for them to have a proper understanding of the WTO system and Agreements and enhance their policy-planning capacity. Then, an important challenge confronting them is to acquire the capacity to conduct negotiations while gaining understanding of other WTO members, harmonizing domestic industrial policies with trends of the free trading system sought by the WTO.

Figure 2-3 Communication and Organization Mechanism Necessary for Negotiations



Source: UFJ Institute Ltd.

In connection with Figure 2-3, the following gives an overview of major issues that developing countries have concerning communication and the organizational mechanism that gain in importance particularly at the time of actual negotiations. The issues pointed out in (1) are left out.

Figure 2-4 Major Issues in Holding the WTO Negotiations in Line with Domestic Policies

Task (2) Obtaining Results in WTO Negotiations in Line with Domestic Policy			
	Issues concerning organizational mechanism	Issues concerning human resources	Issues with infrastructure
(1) Political level	- Lack of consultations at the political level on trade negotiations	- Lack of policy orientation and knowledge of trade negotiations	
(2) Industry-related ministries	- Lack of info sharing function on trade negotiations within industry-related ministries	- Lack of knowledge, understanding of trade negotiations' potential impact on industries	
(3) Ministry responsible for trade negotiations	- Generally limited authority relative to other ministries - Inadequate intra-ministry information exchange function (between sections responsible for multilateral, regional, and bilateral matters)	- Shortage of personnel to cover varied areas for negotiations	- Inadequate communications infrastructure to access WTO-related info
(4) Stock of information	- Inadequate organizational mechanism to use, share and stock of information	- Shortage of personnel well versed in history of past negotiations	- Shortage, lack of function of info control, accumulation
(5) Domestic coordination (related ministries' meetings)	- Lack of coordination function	- Differing levels of knowledge, understanding of trade negotiations	- Unfamiliarity with consultations via means of communications
(6) Industries	- Inadequate function of coordinating, presenting industry views on trade negotiations	- Lack of knowledge, understanding of trade negotiations' impact on industries, and their objectives	
(7) Delegation to WTO/Negotiating officials	- Lack of consultations within delegation due to different backgrounds and affiliations - Absence of delegation at the WTO	- Lack of negotiating capabilities; - Shortage of personnel to cover varied areas of negotiations	
(8) Instruction/report between home government and Geneva	- Inadequate system for timely instruction, reports	- Shortage of personnel assigned to communication	- Inadequate communications infrastructure

Source: UFJ Institute Ltd.

Trade measures and issues of developing countries that have often been pointed out by developed countries and other WTO members are summarized below. These issues are also highly likely to be raised again in the current round of negotiations. Developing countries face the pressing need to respond to these demands in the course of the negotiations.

[Areas in which Developing Countries Could Face Liberalization Demands]

- Tariffs (high-tariff trade items remaining, relatively low rates of concessions)
- Non-tariff measures (quantitative import restrictions, export controls, subsidies, etc.)
- Trade in services (entry restrictions on foreign firms, etc.)
- Agriculture (assistance for domestic producers, etc.)

(3) Development/Consistency of Domestic Legal System

One of the biggest challenges developing countries face in implementing WTO Agreements is the development of a WTO-consistent domestic legal system. With WTO Agreements coming into effect in 1995, the newly introduced TRIPS Agreement, the substantially revised Anti-dumping Agreement and Safeguard Agreement required the WTO member states to make a major overhaul of or introduce new domestic laws and regulations as they had to be accepted in a package. A majority of developing countries are aware of the need to develop the WTO-consistent legal system or of issues concerning the consistency of existing domestic laws and regulations with WTO Agreements. Even when developing countries enact WTO-consistent umbrella laws, they often lag in introducing implementation laws.

The entry into force of WTO Agreements came with a strengthened dispute settlement mechanism. When domestic laws and regulations are not consistent with WTO Agreements (or when they may become inconsistent with WTO Agreements), as with the case when measures are not taken to “ensure the implementation of domestic laws,” as described later in (4), other countries may bring such cases to WTO dispute-settlement procedures. Thus, there is the rising need to provide assistance to developing countries in the area of legal system development.

Particular areas in need of development and revision of domestic laws are as follows.

[Areas in which Developing Countries Need to Develop Domestic Laws]

- Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS)
- Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 (AD) /Agreement on Safeguards/Agreement on Subsidies and

- Countervailing Measures (SCM)
 - Agreement on Trade-Related Investment Measures (TRIMs)
 - General Agreement on Trade in Services (GATS)
- * When members newly enact or revise domestic laws and regulations concerning the above-mentioned Agreements, they are required to notify relevant WTO committees.

Figure 2-5 below summarizes issues concerning the development of legal systems in developing countries.

Figure 2-5 Major Issues Regarding WTO-Consistent Domestic Legal System Development

Task (3) Development of Domestic Legal System Consistent with WTO Agreements (Initial Enactment, Revision of Existing Laws and Regulations, Confirmation of Consistency)		
Background (Political/social conditions, economic/industrial bases)	Issues concerning human resources	Issues concerning organizational mechanism
-Government instability, etc. -Political, social issues in transitional economies	-Lack of personnel well versed with interpretation of WTO Agreements -Lack of understanding of economic law in general/lack of knowledge about legal provisions suitable for policy implementation	-Inadequate legislative function -Inadequate legal screening function -Organizational mechanism unfit to obtain input from academic community

Source: UFJ Institute Ltd.

A very large number of developing countries face issues in the implementation of domestic laws in accordance with WTO Agreements. Even among developing countries with a relatively higher stage of development that have WTO-consistent domestic legal systems in place, many still have trouble in the administration and execution of these systems. Major areas where issues are found are summarized below.

- [Areas Where Developing Countries Have Domestic Law Implementation Issues]
- Customs/customs evaluation (legal tariff rates not observed in practice, opaque administration remaining)
 - Non-tariff measures (quantitative import restrictions, measures for violation of WTO Agreements concerning export control and subsidies)
 - Trade-related investment measures (local content requirements, balanced export/import requirements, foreign exchange controls, export restrictions effectively remaining)
 - Trade in services (measures in violation of GATS general rules and disciplines or the national “schedule”)

- Intellectual property rights (delay in screening due to the insufficient number of examiners and/or lack of ability, manufacturing and distribution of illicit goods such as pirated and counterfeit goods, lack of effective exercise of rights against infringement on intellectual property rights, inadequate border controls, existence of license agreement regulations incompatible with the TRIPS Agreement)

Figure 2-6 Major Issues Regarding Implementation and Observance of Domestic Laws and Regulations Consistent with WTO Agreements

Task (4) Implementation and Observance of WTO-Consistent Domestic Laws and Regulations		
Issues concerning human resources at government and related organizations	Issues concerning organizational mechanism	Issues concerning private sector, including industries
<ul style="list-style-type: none"> - Lack of understanding of domestic laws and regulations - Shortage of personnel - Lack of morals 	<ul style="list-style-type: none"> - Inadequate development of info-sharing function (including IT) - Inadequate organizational mechanism to monitor effectiveness of domestic laws - Inadequate training and educational functions 	<ul style="list-style-type: none"> - Lack of understanding of domestic laws and regulations - Lack of morals - Lack of educational campaigns

Source: UFJ Institute Ltd.

2-3 Country-specific Issues Depending on Their Stages of Economic Development and of Accession to the WTO

In the previous section, issues commonly experienced by many developing countries in the implementation of WTO Agreements were reviewed. In reality, however, issues confronted by each country differ depending on their social, cultural and economic backgrounds. Below, developing countries are classified into four groups and an analysis of the characteristics of issues for each group is presented: (1) countries acceding to WTO; (2) newly acceded members; (3) existing members with the relatively high stage of economic development; and (4) least-developed members.

(1) Acceding Countries (Vietnam, others)

For acceding countries such as Vietnam, Laos and Cambodia, the challenge of greatest urgency is for their policymakers to understand the impact of WTO accession on the domestic economy and industries and to effectively position WTO accession into their national policies. While maintaining and developing their economic and industrial policies in preparation for their future WTO accession, it is also important for them to secure transparency of policy making and to introduce the system

governed by law and market principles. This requires fostering of human resources who will take charge of policy development and strengthening of organizational setups. Similarly important are efforts to have the general public fully understand relevant domestic laws.

(2) New Members (China, others)

Newly acceded members of the WTO undertake obligations that require a number of domestic law revisions by ratifying the protocol of accession. Since the WTO accession is made on the basis of political decisions, it can be safely assumed that by the time of the actual accession, the understanding of WTO Agreements and high-level obligations have been achieved together with the development of the organizational setups necessary. Then, what is important in the next stage is for relevant officials of the government and other organizations concerned fully understand obligations in the course of implementing WTO Agreements.

Similarly with the period when the requests for accession were made, development of the legal system fully consistent with WTO Agreements remains an important task. But the focus is likely to shift gradually to the actual implementation of the developed domestic system, which calls for immediate development of organizational mechanisms and fostering of human resources needed for implementing relevant domestic laws.

Furthermore, the positioning of free trade in national economic and industrial policies certainly affects WTO members, but more importantly, in the case of members with the scale of economy as big as China, it affects the multilateral trading system centering around the WTO itself. Therefore, the big challenge is to acquire the capacity to state the direction for policy formulation concerning such negotiation agenda as tariff reductions, liberalization of trade in services and responses to new issues. In formulating the direction of policy making, the maintenance of the WTO system and the stage of economic development of developing countries concerned should be taking into account. Particularly important challenges include measures for domestic industries with weak international competitiveness in the wake of tariff reductions, understanding of the impact of trade in services liberalization on the domestic economy and industries, formulation of economic policies in line with WTO rules, and preparations for future WTO negotiations.

(3) Existing Economies (APEC members, others)

APEC member economies have all but completed the development of domestic legal systems, but still have a number of issues in the way the systems are administered and various rights are fully exercised. In the economies in transition,

meanwhile, having the general public understand the significance of a market economy continues to be a challenging task. Among existing WTO members, countries with large markets in particular tend to become subject to liberalization negotiations. Hence they need to strengthen their capacity to respond to the process of negotiations. The limited domestic availability of personnel well versed with WTO-related issues makes it necessary to boost the ranks of officials getting involved.

(4) Least-developed Members

The Doha Ministerial Agenda repeatedly pointed to the need for increased consideration and assistance for least-developed countries. In least-developed countries, it is of particular necessity to facilitate the understanding and awareness of politicians and high government officials. Many of least-developed countries may lack in capacity to update international commitments (the schedule of tariff concessions, commitments in services, etc.) and domestic laws of the GATT era, and to make them of greater conformance to WTO Agreements now in force. It is necessary to provide assistance that will contribute to the building of the capacity of relevant government officials of least-developed countries so that they can not only perform their obligations but more importantly enjoy benefits as WTO members.

Chapter Three: Methods of Assistance Projects for WTO- Related Capacity Building

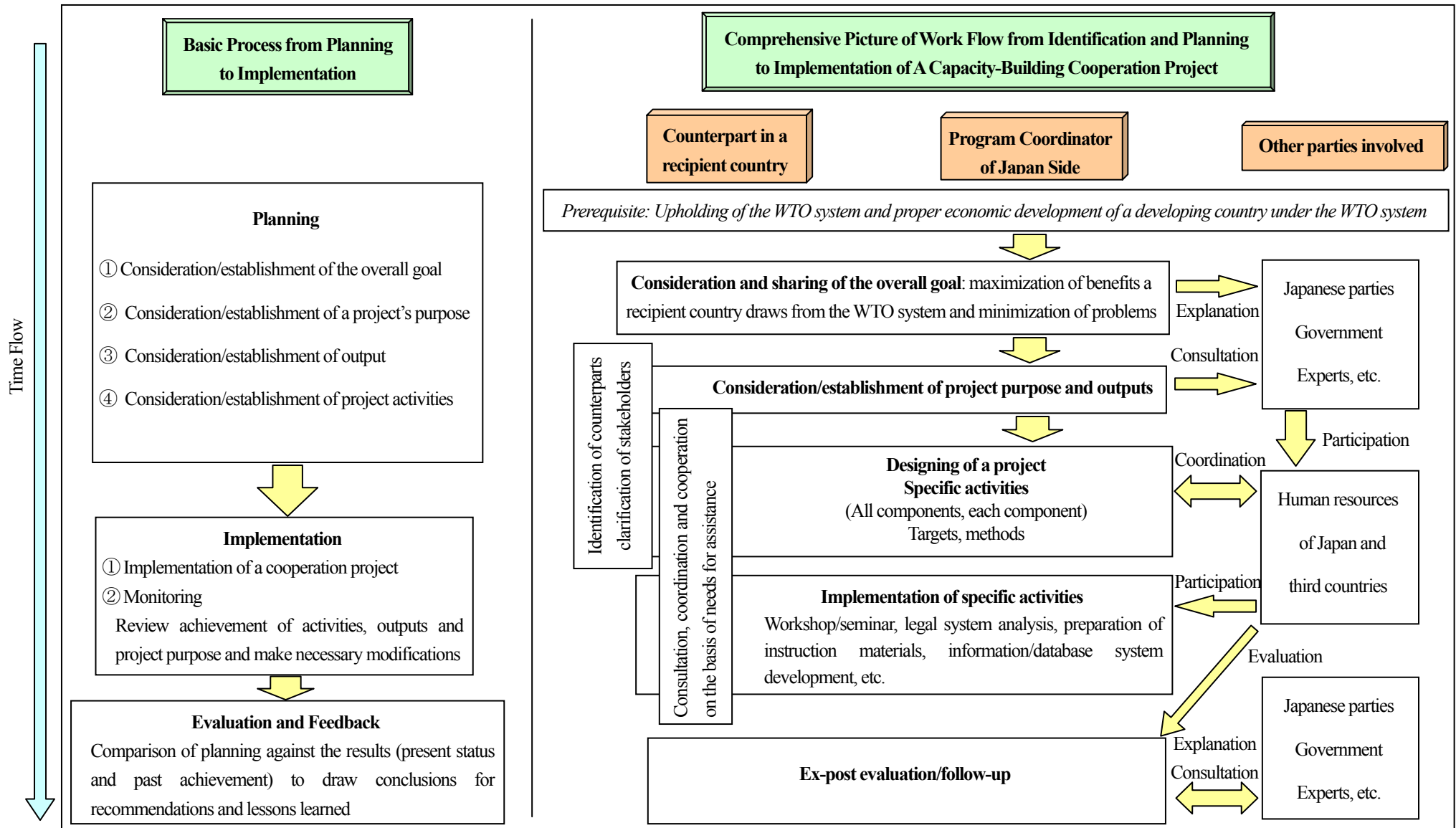


In this chapter, general points to be noted in designing, implementing and evaluating the assistance projects are reviewed in 3-1, and then in 3-2, the methods of assistance in each specific area of WTO Agreements are considered.

3-1 Outlining, Designing and Evaluating the Cooperation Projects

The comprehensive picture of the work flow of a cooperation project is shown Figure 3-1 below.

Figure 3-1 Comprehensive Picture of Work Flow of a Cooperation Project from its Planning to Implementation



3-1-1 Outline of Cooperation Projects

(1) Clarification and Sharing of Objectives

As stated in Chapter One, when developing countries seek their economic prosperity, they cannot escape from challenges they confront in the global trend of maintaining and developing the multilateral trading system centering on the WTO. For these countries, it is imperative to maximize benefits they would gain from that system while minimizing negative impacts. As a country that places high value and priority on the maintenance and development of the WTO system, Japan should posit as the basis of its cooperation policy the “medium- and long-term maintenance of the WTO system through effective participation of developing countries,” when providing assistance for developing countries.

The WTO is often described as a “member-driven” international organization, meaning that member states, in accordance with the principles of WTO Agreements, set the pace in its activities on the basis of consensus. In order to run the multilateral trading system maintained and developed by such an international institution, it is imperative to ensure the active involvement of developing countries, which account for the majority of member states.

Should one developing member country withdraw from the WTO, it would be to the detriment not only of that country herself but also of the multilateral trading system as a whole. Also, the inability of a country applying for membership to join the organization smoothly would jeopardize development prospects both for that specific country and the WTO system as a whole.

Against this background, the primary objective of Japan’s cooperation for WTO-related capacity building should be “to help recipient countries build the capacity necessary to maximize benefits from the WTO system and minimize obstacles, while bearing in mind the medium- and long-term maintenance of the WTO system.”

It is important to clarify this objective from the early stage of outlining the cooperation project and to share it with parties concerned, including the counterpart organization designated in the project.

[Points Requiring Attention]

- *Confidence building based on communication with counterparts*

It is desirable to build up the relationship of mutual trust with counterparts and to transfer knowledge to them in the process of assistance through close communication. It is also important to make steady achievement of results that helps convince the counterpart of the significance of assistance throughout the entire life of the project.

Cooperation starts from the stage of making initial contacts with counterparts and sharing the objective of the project.

(2) Identification of Needs

It is essential to identify the needs for assistance of the recipient country in order to define the objective and output of a project (This is also an important step for designing of a cooperation project, which is dealt with in the following section).

It is first advisable to ascertain where the needs of the recipient country stand in the achievement of the primary objective of a cooperation project, then clarify in which “dimension” of the tasks for implementing WTO Agreements described in Chapter Two these needs are mainly found, and consider an appropriate form of output that responds to the needs. (“Finding out needs” is the formulation of a policy recommendation, building of legal and other systems, developing human resources, or a combination of some or all of these items)

In identifying the needs, it is necessary to examine which aspects of the implementation of WTO Agreements a developing country faces difficulty in dealing with and what the main causes of difficulties are by paying attention to the following points. For the design of the project as well, it is necessary for both sides to clarify and commonly understand which aspects of which particular WTO Agreements the needs for strengthening implementation of capacity exist.

[Points Requiring Attention in Identifying Needs]

- *In which part of WTO Agreements do the developing countries' needs exist?*
 - The whole of WTO Agreements or the free trading system itself
 - Border issues on two or more agreements (for example, the relationship between AD and DS, investment (TRIM and GATS), etc.)
 - Individual agreements
- *In which aspects do the needs exist?*
 - Lack of understanding about WTO Agreements or about discussions at the WTO
 - Underdeveloped inadequate domestic laws consistent with WTO Agreements
 - Lack of understanding about related domestic legal systems (TBT, GATS and others that require a variety of domestic laws
 - Difficulties in enforcing domestic laws (for example, TRIPS, etc.)

The identification of the needs should be done, in principle, through consultation with principal counterparts in a recipient country. But there are cases where counterpart organizations are not fully aware of the existence or total picture of the needs. Because of this, it is necessary to refer to and consider the following points.

[Points to be Referred and Considered for Identification of Needs]

- Primary policies of a recipient country such as a national development plan
- Understanding of and difficulties and issues with the WTO system at relevant organizations other than the principal counterpart organization of a recipient country
- Understanding about the WTO/free trading system of the private sector, including industries in a recipient country
- Tone of media comments, civil society activities concerning the WTO/free trading system in a recipient country
- Points raised about a recipient country at the WTO (TPR reports, committee reviews regarding individual Agreements, and documents on accession negotiations if an recipient country is applying for WTO membership)
- Points raised by other countries including Japan, (“Reports on the WTO Consistency of Trade Policies by Major Trading Partners” by the Japanese Government, National Trade Estimate Reports by the United States, reports by the European Commission, etc.)
- Points raised by industry groups including those of Japan and other countries (reports from industry groups, including Nippon Keidanren (Japan Federation of Economic Organizations), bilateral economic committees, Japan Machinery Center for Trade & Investment, etc.)
- Details of actual and planned assistance from other donor nations

(3) Definition of Project Goals and Outputs

Following the clarification and sharing of overall goal is the review of the project purposes and outputs to be achieved by the project.

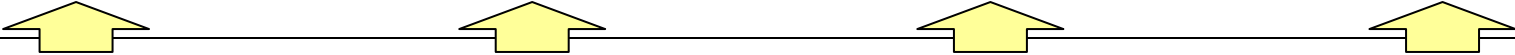
In order to realize the overall goal, “maximization of benefits from the WTO system and minimization of obstacles”, it is important for recipient countries to understand rights and obligations spelled out in provisions of WTO Agreements, give them meaningful places in its economic and industrial policies, and utilize them. In light of the “dimensions” of tasks described in Chapter Two, it becomes possible to enjoy benefits from the WTO system and minimize obstacles through mutually inseparable measures such as (1) reflecting WTO Agreements (and their principles) in domestic economic and industrial policies, (2) conducting WTO negotiations in line with domestic policies, (3) developing domestic laws consistent with WTO Agreements, and (4) ensuring their implementation, and also publicizing a series of these policies.

The objectives of assistance projects for realizing the above can be broadly categorized into the following two: (1) formulation of plans and presentation of recommendations for proper participation in the WTO system by a recipient country, and (2) assistance for the enhancement of a recipient country’s capacity to implement WTO Agreements. At any rate, to provide effective assistance, it is necessary to identify specific aspects of WTO Agreements where assistance is needed (individual

Agreements, a combination of Agreements, or the whole of WTO Agreements), and to provide cooperation separately for each individual Agreement. The “menu” of assistance activities from which project purposes can be chosen are summarized in Figure 3-2 below.

Figure 3-2 “Menu” of Project Purposes

	(1) Formulation of plans for proper participation in the WTO system	(2) Assistance for the enhancement of capacity to implement WTO Agreements	
“Dimensions” of tasks	Analysis of issues for the utilization of provisions of WTO Agreements (obligations/rights), planning and recommendation of measures	Activities for transfer of knowledge (administrative officers and industries)	Activities to strengthen the organizational setup
(1) Reflection of WTO Agreements (principles) in domestic economic, industrial policies	Recommendation on policy planning	Activities for the transfer of knowledge on policy planning	Assistance for strengthening the organizational setup for policy planning
(2) Negotiations of WTO implementation in line with domestic policies	Recommendation on the implementation of negotiations	Transfer of knowledge necessary for the implementation of negotiations	Assistance for strengthening the organizational setup for implementing WTO Agreements
(3) Development of WTO-consistent domestic laws	Analysis of issues with the domestic legal system and planning of response measures	Transfer of knowledge to assist the development of the domestic legal system	Assistance for strengthening the organizational setup necessary for the development of domestic laws
(4) Ensuring the implementation of domestic laws	Analysis of issues in the implementation of domestic laws and planning of response measures	Transfer of knowledge for the implementation of domestic laws	Assistance for strengthening the organizational setup for ensuring implementation of domestic laws
(5) Educational, publicizing activities	Recommendation on educational, publicizing activities	Implementation of educational, publicizing activities	Assistance for strengthening the organizational setup for the implementation of educational, publicizing activities


Agreements, areas to be addressed
<ul style="list-style-type: none"> • The whole of WTO Agreements or the free trading system as such • Cross-Agreement issues between two or more agreements (for example, the relationship between AD and DS, Investment (TRIM and GATS), etc.) • Individual Agreements (AD/SG/SCM, TBT, SPS, agriculture, GATS, TRIPS, DS, etc.) • Issues on which discussed currently in the WTO (trade and the environment, trade and investment, trade and competition policy, trade facilitation, etc.)

To consider and decide project goals and appropriate “dimensions” of projects constitutes the definition of project goals. Then, to consider results to be realized (areas of cooperation to be addressed, etc.) for the achievement of project goals constitutes the definition of output of the project. However, an element of activities for the transfer of knowledge (for example, the holding of a seminar on the importance of the WTO system) often results in effects encompassing two or more “dimensions” of tasks (because the series of tasks are mutually inseparable). In planning output of a project, it is necessary to accurately identify the needs and tasks of a recipient country and then to share the objectives with the counterpart taking into account what output should be pursued by giving priority to which tasks.

Example: Capacity building program on the implementation of WTO agreements in the APEC area for Thailand and Indonesia (See Chapter 4 for details)

- The following two were defined as the project goals. Counterpart and Japanese side agree to place emphasis of activities on (2) throughout the period of the project.
 - (1) Formulation of a plan for further WTO-related capacity building
 - (2) Transfer of technology, knowledge and Japanese experience to support the enhancement of the capacity to implement WTO Agreements
- Concrete measures for the above (2) include the holding of workshops for administrative officials and others, provision of information systems, and preparation of teaching materials.
- Individual agreements subject to the above (2) are GATS, AD/SG/SCM Agreements, TRIPS Agreement and TBT Agreement.
- “Dimensions” of tasks to be improved and strengthened by the project are stated as follows, though emphasis may vary for respective issues under WTO Agreements. (The focus of the project is to transfer necessary knowledge and technology to administrative officials of recipient countries.)
 - (1) Conducting WTO negotiations in line with domestic policies
 - (2) Development of domestic laws consistent with WTO Agreements, and
 - (3) Ensuring the implementation of domestic laws

Giving shape to output after defining a project’s achievement objective and outputs constitutes the “design of cooperation” activities. Consideration and definition of such matters involves consideration of specific WTO Agreements to be addressed and means to be adopted for technical assistance. The definition of the project’s output and the design of cooperation activities are closely related each other. Dialogue with counterparts at the stage of designing cooperation activity often brings about the adjusted and redefined project’s output. Collaboration with counterparts

should be emphasized, and this is the desirable format for cooperation.

(4) Modalities of Bilateral Cooperation and Multilateral Cooperation

In considering and defining an outline of a project, an important point is under what sort of framework the project is concerned to be carried out. At present, WTO/trade-related assistance is being provided by a variety of international organizations and bilateral donors. When Japan extends cooperation against this background, it is necessary to seek understanding of a recipient country for the position of the proposed project from the first stage of considering the outline, and also to design the proposed cooperation as a project that is consistent with Japan's policies and for which Japan can give full play to its strength.

In addition, it is necessary to collect information on assistance being provided or planned by other donors in order to avoid unnecessary overlapping, and make the proposed cooperation fully acceptable by a recipient country. (This point should be noted at the stage of designing a cooperation project as well.)

It is important not to send a wrong signal to a recipient country as well as to the third countries by addressing issues where no consensus has yet been obtained on their significance at the WTO (such as the income tax and labor issues), as part of the assistance for the implementation of WTO Agreements. Depending on circumstances, it may be possible to address issues in the context of other frameworks of cooperation, such as assistance for the domestic legal system. The important thing is to consider measures that are contributory to the enhancement of the capacity of the recipient country as a combination of the project.

3-1-2 Design of Cooperation Projects

(1) Overview of the Design of Cooperation Projects

After defining a project purpose and output, the cooperation project is specifically designed to the point where it is feasible for actual implementation.

When the project is large in scale or it addresses more than one WTO Agreement, “*components*” may be set up for each cluster of activities for separate consultations, design and implementation. Components are set up according to the nature of activities, WTO Agreements subject to cooperation, counterparts and other factors. Cross-component activities can be included on a case-by-case basis.

In designing the project, it is necessary to consider and define the following points on the basis of the identified needs and resources.

- Overall project plan

A plan of action in accordance with a timeline and confirmation of the project's overall picture (in considering the timing of workshops and other events, it is necessary to take into account the schedule of a recipient country, availability of indispensable resources as well as the schedules of the WTO and other international conferences and negotiations of the WTO)

- Content and form of individual components in accordance with an outline of the project

In general; concrete activities of each component

In holding workshops, determination of the content; lecturers and participants

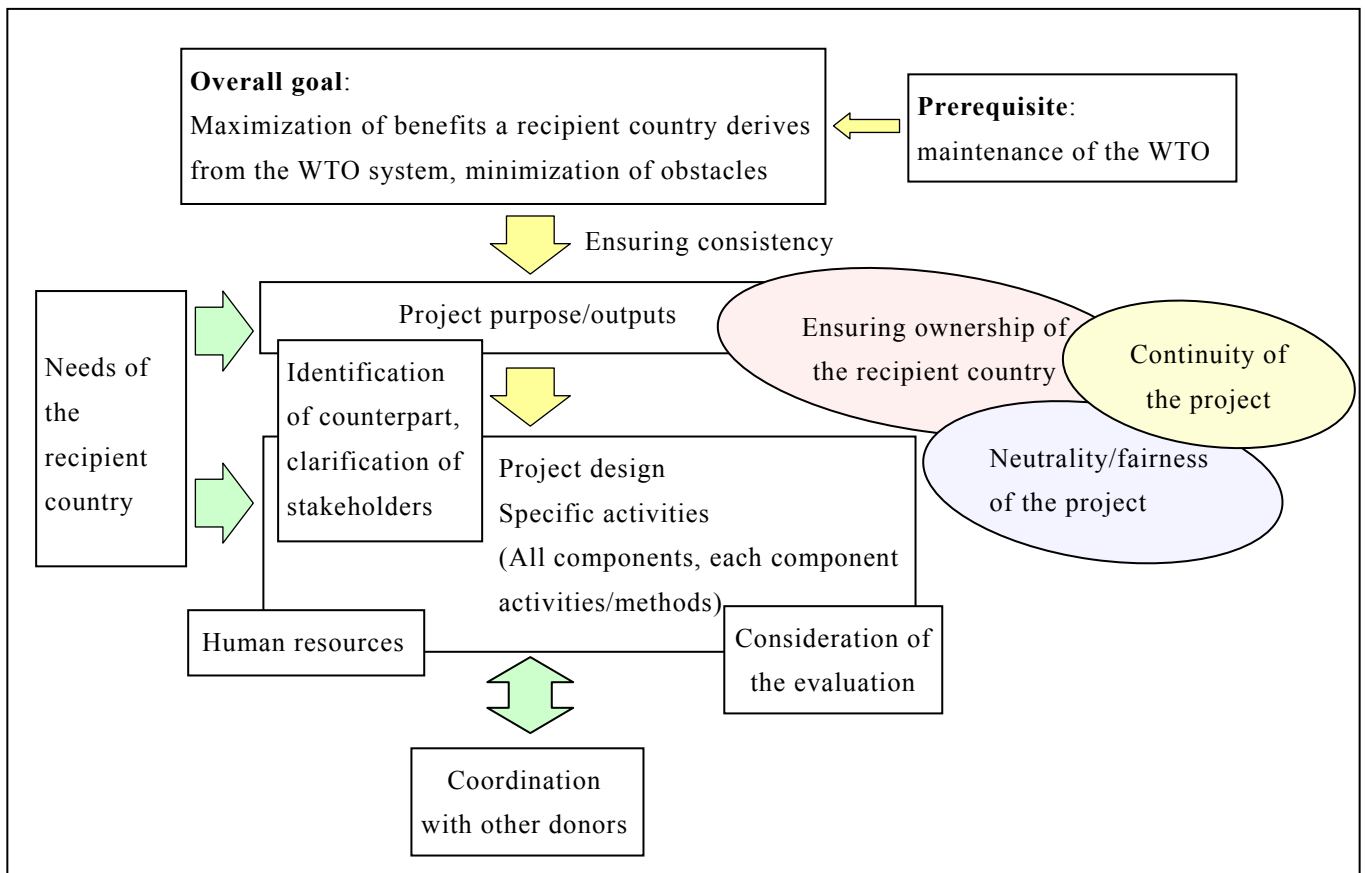
In the case of assistance for the development of the legal system; determination of areas of domestic laws to be addressed and human resources for the designed work

In preparation of teaching material; determination of reader content and form

In building an information system; methods of system design and system development

Matters that have to be taken into consideration in designing a project are summarized in Figure 3-3.

Figure 3-3 Matters to Be Considered in Project Design



Source: UFJ Institute Ltd.

The following is an example of cooperation activities.

Example: Capacity Building Program on the Implementation of WTO Agreements in the APEC area

- The project's goals are; (1) formulation of a plan for proper participation in the WTO system, and (2) transfer of knowledge to support the enhancement of the capacity to implement WTO Agreements. The portion (2) is undertaken in the first part of the project period, and then follows the portion (1), with the results of the portion (2) taken into account.
- The period for activities is about one and a half year. Activities of about five "components" (for each individual Agreement or assistance for the information sharing) are undertaken in parallel for the portion (2).
- The transfer of knowledge in the portion (2) consists of activities for the transfer of knowledge through seminars and workshops designed for administrative officials, preparation of teaching material, development of an information-sharing system, and research/study on assistance for the development of the legal system.

For example, following activities are included.

- Enhancement of the knowledge and understanding of administrative officials and other concerned parties in regard to WTO Agreements as a whole and the significance of trade liberalization under the WTO system
- Deepening the understanding of obligations under specific agreements (for example, the AD Agreement, GATS, TBT Agreement, TRIPS Agreement, etc.) among administrative officials and other parties concerned
- Development of the domestic legal system consistent with WTO Agreements
- Gathering and sorting out information concerning domestic laws to ascertain consistency with WTO Agreements
- Enhancement of the capacity of administrative officials to implement domestic laws
- Education of industries and the general public, for the implementation of domestic laws

The following figure shows the needs for assistance that form the background of a cooperation program in Indonesia under the above-mentioned WTO-related capacity building program in the APEC region. In Indonesia, of the needs identified under the “APEC Strategic Plan” (described in 1-2 in this report), it was decided to address the areas where the Indonesian Government gives weight, where no other donors were providing assistance, and where Japan has strength in terms of human resources and other factors.

Figure 3-4 Current Status of WTO-Related Capacity and Needs for Assistance in Indonesia

Item	Current Status	Needs for Assistance
① Strengthening the organizational setup for the implementation of WTO Agreements	<ul style="list-style-type: none"> • Lack of understanding about the significance of the free trading system among domestic government institutions, private industries, and the general public • Lack of coordination among domestic institutions concerned due to lack of effective management of WTO-related documents 	<ul style="list-style-type: none"> • Educational activities through seminars and other events • Management of documents via the establishment of an information sharing system • Strengthening of the contact organization through the above measures
② Proper implementation of AD/SCM/SG Agreements and DSU	<ul style="list-style-type: none"> • Lack of technical knowledge about AD/SCM/SG Agreements and DSU • Lack of understanding about WTO rules among parties concerned 	<ul style="list-style-type: none"> • Technical assistance via workshops and educational activities via seminars, etc. • Analysis of AD-related lawsuits by domestic experts
③ Proper implementation of GATS	<ul style="list-style-type: none"> • Lack of understanding about GATS among government institutions concerned • Lack of incentives for negotiations due to lack of understanding of related laws and regulations on the part of the contact organization 	<ul style="list-style-type: none"> • Transfer of technological knowledge through workshops • Proper understanding of services-related domestic laws and regulations by domestic experts
④ Proper implementation of TRIPS	<ul style="list-style-type: none"> • Existence of products that infringe on intellectual property rights due to lack of recognition about intellectual property rights • Lack of knowledge by organizations responsible for seizing products that infringe on intellectual property rights 	<ul style="list-style-type: none"> • Development of teaching materials designed for government institutions responsible for seizing products that infringe on intellectual property rights • Training of trainers utilizing developed material
⑤ Proper implementation of TBT	<ul style="list-style-type: none"> • Inadequate TBT notifications due to lack of knowledge about mandatory standards • Lack of technical knowledge to make domestic standards consistent with international standards 	<ul style="list-style-type: none"> • Transfer of technical knowledge via workshops • Proper understanding of mandatory standards and acquisition of know-how to make domestic standards consistent with international standards through domestic research institutions

(2) Clarification of Counterparts and Stakeholders

It is necessary to identify a counterpart for the whole cooperation program and counterparts for individual components. Attention should also be paid to communication systems among government ministries, their agencies concerned (for example, a contact organization to receive assistance), and the principal counterpart.

It is also necessary to identify a stakeholder for the whole of the cooperation program and stakeholders in individual components. Stakeholders include ministries, agencies and departments concerned for which workshops and other activities are designed and parties targeted for the enhancement of knowledge through seminars and teaching material (the government, private sector industries, academic community, NGOs, etc.). In designing the project, it is desirable to extend assistance that corresponds to the levels of awareness and understanding of free trading not only of counterparts but also of other stakeholders by first surveying these levels.

(3) Consideration and Determination of Targets and the Form of Assistance by Each Component

For each component, it is necessary to identify the most suitable target group to provide assistance as well as the form of assistance that corresponds to their needs. These can be generally summarized as follows (naturally, a case-by-case approach is adopted when necessary).

Figure 3-5 Needs, Type and Targets of Assistance

Needs	Type	Targets
Publicizing of significance of WTO Agreements as a whole and the free trading system	Seminars, workshops, preparation of teaching materials	Principal counterpart government institutions and other related government institutions, industries, citizens' groups, etc.
Enhancement of general understanding about individual Agreements	Same as the above	Same as the above
Strengthening of systemic responses to the WTO Detailed study on relationship between domestic laws and WTO Agreements Strengthening of responses to WTO negotiations Other technical issues	Consultations for small groups Examination of related information, provision of results of analysis	Principal counterpart government institutions and other related government institutions
Sorting out of WTO-related information	Assistance for building information systems	Principal counterpart government institutions
Research into specific areas of WTO Agreements and their impact on the domestic economy, and industries	Joint research	Government, scholars, etc.
Research into domestic laws and regulations related to specific areas of WTO Agreements	Gathering of information through research activities	Principal counterpart government institutions and other related government institutions

(4) Formulation of Assistance Activities and Ensuring Ownership of Recipient Countries

In putting a project into practice, it is essential to ensure close contacts with counterparts.

For example, when holding a seminar or a workshop, it is necessary to cooperate and coordinate beforehand in settling substantial matters such as the venue, date and time, agenda, lecturers, respective roles to be played, and logistics. In this sense, it is particularly important to ensure the “ownership” of a recipient country. It is necessary to secure positive participation (ownership) by a counterpart of the recipient country from the stages of outlining and designing a project that can be handled by a recipient country.

For example, concerning the organizational setup, it is necessary to secure high-level understanding and involvement of the counterpart as well as the actual participation of officials directly involved. Concerning human resources, a recipient country should be encouraged to make maximum use of resources in its government

and academic community in the activities of workshops or research. It is also useful to set aside the time for presentation by the counterpart in a recipient country in seminars and at workshops in order to share experiences with the counterpart. As for funding, in light of the budgetary situation of the recipient country, it is necessary to specify the amount the counterpart is expected to shoulder. Depending on circumstances, it may be necessary to discuss whether the counterpart can bear the cost, instead of covering it fully by an aid assistance budget.

[Point Requiring Attention]

- *Provision of information in a local language*

There are instances where training in English does not serve the purpose of obtaining the full effect of the transfer of knowledge. In such cases, it is desirable to provide information in a local language by making use of translation and interpretation. It should also be noted, however, that it is important to improve English abilities to effectively participate in WTO negotiations.

[Point Requiring Attention]

- *Utilization of local resources*

In order to provide assistance best suited to the actual conditions of a recipient country, input by local resources is desirable. In particular, inviting lecturers from the counterpart for seminars and workshops or for research project might be effective in enhancing the counterpart's capacity and fostering human resources.

(5) Selection of Human Resources (Teaching side)

In order to ensure the smooth and timely implementation of a cooperation project, it is important to secure proper human resources for lecturers from the stage of the project's design. Human resources (teaching side) can be categorized as outlined in Figure 3-6.

In making use of external resources, it is important to win their full understanding of a cooperation project and hold close consultations on their expected roles. As for Japanese Government officials and academic experts, it is useful to obtain their input and involvement by regularly holding consultations on project policies and specific activities (such as agenda, content, etc. for seminars and workshops). In some recipient countries, it is also useful to enlist local resources, including lawyers and consultants.

Figure 3-6 Utilization of Human Resources (Teaching side)

Human Resources (Teaching Side)	Participation in Projects	Points Requiring Attention and Reference
Senior government officials, officials in charge from Japan	Lecturers at seminars, workshops	Need to have sensitivity with respect to progress in WTO negotiations
Academic experts	Lecturers at seminars, workshops	
Industry leaders from Japan	Lecturers at seminars, workshops	Purpose is to share Japan's experiences
Researchers from Japan	Research on legal system development, other areas	
Government officials of a recipient country	MC, lecturers at seminars, workshops	
Academic experts of a recipient country	MC, lecturers at seminars, workshops	Refer to recommendations, evaluation by counterparts in a recipient country
Law offices, consultancies of a recipient country	Lecturers at seminars, workshops Research on legal system development, other areas	Refer to recommendations, evaluation by counterparts in a recipient country
Senior officials, officials in charge of the WTO Secretariat, former WTO officials	Lecturers at seminars, workshops	
Secretariat officials from other international organizations, former officials	Lecturers at seminars, workshops	
Law offices from a third country	Lecturers at seminars, workshops	Full consultations with parties concerned after identifying qualifications needed and the content of requests
Academic experts from a third country	Lecturers at seminars, workshops	Full consultations with parties concerned after identifying qualifications needed and the content of requests

(6) Securing Continuity

A project should be designed with a view to allowing the recipient country to continue activities of its own after the project's completion. For example, it is useful to consider the following elements to be included in project activities.

- Training of trainers
- Preparation of training material and methods of utilization (advisability of utilization of local resources of a recipient country and participation by counterparts)
- Preparation of a flow chart to check whether domestic regulations are consistent

with WTO Agreements

- Building a system for the purpose of categorization and sharing of information
- Management of workshops and seminars (handling of post-event questions and inquiries, identification of new tasks)
- Recommendation on post-project activities

(7) Methods of Cooperation (Transfer of Technology and Knowledge)

It is necessary to consider in what form cooperation should be extended depending on the contents of cooperation (the contents of technology, knowledge to be transferred and objectives to be achieved). While lecture meetings and seminars for a relatively large audience are effective for the transfer of general knowledge (i.e. educational activities), it is more effective to adopt the workshop format for small groups and the format of participatory simulation in the transfer of more sophisticated technical knowledge and skills. As the content of cooperation becomes more specific, cooperation accordingly needs to more precisely reflect and respond to the actual conditions of recipient countries and to the level and interest of people targeted for the transfer of knowledge. To secure continuity in a project, it is effective to offer cooperation aimed at the secondary transfer of knowledge, such as the training of trainers, and development of teaching materials.

(8) Ensuring Neutrality and Fairness

The content of assistance must be neutral and fair. The following points should be carefully considered in project activities.

- Top priority should be given to the needs of the recipient country in fixing the content of cooperation. In bilateral context, Japan needs to make clear its stated position on the basis of above-mentioned understandings (see Chapter One) and past experiences. At the same time, it may be useful to present possible alternative plans, making necessary adjustments through consultations. If there is a circumstance precluding Japan from providing assistance sought by recipient countries that needs to be explained to secure proper understanding.
- Confidentiality should be fully respected.
- When necessary, it is advisable to make use of former officials and parties concerned of the WTO and other international institutions.

(9) Donor Coordination

At present, many international institutions and donors of individual countries are providing WTO/trade-related assistance. As previously underscored, donor

coordination is necessary in considering and defining the outline of a project. Donor coordination is also important in the design of a project.

In order to make cooperation fully acceptable to the recipient country, it is necessary to have an exchange of views and consultations with counterparts and the contact organization of the recipient country's government and to gather information on the status of assistance being provided by other donors and their future plans to avoid unnecessary overlapping. If similar plans are under consideration by other donors, it is necessary to coordinate the content and timing of cooperation.

3-1-3 Evaluation of Cooperation Projects

(1) Importance of Evaluation and Related Difficulties

Evaluation of cooperation projects is essential for both effective management of projects and accountability for the people of donor nations as they are usually financed by the Official Development Assistance (ODA). However, evaluating cooperation projects is not an easy task because their effects can be felt only for the medium- and long-term particularly in the capacity-building cooperation area. While emphasizing its significance and obtaining the involvement of counterparts, it is necessary to give full consideration to the method of evaluation.

Example: Basic Policy in the WTO Capacity Building Program on the Implementation of WTO Agreements in the APEC Countries

- Consult with recipient countries over the importance of evaluation and its methodologies (form, timing, etc.)
- For workshops and seminars, make an evaluation concerning the enhancement of knowledge using a questionnaire formula

Plan the method of evaluation for the project as a whole and for each component, while considering the use of the Project Cycle Management (PCM) method⁵.

(2) Definition of Preliminary Evaluation Indicators

⁵ PCM method is a methodology designed for proper management of the project cycle from planning and implementation to evaluation. Using the Project Design Matrix (PDM) to analyze the logical relationship among inputs, activities, project purpose, indicators, important assumptions and other factors of a project, the PCM method ascertains and evaluates the effectiveness, efficiency and impacts of the project at each of the project design, implementation and post-project evaluation.

In capacity-building assistance centering on the transfer of knowledge, quantitative evaluation is often inadequate. Quantitative evaluation of the degree of achievement at the end of a project is particularly difficult. Keeping this in mind, the following major indicators for the project in total may be employed. Indicators for evaluating projects directed to each WTO Agreement are listed in “3-2 Methods of Assistance for Each Area.”

[Possible indicators for evaluation against the overall goal]

- Trends in volume of trade
 - An increase in the value of trade from the time of the start of assistance
 - An increase in the number of trade items from the time of the start of assistance
- Increased presence at WTO consultations
 - An increase in the number of statements (number of proposals) at the WTO by the governments of recipient countries
- Incorporation of the concept of the free trading system in domestic policies
 - Enhanced degree of understanding about the free trading system among government and private personnel concerned
 - Enhancement of policy analysis and policy planning capacity of administrative officials
 - A decrease in the number of issues raised in the WTO’s trade policy review (TPR)
- Accession to the WTO (for non-member countries)
 - Accession realized after the establishment of the legal system required for joining the WTO
 - An increase in the number of domestic human resources well versed in WTO Agreements

[Possible indicators of evaluation against project purposes]

- Better understanding of the content of WTO Agreements by administrative officials and other parties concerned
 - The level of knowledge among concerned parties enhanced, compared with prior to the project (to be ascertained by comparison of the survey results of questionnaires and interviews conducted before and after the assistance)
- Progress in introduction of WTO-consistent laws
 - Enactment and revisions of laws for the sake of consistency with WTO Agreements started after the implementation of assistance
- Promotion of access to WTO-related information
 - An increase in the number and categories of people accessing WTO-related information
 - An increase in places offering access to WTO-related information

Example: Project Design Matrix of the WTO Capacity Building Program on the Implementation of WTO Agreements in Malaysia

Project design matrix: Malaysia (draft) Project name: WTO-Related Capacity Building Cooperation Program in the APEC Region (Malaysia) Period: March 2002 through June 2003

Project Summary	Objectively Verifiable Indicators	Means of Verification	Important Assumption
<p>Overall Goal: Enhancement of understanding of WTO Agreements necessary to implement its obligations and utilize its rights under WTO Agreements in order to enjoy the merits of the multilateral trading system as a WTO member country; ensuring implementation of WTO Agreements at home; enhancement of negotiating capacity externally</p>	<ul style="list-style-type: none"> A decrease in problems of trade in Malaysia expected to be raised at the next TPR A decrease in problems in trade in Malaysia expected to be raised by foreign governments, industries by 2006 A decrease in number of losing cases in trade dispute against Malaysia; an increase in winning cases filed by Malaysia against other countries by 2006 An increase in proposals submitted by the Malaysian government by 2006 from the time of the start of projects 	<ul style="list-style-type: none"> TPR reports U.S. National Trade Estimate Reports on Foreign Trade Barriers, European Commission data on foreign trade barriers, Reports on the WTO Consistency of Trade Policies by Major Trading Partners of Japanese Government, etc. Comments from industries of other countries Data on WTO trade disputes Minutes of WTO meetings, documents submitted, etc. 	<ul style="list-style-type: none"> Medium- and long-term stability of the Asian economies
<p>Project Purpose: Enhancement of government officials' understanding of WTO Agreements, their capacity to implement the Agreements, and their negotiating capacity by transfer of knowledge under this program (agriculture/SPS, DSU, TRIPS, TBT)</p>	<ul style="list-style-type: none"> An increase in people well versed in the content of WTO Agreements by 2004 from the number at the project's launch 	<ul style="list-style-type: none"> Questionnaires Interviews 	<ul style="list-style-type: none"> No change in Malaysia's policy toward the WTO or in multilateral trade policy
<p>Outputs: ① Enhancement of understanding and knowledge of the Ministry of Agriculture and the Ministry of Health responsible for the Agriculture Agreement/SPS as well as other relevant organizations ② Promotion of understanding of administrative officials responsible for DS, centering on the Attorney General's Chambers ③ Enhancement of understanding of the TRIPS Agreement and implementation capacity for intellectual property rights administration of administrative officials at the Ministry of Domestic Trade and Consumer Affairs and relevant organizations ④ Promotion of understanding of the TBT Agreement by administrative officials at the Standards Bureau and Standards and Industrial Research Institute of Malaysia (SIRIM)</p>	<p>① An increase in number of government officials and parties concerned in the private sector who understand the outline of the Agriculture Agreement and major points at issue (positions of major countries, prospects for agricultural negotiations, etc.) and the outline of the SPS Agreement (harmonization, plant and animal quarantine, risk evaluation, etc.)</p> <p>② An increase in number of administrative officials well versed in dispute settlement procedures (procedures for filing complaints, methods to write submissions, responses to oral hearings, etc.) and of past major cases.</p> <p>③ An increase in government officials who understand the outline of the TRIPS Agreement. Transfer of know-how to prepare teaching material on intellectual property rights to officials at the Ministry of Domestic Trade and Consumer Affairs</p> <p>④ An increase in the participation in international standardization activities by administrative officials involved in the TBT Agreement</p>	<ul style="list-style-type: none"> Questionnaires Interviews 	<ul style="list-style-type: none"> Implementation of continuous transfer of knowledge to administrative and industry officials No sharp drop in officials responsible for WTO affairs at related organizations
<p>Activities: ① Transfer of knowledge by holding seminars ② Transfer of knowledge by holding workshops ③ Transfer of knowledge by holding seminars and lecture meetings using curriculum and teaching material ④ Transfer of knowledge by holding seminars/workshops</p>	<p>Input Japan: Overseas: <i>Human resources</i> <i>Human resources</i> Consultant Outside experts Government officials Outside experts Project coordinators</p> <p><i>Project management cost</i> necessary expenses</p>	<p>Recipient Country: <i>Human resources</i> Counterparts</p>	<ul style="list-style-type: none"> Continuous involvement in WTO-related projects by government officials who received the transfer of knowledge <p>Prerequisite Officials of ministries and agencies involved in the implementation of WTO Agreements do not oppose this project.</p>

(Note) This draft PDM is subject to change pending future consultations with the Malaysian government.

(3) Consideration of Evaluation Items and Methods

Indicators of evaluation may not be expected to function sufficiently, because the impacts of assistance can only be measured over the medium- and long-term and also because the causal relationship cannot always be identified. Items and methods of evaluation that can be employed during the project and short-term immediately after the completion of project can be categorized in the following two ways.

- ① Questionnaire and interview surveys for participants of knowledge transfer activities (seminars, workshops, etc.)
- ② Number of access to the information-sharing system and the situation of improved information

Further, it is possible to recommend counterpart agencies make their own post-evaluation in light of the project purposes affirmed at the early stage of projects.

Items in a post-workshop questionnaire (example)

- Name/organization/responsibility/length of service
- Past attendance at similar workshops
- Whether the workshop lived up to participants' expectations
- Whether the workshop was useful for participants' future work
- Requests concerning future workshops

(4) Monitoring and Follow-Up (including Utilization of Evaluation Results)

In preparing recommendations at the final stage of the project, it is necessary to clarify the project's results and future tasks through consultations with the principal counterpart in the whole project and counterparts in individual components. Specific response measures to future issues should be incorporated in the recommendations as much as possible.

In addition to the questionnaire explained in (3) above, it is necessary to solicit comments from human resources at home and overseas who took part in the project about the results and future tasks and issues. On that basis, the project as a whole and its components must be evaluated. Those reviews should be made known to counterparts and should also be reflected in the management of projects and future assistance plans.

[Points Requiring Attention]

• *Utilization of evaluation results*

It is desirable to conduct preliminary/mid-term/post evaluations to compare the achievements against the planned objectives. It has to be taken into account that the definition of objectives in numerical terms in this particular area of cooperation involves certain difficulty.

3-2 Methods of Assistance in Each Issue Area

3-2-1 Education on the Significance of Trade/Investment Liberalization

(1) Issues for Developing Countries

Developing countries tend to take a backward-looking posture in liberalization talks at the WTO. This can be explained partly by the difficulty they face in harmonizing domestic economic and industrial policies with the WTO system and public backlash against the negative impacts of liberalization. Under such circumstances, it is necessary to correctly understand the significance of the free trading system centering on the WTO for not only administrative departments responsible for WTO affairs but also the government as a whole. In addition, publicizing this understanding to the general public is also important.

(2) Methods of Assistance

It is particularly effective to hold educational seminars at the time of the launch of a program. It is feasible to hold a similar seminar upon completion of the program to widely publicize the achievements of the program as a whole to parties concerned.

The following is the program for a seminar held in Indonesia in March 2002.

Example: A Kickoff Seminar in Indonesia (March 2002)

Theme: WTO Agreements and Japan's experiences

Date: March 23, 2002

No. of participants: 180

MC: Indonesian academic expert

Opening

Session 1

Keynote speech: Importance of the multilateral trading system - the past, present, and future of the WTO (Japanese academic expert)

Importance of the WTO system for Indonesia (Indonesian academic expert)

Session 2

New comprehensive negotiations and their potential impact on Indonesia (Japanese academic expert)

Importance of WTO-related capacity building (Technical Assistance Consultant Team)

Question and answer session

Closing

It may also be effective to conduct joint research with the recipient developing countries on the analysis of quantitative economic effects of trade liberalization and the modalities of legal systems that need to be developed for trade liberalization. In such cases, it is important to make effective use of local human resources well versed in local economic and legal conditions as well as experts from Japan.

(3) Points to Note in Project Evaluation

In this particular area of WTO-related capacity building, achievements are measured by an increase in human resources with knowledge about the significance of the WTO system and effects of trade liberalization through seminars and other activities, and the further transfer and spread of that knowledge from those resources.

When researches are conducted on the economic effects of trade liberalization and the necessity to develop adequate legal systems, it is of importance to publicize the survey results to related organizations and the general public. It is often difficult to achieve trade liberalization itself only with technical assistance. Therefore, an important indicator of post-evaluation is how extensively the significance of trade liberalization and the information on measures to promote liberalization have been shared.

3-2-2 Rules Concerning Anti-dumping, Countervailing Duties and Safeguards, etc.

(1) Issues for Developing Countries

Since the establishment of the WTO, AD, SCM and SG measures that have been

implemented have increased greatly in number.⁶ In addition to the four main countries and regions – USA, the EU, Australia and Canada – that are famous for resorting to such measures, developing countries such as India, Mexico, South Africa, Brazil and Argentina have also started to make use of such measures. Furthermore, countries like China, the Republic of Korea (ROK), Chinese Taipei, Indonesia, Thailand and India have become subject to such measures, now competing with the USA and Japan. The number of such measures being implemented among developing countries is also increasing.

In a sense, the increase in the number of such measures being imposed by developing countries is thought to be due to the development of the domestic legal system in these countries following the entry into force of the Agreement. However, on the other hand, there are also cases in which measures have been imposed without satisfying technical and procedural requirements. In addition, there are many cases where, due to a lack of knowledge and human capacity concerning the Agreement in relation to the frequency of AD measures from other countries, appropriate handling cannot be implemented. Accordingly, the improvement of knowledge concerning the Agreement and organizational ability is now required in developing countries. Furthermore, points of issue remain as before with the Agreement, including incomplete procedures and application, and the lack of discipline has also been pointed out. It is also necessary to pay attention to the status of progress of international efforts towards strengthening the discipline of each agreement and improving them still further.

(2) Methods of Assistance

① Understanding Assistance Needs

The assistance needs of developing countries in each sector are different according to the experiences of the department responsible for each Agreement, and in many cases transfer of knowledge and know-how is required. Issues relating to Agreements as a whole include interpretation of the Agreement, relationship between competition laws and other domestic laws, and specific individual technical issues include method of calculation of dumping margins, etc. It is necessary to adequately understand such situations.

② Assistance Projects and Resources

An example will be given here of a workshop program aimed at officials involved in such measures in the Government of Thailand. As stated above, a program was organized to incorporate general issues and specific individual technical issues.

⁶ In particular, as of the end of June 2000, the number of AD measures in action was 1,121, a 40% increase from the 813 cases 1995.

The setting for the program relied greatly on the availability of human resources. Japan does not have a great deal of experiences in imposing AD, SCM or SG measures, but is experienced as being the target of AD measures. To this end, concerning operational aspects when responding to AD measures imposed against Japan by other countries, there are considerable human resources with rich knowledge and know-how in the Ministry of Economy, Trade and Industry, and in industry in Japan. These resources are very important from the viewpoint of introducing the experiences of the Japanese Government in related areas and measures towards the strengthening of discipline and the compilation of rules and sharing experiences. In order to respond to other points, it will be necessary to call upon the assistance of the WTO Secretariat and the rich practical experience of law firms in Europe and America. In addition, law firms in developing countries themselves, which have detailed knowledge of the local situation, can supplement the knowledgeable human resources and it is worth considering them as possible candidates for the task.

Example: AD/SCM Workshop Program in Thailand (February 2002)

Date: February 18 ~ 20, 2002

Number of participants: 42

First day (February 18, 2002)

Opening Remarks

Session one "Notable issues on AD/SCM measures"

"Elements of dispute settlement at the WTO" (Japanese academic experts)

"Anti-Dumping issues to be addressed" (Ministry of Economy, Trade and Industry of Japan)

"Agenda for the AD negotiation and Japan's attitude" (Ministry of Economy, Trade and Industry of Japan)

Q&A/Free discussion

Session two "Practices of AD action (1)" (Attorneys from law firms in Europe)

"Procedure of investigation/Calculation of dumping margins"

Q&A

"Injury/Causality"

Q&A

Second day (February 19, 2002)

Session three "Defensive Action Against AD Measures and Practice of DS (1)"

"Japan's Challenge Against the US's AD Measures on Hot-Rolled Steel Products" (Ministry of Economy, Trade and Industry of Japan)

"List and Highlights of the Disputes on the Antidumping Agreement" (Japanese academic experts)

Q&A/Free discussion

Session four "Defensive Action Against AD Measures and Practices of DS (2)"

"Thai Experience of AD Investigations" (Ministry of Commerce, Thailand)

Q&A/Free Exchange

“Rules and Procedures of Dispute Settlement Under DSU” (Ministry of Economy, Trade and Industry of Japan; Japanese experts)
 Q&A/Free discussion

Third day (February 20, 2002)

Session five “Practices of SCM Action (1)” (Attorneys from law firms in Europe)
 “Interpretation of every type of subsidies/ calculation of subsidy amount”
 Q&A
 “Evaluation of Different Subsidies/Calculation of a Subsidy/Imposition of Duties and Undertakings”

Session six “Practices of SCM Action (2)” (Attorneys from law firms in Europe)
 Case study (AD)
 Q&A/Free discussion
 Case study (SCM)
 Q&A/Free discussion
 Concluding Remarks

(3) Points to Note in Project Evaluation

One of the prior evaluation indicators used to evaluate the agreement implementation ability in each area is that based on the number of measures that a country imposed or received based on each of the AD, SCM and SG Agreements. The number of experiences of the measures does not always reflect a high ability to implement the Agreements, but rather that knowledge and know-how from experiences are not replaceable by other things. In addition, defining points should be enhanced or improved with knowledge and know-how on the organizational and individual level, which could be another methodology for prior evaluation.

On the other hand, it goes without saying that it is not appropriate to make ex-post evaluations focusing on the number of experiences. The most effective ex-post evaluations to program participants concern their degree of satisfaction compared with their initial expectations, the degree of new knowledge acquired and the effectiveness of the operation. It would also be effective to form a cycle of planning and implementation for new skill development programs, based on these results.

3-2-3 TBT Agreement

(1) Issues for Developing Countries

In accordance with the TBT Agreement, member countries are obliged to make their own domestic technical standards and conformity assessment procedures conform to international standards, and in case of non-conformity, to notify them to the TBT Committee and consult, where necessary, with countries concerned.

Firstly, with regard to the securing of compliance with international standards, in

many developing countries on both the government and private sector levels, a challenge is that there are insufficient human resources to formulate technical regulations and the conformity assessment system, and also that the technical levels of the personnel in charge of implementation is inadequate. In addition, there are few incentives to participate in various international standardizing activities with inadequate financial support.

Concerning notification to the TBT Committee, in the case of many developing countries, consideration of whether their technical standards and conformity assessment procedures are TBT-compliant has only been undertaken in response to indication of problems by other countries, with little incentive to launch their own institutional adjustments. This is also due to inadequate coordination among diverse domestic technical institutions in charge of formulating/implementing technical regulations and conformity assessment. In a situation in which many ministries and agencies hold jurisdiction over technical regulations and conformity assessment procedures, this is another cause of a lack of joint coordination among related organizations.

(2) Assistance Methods

① Identifying Assistance Needs

In developing countries with a relatively low level of economic development, needs are high for assistance to create domestic infrastructure, including promotion of understanding concerning the necessary procedures and obligations related to the TBT Agreement.

On the other hand, in developing countries with relatively high level of economic development, given that the coordination among related domestic agencies is relatively advanced, as a next step, needs are high for assistance that addresses the way to participate in the work to develop international standards. In response to such needs, transfer of knowledge of experiences from developed countries, including Japan, gained from participation in international standardizing activities provides important assistance.

In addition, regardless of the degree of economic development, what is important is the transfer of methodologies in order to secure international conformity of domestic technical regulations and conformity assessment procedures. Currently in Japan, preparations are being advanced for JIS standards to be conformed to ISO/IEC standards, etc. However, developing countries are facing great difficulties in understanding the obligations required by the TBT Agreement, technical understanding of the guides of the international standardizing bodies, and the accumulation of know-how regarding compliance of domestic standards with international standards. These difficulties are found at the stage of understanding the content of current

international standardization, and using as a reference the guides of international standardizing bodies when formulating domestic policies.

Figure 3-7 Assistance Methods in Regard to the TBT Agreement

State of recipient country	Contents of assistance
Starting stage to adjust the domestic legal system and organization immediately after accession to the WTO	<ul style="list-style-type: none"> • Introduction of framework in relevant areas in Japan - Legal system - Organization/communication system/coordination of relevant institutions
Adjustment of domestic legal system and organization is completed, but the obligation under the Agreement are not fully implemented	<ul style="list-style-type: none"> • Alignment of domestic technical regulations and conformity assessment procedures with international standards in selected areas • Promotion of understanding of the TBT Agreement in relevant domestic institutions
Obligation under the Agreement are implemented to a certain degree	<ul style="list-style-type: none"> • Assistance for the promotion of participation in international standardizing activities • Introduction of recent issues such as good regulatory practices, etc.

② Assistance Projects and Resources

As examples of assistance to developing countries with differing degrees of economic development, the outline of the assistance issues that have been implemented in Thailand and Indonesia will be shown below.

Firstly, in Indonesia, high priority was placed on understanding domestic technical regulations, and the securing of their conformity with the TBT Agreement. In the case of Indonesia, in addition to the Badan Standardisasi Nasional (National Standardization Agency) (BSN), which has jurisdiction over the Standar Nasional Indonesia (domestic standards) (SNI), there are approximately 20 technical institutions that implement individual technical regulations, and the BSN, which is the national enquiry point of the TBT Agreement, is required to adequately gain an understanding of the current situation surrounding technical regulations in Indonesia as a whole and work to secure their conformity with international standards.

During the period of the implementation of the assistance program, a total of three workshops will be convened, and in tandem, local resources (Management Institute affiliated to the Faculty of Economics at the University of Indonesia) has set about identifying the domestic technical regulations and compiling a database in a format that would be appropriate for the TBT notifications. In addition, it is planned that case studies will be implemented concerning a number of technical regulations in order to secure conformity with international standards.

On the other hand, in the case of Thailand, high priority was placed on assistance to

promote the participation in international standardizing activities. In this regard, the experience of Japan and an understanding of how domestic standardization policies would be related to the work on the international standardization were strongly requested, and the following workshop was implemented for this purpose.

Example: Workshop Program in Thailand (February 2002)

Date: February 12~13, 2002

Number of participants: 60

Moderator: Mr. Supachai Tetapanapong, Director for International Relations of the Thai Industrial Standards Institute (TISI)

First day: International Environment around the TBT Agreement

Opening of the Workshop

Session one

Japanese Standardization Policy (Ministry of Economy, Trade and Industry, Government of Japan)

Session two

Current Topics in ISO (Representatives of Japan's private sector with practical experience/ Representatives of international institutions with practical experience)

Current Topics in IEC ((Representatives of Japan's private sector with practical experience/ Representatives of international institutions with practical experience)

Second day: Sharing Experience in regard to the TBT Agreement

Session three

Current Topics in the TBT Committee (Ministry of Economy, Trade and Industry, Government of Japan)

Standardization and Implementation of the TBT Agreement in Thailand (Representatives of the Government of Thailand)

Session four

MRA - Japanese Experience of Negotiation and Implementation (representatives of the Government of Japan)

Panel discussion (Cooperation between Thailand and Japan in the International Standardization)

Conclusion of the workshop

There are many resources for the implementation of the assistance program, including: government institutions such as the Ministry of Economy, Trade and Industry of Japan (Standards and Conformance Unit, especially the International Team) and the Japan External Trade Organization (JETRO) (as a source of a national

enquiry point of the TBT Agreement), the Japanese Standards Association (JSA), which has experiences in providing various training programs concerning standards, former executives of international standardizing bodies from the private sectors, and also those who have had experience of participating individually in technical committees or sub-committees (with experience as the chair of such committees). In cases where a review of domestic-related legislation is required, given language barriers, the use of domestic resources in recipient countries is very important. In such situations it is necessary for counterparts agencies in the recipient countries concerned to introduce an appropriate external resource.

(3) Points to Note in Project Evaluation

Regarding the issues directly related to the TBT Agreement, an index can be compiled that shows the degree to which the ratio has improved, which is notified with a 60-day comment period prior to the enactment of legislation. In addition, of the domestic technical regulations and conformity assessment procedures, the ratio of those in conformity with international standards can also be a useful indicator.

On the other hand, in developing countries, another important indicator is the number of persons who have fully understood the mechanisms of the TBT notifications and who understand the methodology for conforming domestic technical regulations and conformity assessment procedures to international standards. How they increased by the implementation of the various assistance projects is a useful indicator.

In addition, at seminars and workshops, it is useful to conduct a survey by distributing questionnaires to participants to know how much improvement they perceive about their knowledge after the seminars or workshops.

3-2-4 TRIPS Agreement

(1) Issues for Developing Countries

Based on the TRIPS Agreement, in addition to expanding the scope of protection of intellectual property rights, each country is to clarify its minimum standards of protection and is now obliged to provide national treatment and most-favored nation treatment to other countries. Furthermore, it is now obligatory for enforcement procedures to be put in place for domestic intellectual property rights administration.

Currently many developing countries have developed a TRIPS-compliant legal system, but when looking at actual implementation, many cases of infringements of intellectual property rights such as piracy and counterfeiting are becoming apparent in

the market. As a means to enforce intellectual property rights regulations in accordance with the stipulations of the TRIPS Agreement, they are not effective enough yet although administrative measures, civil and judicial procedures, as well as border control measures have been introduced. It is said that approximately 5% to 7% of the total of global trade is lost to counterfeit products.⁷

Currently, the great majority of intellectual property rights are found in developed countries. Accordingly, in the short-term, protection of intellectual property rights will translate into increases in costs for developing countries through increased import of intellectual property. For this reason, it cannot be easily expected that the people in developing countries will understand the significance of intellectual property and make conscious efforts to reform and promote their protection. However, in the long-term it brings great benefits to developing countries, and it is therefore important to raise awareness of a variety of actors (government officials, implementing agencies involved in on-the-ground measures such as customs, police, courts, the private sector, and general public as a whole), and in this way to secure a greater understanding and conformity with the TRIPS Agreement.

(2) Assistance Methods

① Understanding Assistance Needs

Generally in developing countries, the strategy for intellectual property rights is not taken seriously as a part of industrial policy. For this reason, many ministries and agencies do not often share the same objectives concerning the expansion of protection. In addition, the issues of counterfeit trademarks, designs, and copyrights present a more significant immediate challenge, and in some cases, patents and trade secrets are hardly seen as targets for stricter enforcement. Based on the past experiences of Japan, it will be necessary to select certain areas for assistance from the long-term perspective.

② Assistance Projects and Resources

An example in this case is a program for the Government of Thailand to compile teaching materials. To improve awareness of intellectual property rights, the Government of Thailand recognizes the importance of human resource development and has offered domestic training programs on a regular basis. In order to create more standardized human resource development process and training materials that can be continuously utilized domestically, it was decided to develop such teaching materials and to implement training for trainers (participatory training, including the implementation of mock classes for trainers), based on the actual situation in Thailand.

⁷ Source: Office of the Japan Chamber of Commerce and Industry

Figure 3-8 Assistance Methods in Regard to the TRIPS Agreement

State of recipient country	Contents of Assistance
<ul style="list-style-type: none"> • Non-WTO members • WTO member developing countries and least developed countries that are in process of adjusting their domestic legal systems 	<ul style="list-style-type: none"> • Assistance for promoting understanding of the TRIPS Agreement targeted at relevant government officials • Assistance for legal system adjustment targeted at domestic legal system to make it consistent with the TRIPS Agreement
<ul style="list-style-type: none"> • WTO member countries which have domestic legal systems compliant with the TRIPS Agreement, but have not fully implemented all the commitments 	<ul style="list-style-type: none"> • Promotion of understanding in regard to the TRIPS Agreement and intellectual property rights targeted at a wide range of domestic relevant parties (relevant government officials, law courts, customs, police, private sector, etc.) • Strengthening of coordination among relevant domestic agencies concerned • Assistance for automation of patent information targeted at enhancing patent examination capacity • Assistance for computerization targeted at improving access to information about intellectual property rights • Assistance for enhancing patent examination capacity through measures such as dispatch of examiners and supplying of examination results.

The specific content of assistance varies greatly depending on the circumstances in the recipient country. Considerations should be given to the aim to choose appropriate themes selectively and secure sustainability when planning a project. When assistance is provided, it is vital to ensure that the program content is applicable to the local legal system and actual business practices. It is also essential to utilize the talents of human resources from Japan and the recipient country, including the Japanese Patent Office, the Japan Institute of Invention and Innovation and the private sector (patent attorneys and patent experts in private companies), experts in the recipient countries (counterpart organizations, lawyers, patent attorneys, private sector persons).

Example: Development of Teaching Materials in Thailand

Responding to the needs of the Government of Thailand, two-page spread teaching materials in English and Thai language on the following seven subjects were developed.

1. Patent application procedures
2. Patent practices for individual inventors and small and medium-sized enterprises
3. Trademarks practice
4. IPR management in the private sector
5. IPR enforcement at the border control
6. IPR management and utilization of information in educational organizations
7. Basics on the Trade Secret Act

Contents of teaching materials titled “IPR enforcement at the border control”, no.5

1. The TRIPS Agreement and Counterfeiting and Piracy Goods Problem
 - 1.1 Progressive perspective for the TRIPS Agreement
 - 1.2 Serious problems of counterfeiting and piracy goods
2. Customs Procedures under the TRIPS Agreement
 - 2.1 Role expected of customs under the TRIPS Agreement
 - 2.2 Brief outline of the 10 border control-related articles of the TRIPS Agreement
 - 2.3 Customs procedures for IPR protection in Thailand and Japan
 - 2.3.1 Customs procedures for IPR protection at the point of entry and exit in Thailand
 - 2.3.2 The border control of intellectual property rights in Japan
 - 2.3.3 Overviews and characteristics of customs procedures in Thailand, Japan the United States, France and Germany
3. Importance of public awareness and education

Example: Trainers’ Training in Thailand (October 2002)

Date: October 3, 4, 8, 9, 21, 22, and 24

Seven whole-day training courses

One full day training per each of the above described seven teaching materials

Participants: approximately 20 to 40 representatives from DIP (Department of Intellectual Property), relevant governmental institutions such as court, customs, and police, private sector and universities.

Agenda (a.m.)

Model lectures by Japanese and Thai instructors

- Lectures in regard to the contents of each teaching material
- Procedure of the training program and teaching methods
- Methods for the utilization of teaching materials

Agenda (p.m.)

Practical exercise by participants in the training program

- Implementation of mock lectures by participants in the training program
- Group and class discussions
- Group work
- Case studies
- Questions and answers

(3) Points to Note in Project Evaluation

As indicators to measure the ability to implement the Agreement, the following are used: the number of patents, trademarks and copyrights registered domestically and the time needed to process them; the number of license contracts; the number of cases of counterfeit goods stopped (at national borders and in the courts); and the frequency of training implemented domestically and the trends in the number of participants.

Ex-post evaluations can be carried out using the above-mentioned indicators, as well as a continuous utilization of assistance processes, such as revision of teaching

materials responding to changes of situations and continuous utilization of materials by domestic resources.

3-2-5 GATS

(1) Issues for Developing Countries

Developing countries tend to perceive that the structure of the GATS Agreement is complex and the rights and obligations contained therein are difficult to comprehend. Moreover, the large scope of the agreement is aggravating the difficulties in its implementation. In the implementation of GATS obligations and in application of progressive liberalization negotiations, it is necessary for broad service-related domestic ministries and agencies to possess sufficient knowledge about GATS, and to ensure that an appropriate implementation system is in place, including a system of communication among ministries and agencies. Currently, however, it appears that developing countries do not have sufficient knowledge or an implementation structure.

The sharing of information among domestic ministries and agencies concerning a general understanding of GATS is the issue that should be addressed and achieved in the fastest time possible and all other issues should be addressed thereafter, including the following issues.

- a) How should the liberalization of trade in services under GATS be positioned and applied in domestic industrial policy towards sustainable economic development?
- b) What regulatory policies should be used in individual service sectors while balancing between domestic industrial policies and liberalization?
- c) How can these be reflected in negotiations and liberalization commitments under GATS?

In developing countries, competitiveness in service industries is not always high (excluding certain service sectors such as tourism and professional services in certain countries). Also it is difficult for government departments and the private sector including businesses to share the same positions on the significance of liberalization in the trade in services. In addition, with regard to the so-called “infrastructure services” such as communications and transportation, given that there are many cases in which such services have for a long time been in public hands or subject to monopolization, or in the process of privatization, discussion on liberalization touches upon political issues. Given this situation, in assistance relating to GATS it is above all important to study deeply the positioning of the liberalization of trade in services in domestic economic and industrial policy. The political sensitivities, etc., of developing countries should therefore be acknowledged because the assistance often leads into difficulties.

(2) Assistance Methods

① Understanding Assistance Needs

Assistance needs in the areas concerned vary depending on the economic and industrial situation of the recipient country, and the structure and capability of domestic adjustment. In addition, the advancement of the negotiations in the liberalization of the service sector in the WTO also has an influence on the assistance needs and cooperation project designs.

Generally, in developing countries with rather premature levels of economic development, needs often concentrate on the investigation of WTO conformity of current domestic legislation and the improvement of basic knowledge relating to GATS in order to respond to negotiations, as well as to understand the influence of the liberalization of trade in services for industrial policy. On the other hand, in countries that have a relatively high level of economic development, needs are high for a more practical improvement in negotiating ability.

However, consideration should be given to the different capacity levels among the ministries for each area, even with each country. In each country, organizations that are in charge of negotiations and adjustment of GATS are demanding that awareness and understanding be raised among other organizations that are also related to GATS.

Figure 3-9 Assistance Methods in Regard to the GATS

State of recipient country	Contents of Assistance
<ul style="list-style-type: none"> • Acceding Countries to the WTO and countries that have just joined the WTO, which have started adjustment of domestic legal systems and organization 	<ul style="list-style-type: none"> • Basic items in regard to the GATS commitments and GATS obligations and rights • Significance of liberalization of trade in services • Present state of adjustments in the services-related sectors in Japan (Organization/notification system/coordination among relevant institutions)
<ul style="list-style-type: none"> • Countries that already have experience in WTO/GATS negotiations, and meet GATS-based commitments 	<ul style="list-style-type: none"> • Assistance for transfer of knowledge and experience from fields in which the countries already have experience to other fields • Verification of state of obligation implementation of GATS-related domestic laws • Consultation in regard to concrete policy for negotiations

② Assistance Projects and Resources

As an example, the following is an outline of a project in Indonesia that was aimed at ministries and agencies that had different levels of understanding concerning GATS.

In Indonesia, the Ministry of Finance (MOF) is responsible for the internal coordination of areas relating to GATS. The officials in charge of GATS in MOF have a deep understanding of the importance of agreement. They are active to raise awareness concerning areas of issues relating to GATS and its negotiations, including

overall improvement on the level of knowledge of related ministries. Also the banking sector and communications sector had different needs in Indonesia.

The banking sector had a great interest in the Japanese position in negotiations and also in the situation of meeting pledges in each country and domestic legislation. In conjunction with workshops, comparative study was undertaken on the Japanese side concerning the commitment and domestic legislation of the major countries and the process and the results were shared with Bank Indonesia to promote their utilization.

In the communications sector in Indonesia, there is not sufficient ability to independently confirm a country's conformity with GATS relating to domestic legislation and regulations, due to lack of manpower. In this sector, knowledge transfer relating to basic obligations under the WTO and GATS was conducted through workshops, by persons formerly working in the WTO Secretariat. In addition, officials from the Japanese Government provided explanations on Japan's experiences and the current situation surrounding the response to negotiations. In addition, in parallel with the workshop, study was undertaken through local consultants and law firms concerning conformity of domestic legislation and regulations in the communications sector with the WTO, and its outcome was made available.

Example: Workshop Program in Indonesia (May 2002)

(1) Workshop for all GATS-related ministries and agencies

Date: May 3, Friday, 9:00~16:30

Participants: approximately 50 participants from services-related ministries and agencies

Counterpart: Ministry of Finance

Resources: experts formerly working in the WTO Secretariat, experts from the Government of Japan, TA consultants

Major agenda:

- Significance of liberalization of trade in services and GATS in Indonesia
- Basic GATS regulations and interpretation of the schedule of commitment
- Present state of trade in services negotiations and domestic adjustment in Japan

(2) Discussion session in regard to the banking sector

Date: May 6, Monday, 9:00~16:00

Participants: approximately 20 representatives of the Central Bank and the banking sector

Counterpart: Directorate of Legal Affairs, Bank Indonesia

Resources: Financial Services Agency of Japan, experts formerly working in the WTO Secretariat, TA consultants

Major agenda:

- Presentation of cross-sectoral issues in services negotiations that seriously affect the financial sector (for example, discussions of the issue of "autonomous-liberalization")
- Formulation of liberalization policy in the banking sector

- Interim report of the comparative study research

(3) Workshop in regard to the communication sector

Schedule: May 7, Tuesday, 9:00~15:00

Participants: approximately 15 administrative officials from the Directorate General of Post and Telecommunication, Department of Communications

Resource: Ministry of Public Management, Home Affairs, Posts and Telecommunications of Japan, experts formerly working in the WTO Secretariat, TA consultants

Major agenda:

- The basic provisions of the WTO and GATS
- Development and achievements of basic telecommunication services negotiations and domestic adjustment in Japan

*In all three of the workshops, the enhancement of self-motivated understanding from the counterparts was promoted through the conducting of Q&A sessions.

(2) Points to Note in Project Evaluation

The general objective of assistance projects in this area is to improve understanding on the part of administrative officials and to enhance coordination abilities. Some of the pre-evaluation indicators of the projects are as follows: the amount of new and revised domestic legislation introduced to conform with the GATS and commitments; the number of notifications made concerning the GATS and their speed and accuracy; and the number of barriers to trade that were pointed out by other countries in the services sector.

As a method of evaluation during the period of the projects questionnaires are distributed at the conclusion of each workshop.

3-2-6 Dispute Settlement

(1) Issues for Developing Countries

Currently, developed countries are making the greatest use of WTO dispute settlement procedures. In comparison with developing countries, about twice the numbers of developed countries are currently involved in dispute claims, and of those two-thirds are pursuing disputes concerning contravention of the Agreements with other developed countries.⁸ Among developing countries, India and Brazil stand out

⁸ Of these, as of October 2001, the USA was pursuing 70 cases and was the defendant in 56 cases while the EU was pursuing 55 cases and was the defendant in 32 cases, making them the greatest users of WTO dispute settlement procedures. Japan was pursuing 8 cases and was the defendant in 12.

for their active use of WTO dispute settlement procedures. But looking at the situation in developing countries as a whole, it is still difficult to say that they can use the WTO dispute settlement procedures effectively. With regard to the cases relating to developing countries, 79 cases were brought by developing countries, while they were counter-sued in 92 cases.⁹

Therefore, developing countries find that the occasions to be involved in WTO dispute settlement procedures are increasing. It is necessary, even possible to say essential, for developing countries to have an accurate understanding of the DSU and the capability to make use of it. In addition, appropriate implementation of the WTO system as a whole becomes more and more important and it is not ideal that resources in WTO dispute settlements are found disproportionately in developed countries. Developed countries are at the center of the operation of the WTO dispute settlement procedures. It makes developing countries feeling unfairness. It is therefore vital to raise confidence among developing countries and appropriate assistance must be provided for dispute settlement procedures.

(2) Assistance Methods

① Understanding Assistance Needs

In order to participate in the operation of the DSU appropriately, a fair understanding and grasp of WTO Agreements as a whole are essential. Therefore, the capacity building program should not merely stop at an general understanding of the DSU, rather it should focus on more practical aspects, such as how to deal with cases at panel and Appellate Body procedures. Based on this basic position, the assistance parameters and content of coordination for developing countries are planned as follows (Figure 3-10).

⁹ WTO Secretariat, *Press Pack -World Trade Organization -4th Ministerial Conference*, 9 November 2001, refer to p. 48 and thereafter.

Figure 3-10 Assistance Parameters and Methods in Regard to DSU

Assistance parameters	Assistance methods
<ul style="list-style-type: none"> Promotion of understanding of developing countries in regard to the DSU 	<ul style="list-style-type: none"> Assistance for enhancing understanding of overall dispute settlement procedures Technical assistance for preparation of written proposals and for oral proceedings Deepening understanding in regard to controversial issues of the DSU that are under review (issues of implementation of report, the issue of transparency of the dispute settlement process, etc.)
<ul style="list-style-type: none"> Promotion of understanding in regard to all WTO Agreements 	<ul style="list-style-type: none"> Promotion of understanding in regard to the overall structure of WTO Agreements Understanding of cases in regard to the interpretation of each WTO Agreement Promotion of understanding in regard to issues that have great impact on the international trade of developing countries, such as anti-dumping measures, safeguard measures, and environmental issues

② Assistance Projects and Resources

In reviewing the assistance programs, it is essential not only to use the above-mentioned parameters but also to improve knowledge and understanding of the participants of the projects. In particular, programs would be effectively implemented with moot court exercise in which each participant takes his responsibility to come up with solutions.

- 1) Basis of WTO Agreements (Structure and principles)
- 2) Practical Training and Understanding of Issues concerning dispute settlement procedures
- 3) Case studies
- 4) Moot Courts

Given that there are many cases being handled on a daily basis concerning the operation of WTO Agreements, trends in the WTO negotiations and their newest points of discussion should better be considered.

Japan is one of the active users of the DSU and has a relatively high number of experienced practitioners, such as experienced Appellate Body members and panelists to act as lecturers. Furthermore, legal practitioners from Europe and North America with high experience in this area should also be considered.

(3) Points to Note in Project Evaluation

The objective of evaluation in this sector is to promote an accurate understanding and implementation of DSU in developing countries. It could be possible to regard as one of the results of the project that the developing country concerned brings cases to

the WTO actively in a way that conforms to the DSU and the numbers of cases being lodged with the WTO increase. In addition, it is noted that there are indicators that are difficult to quantify, such as the number of officials with knowledge of the dispute settlement, or the improvement of knowledge level of individual officials.

3-2-7 The Agriculture Agreement and the SPS Agreement

(1) Issues for Developing Countries

① The Agriculture Agreement

Negotiation on the Agriculture Agreement started at the beginning of 2000 as a built-in agenda (BIA) during the WTO inauguration. In the negotiation proposals made by each country, a certain consensus was established between the proposals made by developing countries for an expansion of exports in domestic agricultural products, protection of domestic agriculture (preservation of customs tariffs and ensuring of food safety), and the elimination of agriculture protection policies (domestic subsidies and export subsidies) in developed countries. For example, in regard to the special and differential treatment of developing countries, the Association of Southeast Asian Nations (ASEAN) countries made proposals from the viewpoint of (1) export subsidies, (2) domestic subsidies, (3) developing countries' development, and (4) market access. In terms of (1), they proposed the immediate elimination of all types of subsidies from the developed countries and sustained flexibility of the developing countries in regard to utilization of export subsidies. In terms of (2), they proposed a substantial reduction and ultimately the elimination of the "blue box" set of policies, as well as stricter conditions and a high-limit setting for the "green box" set of policies. In terms of (3), they proposed measures for agricultural development of the developing countries remain excluded from the list of measures. And in terms of (4), they proposed a substantial reduction of customs tariffs in developed countries, as well as elimination of the tariff peak and tariff escalation in regard to tropical products.

② The SPS Agreement

Examples of issues shared by developing countries during the implementation of the SPS Agreement are, in terms of "hardware," the inadequacy of the research facilities and, in terms of "software", the lack of understanding of the agreement, displayed by relevant administration officials, manufacturers, relevant organizations, and distributors. Furthermore, the SPS Agreement established the standards developed by the FAO/WHO joint Codex Alimentarius Commission as *de facto* international standards, but because of gross budget restrictions developing countries find, it is difficult for them to participate in all meetings of that Commission. These restrictions

created a fundamental problem of letting the development of international rules be dominated by developed countries. In addition, developing countries have a perception that the regulations established by the SPS Agreement are hindering exports of domestic products to developed countries.

(2) Assistance Methods

① Understanding Assistance Needs

In order to grasp the need for assistance, it is of primary importance to achieve an understanding of the policies on agriculture, the forestry and fisheries industry and on food safety of the recipient country, the actual state of its main agricultural products, and its competitive capacity. Next, it is necessary to conduct sufficient consultations with the counterparts and then provide well-balanced assistance that matches the needs of the country, with the premise that various points of controversy in regard to the Agriculture Agreement and the SPS Agreement exist internationally.

Figure 3-11 Assistance Methods in Regard to the Agriculture and the SPS Agreements

Parameter	Content
<ul style="list-style-type: none"> Enhancement of general understanding in regard to the Agriculture Agreement and the SPS Agreement 	<ul style="list-style-type: none"> Development of negotiations on the Agriculture Agreement and the SPS Agreement at the Uruguay Round of trade negotiations Description of the outline and the clauses of the Agriculture Agreement Description of the outline and the clauses of the SPS Agreement
<ul style="list-style-type: none"> Enhancement of practical capacity for implementation of the Agriculture Agreement 	<ul style="list-style-type: none"> Practice under the Agriculture Agreement (special safeguards, domestic subsidy measures and export subsidy) Case studies of practice under the Agriculture Agreement (special safeguards, domestic subsidy measures and export subsidy)
<ul style="list-style-type: none"> Enhancement of practical capacity for implementation of the SPS Agreement 	<ul style="list-style-type: none"> Practice under the SPS Agreement (food quarantine, animal quarantine, plant quarantine) Case studies of practice under the SPS Agreement Improvements made in Japan (food quarantine, animal quarantine, plant quarantine, harmonization measures of the Japanese Government after the ratification of the SPS Agreement)

② Assistance Projects and Resources

Negotiations for liberalization are conducted currently in regard to the Agriculture Agreement. Therefore, the promotion of understanding of this agreement in order to facilitate participation in the negotiations will be an effective assistance project. Issues of major controversy regarding the Agriculture Agreement are market access, domestic and export subsidies, activities of the WTO Agriculture Committee in charge of

reviewing implementation status of the Agriculture Agreement in each country, current situation of negotiations, and understanding the background of the position of each country. In addressing these issues, the sharing of Japan's experiences in implementing the Agriculture Agreement is helpful in meeting the needs of developing countries in many cases.

Concerning the SPS Agreement, the transfer of knowledge in regard to the basic commitments, the SPS Commission activities, as well as issues such as transparency, principles of regulatory homogeneity, dispute settlement, harmonization, animal and plant quarantine, is desirable. In many cases, the enhancement of examination techniques and introduction of new examination devices is necessary in order to enhance capacity to implement the SPS Agreement.

Institutions, appropriate as assistance resources, are relevant ministries and agencies of Japan (the Ministry of Agriculture, Forestry and Fisheries among others) as well as the WTO Secretariat and the Codex Committee. As far as the Agriculture Agreement is concerned, liberalization negotiations are currently underway and therefore meticulous attention is particularly necessary to guarantee neutrality of a donor country. Therefore, the development of a balanced program through the dispatch of personnel from international institutions such as the WTO is desirable.

(3) Points to Note in Project Evaluation

An increase in the number of personnel, who understands the trend of negotiations on the Agriculture and SPS Agreement, becomes a useful indicator for evaluation. Since the Agriculture Agreement has a strong impact on developing countries, it is desirable to have more people understand the Agreement within the government administration, as well as relevant organizations (such as the agriculture and food industry) and representatives of the private sector.

In regard to the SPS Agreement, a relatively large proportion of related measures are taken up in bilateral context. Therefore, it has become necessary to spread an accurate understanding of the SPS Agreement among administration officials and representatives of the industrial circles, and an increase of the personnel that understand the SPS Agreement has become one of the evaluation indicators.

3-2-8 Domestic Coordination System

(1) Issues for Developing Countries

In many developing countries, the WTO Domestic Policy Committee has been set up in advance of WTO negotiations. However, the focal point responsible for the

coordination has not been given sufficient authority, and it often happens that the committee ends up not functioning well when the WTO negotiations end. In recent WTO negotiations, even if comprehensive negotiations are not held, it is common for regular committee meetings to hold discussions. In order to deal with this kind of situation, it is necessary to set up a permanent domestic policy committee and build a framework for cooperation at the ministerial level.

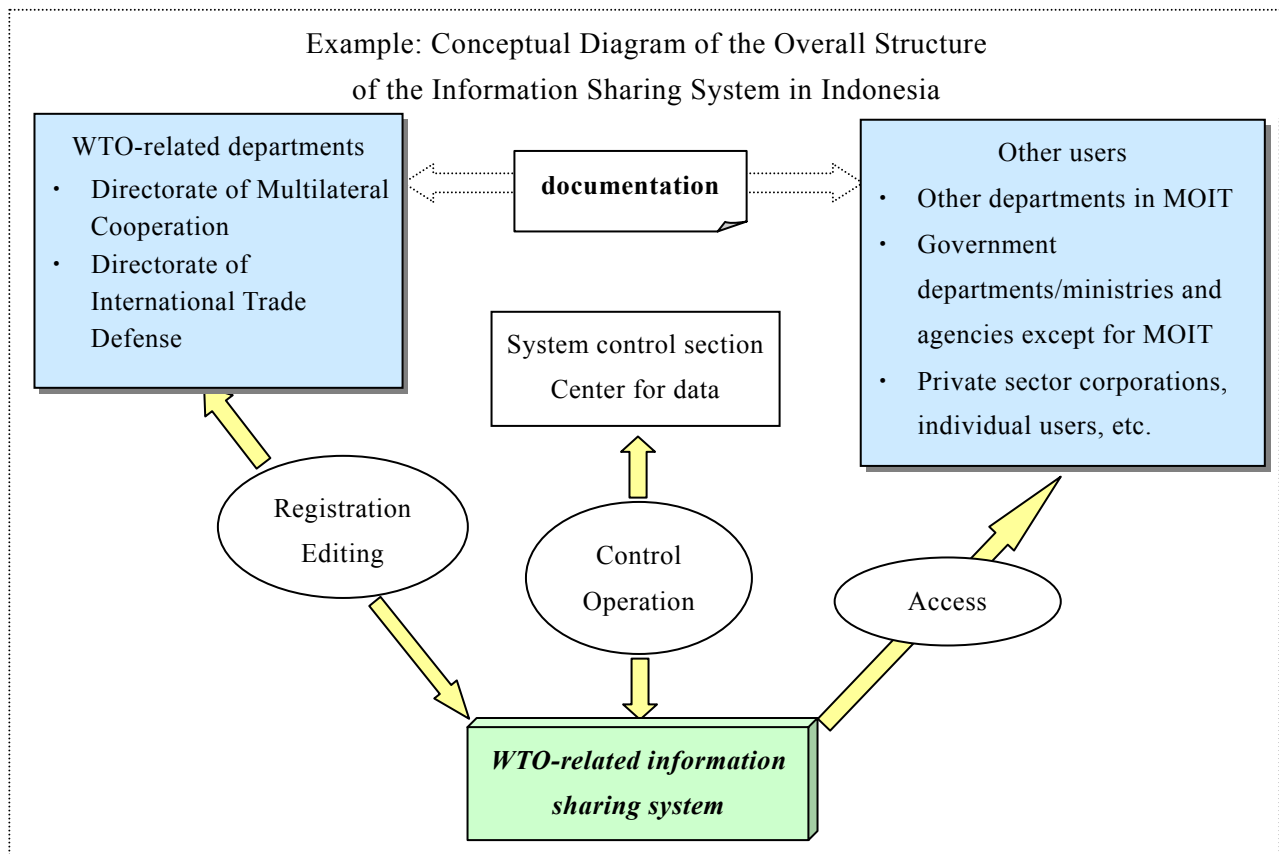
Furthermore, from the operational perspective, developing countries are facing issues of domestic coordination. The current important issue is how to ensure routine work procedures go more smoothly. These procedures include meeting the obligation to submit various notifications required by individual agreements, distributing information to concerned domestic organizations about the results of various meetings held in Geneva, and formulating and producing response policies through coordination among the organization of concerned bodies.

(2) Assistance Methods

Some aspects of building a domestic coordination system have a strong political flavor. Therefore, a model method in one country cannot be forced upon others, but sharing Japan's experience will surely be important as a reference for other countries.

Furthermore, upon developing an operational domestic coordination system, it is constructive to explain the procedures developed in Japan. Especially effective is to make a "fixed format" of documents and make guidelines for notification procedures (especially writing guidance in the local language).

In addition, it is important to build an appropriate stock of information and an information distribution system because a large quantity of WTO-related documents needs to be circulated to a large number of relevant domestic organizations. In countries that already have an IT environment or IT knowledge to some extent, assisting the facilitation of domestic information distribution through the construction of an information system could be extremely effective. Following is a schematic diagram of the "WTO-related Information Sharing System," which uses IT under construction in the project in Indonesia.



(3) Points to Note in Project Evaluation

The goal with respect to developing domestic coordination systems is to build a good cooperative relationship among the domestic WTO-related organizations and facilitate the smooth implementation of routine work. As an example of evaluation methods, it could be possible to carry out a questionnaire survey about how to improve the situation before and after the implementation of assistance, targeting people in charge of domestic coordination. However, this is not a very effective method because the answers could vary depending on the scope of the work responsibilities of the respondents. When implementing technical assistance related to the WTO, it is rare to provide assistance to only a domestic coordination system, so it is important to make an evaluation jointly with other assistance areas.

In addition, when evaluating the assistance to information-sharing system building, an increase in the number of people who can use the system, and cut back formerly necessary manpower and costs can be useful indicators.

3-2-9 New Issues

It was agreed to introduce five new areas, that is, trade and environment, trade and investment, trade and competition policy, trade facilitation, and transparency of government procurement, as items of negotiating agenda in the new round. While in general the developed countries favor promotion of these agenda, developing countries usually take a skeptical position. The two groups are in clear opposition to each other.

Concerning environmental issues, clarification works have already begun, and in other areas the negotiations will start with an explicit consensus among members at the fifth Ministerial held in 2003. In line with this situation, the recipient developing countries are to urgently develop systems in these areas. As modalities of future capacity building assistance, the items below seem to function effectively.

- Transfer of basic knowledge concerning the various new areas
- Clarification of discussing points in WTO working groups and other international organizations concerning new sector negotiations
- Surveys of the existing legal systems in countries providing assistance in the new areas
- Analysis of the effect of trade liberalization on recipient countries in the new areas

With regard to investment and competition policy, the effects from these possible negotiations on Japanese industry are large. Therefore, it is desirable to carry out assistance and to build the developing countries' confidence to negotiate.

About investment, the following topics are worth considering:

- Knowledge transfer concerning industrial policy and international strategy based on investment liberalization
- Advocacy of the merits of investment liberalization aimed at industrial society in recipient countries
- Practical analysis of the effects of investment expansion
- Investment liberalization related to legal development assistance.

Regarding competition policy, it is important to note that there are still a lot of countries that have not adopted competition laws. Therefore, the following assistance methods seem to be effective for donor countries including Japan and the international community.

- Fostering common understanding concerning competition laws and policies
- Analysis of the effect of introducing competition policies in recipient countries
- Competition law development assistance
- Competition law implementation assistance

When carrying out these forms of assistance, it is essential to keep in mind the

existence of the deep-rooted suspicion against new sector negotiations on the part of developing countries. Therefore, forms of cooperation should be carried out in such a way that each recipient country can take up an appropriate position for their negotiations.

Figure 3-12 Assistance Methods in New WTO Issues

Assistance Areas	Details of Assistance
Environment	<ul style="list-style-type: none"> • Introduction of CTE (Committee on Trade and Environment) result • Surveys of existing legal system in the recipient country of environment-related assistance • Introduction of systems in related areas in Japan (Legal system/organization of concerned government ministries)
Investment	<ul style="list-style-type: none"> • Introduction of WG (Working Group) discussion • Analysis of economic effects of concluding investment agreements in the recipient country • Assistance to investment liberalization-related legal development in the recipient country • Introduction of the bilateral investment agreement to which Japan is a party (Content of agreement/organization of concerned government ministries)
Competition Policy	<ul style="list-style-type: none"> • Introduction of WG result • Analysis of economic effects of concluding agreements, in the country receiving assistance • Assistance to competition law development and implementation • Introduction of Japan's competition policy (Anti-Monopoly Act/its enforcement efforts)
Trade Facilitation	<ul style="list-style-type: none"> • Introduction of WG result • Assistance regarding surveys of, and development assistance for, customs systems and infrastructure in the recipient country • Introduction of Japan's systems in related areas (Legal system/organization of concerned government ministries)
Transparency of Government Procurement	<ul style="list-style-type: none"> • Introduction of WG result • Assistance regarding surveys of, and development assistance for, government procurement related laws and systems in the recipient country • Introduction of Japan's government procurement-related systems (Legal system/organization of concerned government ministries and local authorities)

Chapter Four: Achievements in Cooperation for WTO-Related Capacity Building Implemented by JICA

4

This chapter presents the content and achievements of the projects implemented by JICA in the field of WTO-related capacity building.

4-1 Overview of Cooperation for WTO-related Capacity Building Implemented by JICA

As mentioned in 1-2, JICA implements WTO-related capacity building cooperation activity mainly to the Asian countries. The schemes for cooperation are such as development study program (described in 4-2 in detail), training in Japan, and dispatching experts from Japan. Figure 4-1 and Figure 4-2 shows activities implemented/planned regarding cooperation for WTO-related capacity building in Japanese fiscal year 2001 and 2002.

Figure 4-1 Achievements of WTO-related Capacity Building Assistance Implemented by JICA (FY2001)

Country/Scheme (year, month)	April		May		June		July		August		September	
Thailand		23-25 S/W* mission Field seminars (WTO system)										
Indonesia											9-14 S/W mission	
Malaysia												
Philippines												
Vietnam												
China										22-2 Country-focused training course for support toward accession to WTO (culture, cinema, publishing)		
WTO Capacity Building Advisory Committee						22 Third Meeting of the Committee						
Acceptance of trainees												
Others												

Country/Scheme (year, month)	October		November		December		January		February		March	
Thailand									12-13 18-20 Workshops (IBT, AD/CVD, GATS)	20-22		
Indonesia												22 Kick-off seminars
Malaysia						9-14 S/W mission						
Philippines												
Vietnam				20-24 Seminar (GATS) / Project formulation study						4 Country-focused training course for support toward accession to WTO		21 Seminar (Investment Policy)
China	23-3 Country-focused training course for support toward accession to WTO (Bank)		13-23 Country-focused training course for support toward accession to WTO (Law, accountancy)		16-22 Base-line survey							10-16 Invitation of people related to WTO capacity building
WTO Capacity Building Advisory Committee						9 Fourth meeting of the Committee				7 Fifth meeting of the Committee (Mini-workshop with APEC counterpart personnel)		
Acceptance of trainees									4-8 APEC counterpart training program		10-16 Group training course (DSU)	
Others						24-28 Cambodia "Promotion of accession to the WTO" Dispatch of short-term experts			4 Cambodia Country-focused training course for support toward accession to WTO		10-19 Kazakhstan	4/6 Country-focused training course for support toward accession to WTO

*S/W (Scope of Work) – S/W is the document which prescribes framework and content of the project, etc. After consultation between recipient country and JICA, S/W is exchanged by both sides.

Country-focused training course for support toward accession to WTO

4-2 “WTO Capacity Building Program on the Implementation of WTO Agreements in APEC Countries”

In 2000, at the APEC Meeting of Ministers Responsible for Trade, Japan formulated a “APEC Strategic Plan,” which indicated the directions and priorities of cooperation for capacity building. At the APEC Leaders Meeting in November the same year, the member economies agreed to make this strategic plan a base for future joint actions. In response, JICA as an institution that implements Japan’s technical cooperation, carried out consultations with the related countries and reached consensus on implementing “WTO Capacity Building Program on the Implementation of WTO Agreements in APEC Countries” in Thailand, Indonesia, Malaysia and the Philippines. The content of this program by country is presented below.

Figure 4-3 Project Implementation Content in Thailand

<p>■Project Objective</p> <p>The objective of this project in Thailand, which is a country that faces serious issues in developing its domestic legislation system and in developing human resources upon implementing WTO Agreements, is to provide the cultivation of administrative personnel and private sectors through seminars and workshops, and recommendations and practical assistance for improvement and development administrative institutions, in order to “enhance the capacity of Thai’s representatives to implement WTO Agreements.”</p>
<p>■Output</p> <p>(1) Formulation of plan: recommendations for enhancing the capacity for the implementation of WTO Agreements</p> <p>(2) Transfer of knowledge : implementation of seminars, workshops, local short-term training courses, and the development of teaching materials for enhancing the capacity for the implementation and understanding of WTO Agreements (GATS, AD/SCM, TRIPS, and TBT Agreements); information sharing system for the improvement of abilities to adjust domestic legal system according to those agreements</p>
<p>■Counterparts</p> <ul style="list-style-type: none"> • Contact point for implementation/overall adjustment of WTO Agreements: Department of Trade Negotiation (former Department of Business Economics) at the Ministry of Commerce • Institutions in charge of GATS: Department of Trade Negotiation at the Ministry of Commerce, Ministry of Finance, Ministry of Transport and Communications, etc. • Institution in charge of the TBT Agreement: Thai Industrial Standards Institute at the Ministry of Industry • Institution in charge of the TRIPS Agreement: Department of Intellectual Property at the Ministry of Commerce • Institutions in charge of the AD and SCM Agreement: Department of Foreign Trade and Department of Trade Negotiation at the Ministry of Commerce
<p>■Implementation period of the project</p> <p>August 2001 ~ December 2002 (scheduled)</p>
<p>■Activities</p> <p>1. Strengthening institutional aspects related to WTO Agreements implementation (Component 1)</p> <ul style="list-style-type: none"> • Survey of operational partnership system between the Department of Trade Negotiation at the Ministry of Commerce and the relevant ministries and agencies • Gathering and sorting-out of information, domestic law and regulations related to WTO Agreements • Digitalization of the gathered information and design, line building, and administration of the information-sharing system <p>2. Strengthening of capacity for implementing GATS (Component 2)</p> <ul style="list-style-type: none"> • Research of status and issues of GATS implementation • Holding workshops with the objective to improve understanding of GATS • Formulation of recommendations for strengthening the capacity for the implementation GATS <p>3. Strengthening of capacity for implementing the AD/SCM Agreement (Component 3)</p> <ul style="list-style-type: none"> • Research of status and issues of the AD/SCM Agreement implementation • Holding workshops for government officials and the private sector regarding the AD/SCM Agreement • Formulation of recommendations for strengthening the capacity for the implementation of the AD/SCM Agreement <p>4. Strengthening of capacity for implementing the TRIPS Agreement (Component 4)</p>

- Research of the status and issues of the TRIPS Agreement implementation
- Development of training materials for government officials, universities and the private sector, and transfer of knowledge for potential trainers on locally-based training
- Formulation of recommendations strengthening the capacity for the implementation of the TRIPS Agreement

5. Strengthening of capacity for implementing of the TBT Agreement (Component 5)

- Research of the status and issues of TBT Agreement implementation
- Holding workshops for the implementation of the TBT Agreement and appropriate participation for international standardizing activities
- Formulation of recommendations for strengthening the capacity for the implementation of the TBT Agreement

■ Achievements up to now

Schedule	Content	Targeted attendants
February 12-13, 2002	TBT workshop	Administrative officials in charge of TBT in each ministry and agency
February 18-20, 2002	AD/SCM workshop	Administrative officials in charge of AD/SCM in each ministry and agency
February 20-22, 2002	GATS workshop	Administrative officials in charge of GATS in each ministry and agency
August 20-21, 2002	AD/SCM workshop	Administrative officials and representatives of the private sector
August 21-23, 2002	GATS workshop	Administrative officials and representatives of the private sector
August 27-28, 2002	TBT workshop	Administrative officials in charge of TBT in each ministry and agency
October 3, 4, 8, 9, 21, 22, and 24, 2002	TRIPS trainers training	
November 11, 2002	Wrap-up seminar	

Figure 4-4 Project Implementation Content in Indonesia

<p>■Project Objective</p> <p>In order to strengthen the capacity of Indonesia to implement WTO Agreements and to participate in multilateral free trading regime, the following activities have been implemented:</p> <p>(1) Policy recommendations to related governmental institutions for enhancing the capacity to implement WTO Agreements</p> <p>(2) Advice and transfer of technical knowledge by the WTO-related policy makers and officials in order to deepen knowledge necessary for the implementation of WTO Agreements</p>
<p>■Output</p> <p>(1) Formulation of plan: recommendations for enhancing the capacity for the implementation of WTO Agreements</p> <p>(2) Transfer of knowledge : implementation of seminars, workshops, local short-term training courses, and development of teaching materials for enhancing the capacity for the implementation and understanding of the individual Agreements (GATS, AD/SCM/SG, TRIPS, and TBT) and build an information system for enhancing the function for the implementation of WTO Agreements</p>
<p>■Counterparts</p> <ul style="list-style-type: none"> • Contact point for implementation/overall adjustment of WTO Agreements: Directorate General of International Trade and Industry Cooperation at the Ministry of Industry and Trade • Institutions in charge of AD/SCM/SG Agreements: Directorate General of International Trade and Industry Cooperation at the Ministry of Industry and Trade • Institutions in charge of GATS: Ministry of Finance, Ministry of Communications, Bank Indonesia, etc. • Institutions in charge of the TRIPS Agreement: Directorate General of Intellectual Property Rights, the Ministry of Justice and Human Rights • Institutions in charge of the TBT Agreement: Center for International Cooperation on Standardization at National Standardization Agency
<p>■Implementation period of the project</p> <p>January 2002 ~ March 2003 (planned)</p>
<p>■Activities</p> <p>1. Strengthening the function of the Ministry of Industry and Trade (institutional contact point for WTO Agreements (Component 1))</p> <ul style="list-style-type: none"> • Survey of the Ministry of Industry and Trade and institutions related to the implementation of WTO Agreements (including information sharing and coordination among related institutions) • Formulation of recommendations for institutional building of the Ministry of Industry and Trade to monitor the implementation of the agreements through utilization of Information Technologies (IT) • Determining system range for building an experimental information system (pilot project) • Experimental building and administering of an information system <p>2. Assistance for enhancing the capacity to implement the AD/SCM/SG Agreements and DSU (Component 2)</p> <ul style="list-style-type: none"> • Analysis of implementation status and identification of issues regarding the Agreements • Advisory opinion and guidance for enhancing the capacity for the implementation of the Agreements (including the enhancement of negotiation capacity and enhancement of capacity of dispute settlement procedures) • Formulation of recommendations for the further enhancement of capacity <p>3. Assistance for enhancing the capacity to implement GATS (Component 3)</p>

- Analysis of implementation status and identification of issues regarding the Agreement
- Advisory opinion and guidance for enhancing the capacity for the implementation of the Agreement (including the enhancement of negotiation capacity)
- Formulation of recommendations for the further enhancement of capacity

4. Assistance for enhancing the capacity to implement the TRIPS Agreement (Component 4)

- Research of implementation status and identification of issues regarding the Agreement
- Education on intellectual property rights, development of teaching materials for government officials focusing on IPR enforcement
- Holding of trainers' training for the enhancement of capacity for the implementation of the Agreement, using the teaching materials to be developed.
- Formulation of recommendations for the further enhancement of capacity

5. Strengthening of capacity for implementing the TBT Agreement (Component 5)

- Research of domestic legal system and regulations with regard to the TBT Agreement
- Advisory opinion and guidance for appropriate implementation of the TBT Agreement and participation in international standardizing activities
- Formulation of recommendations for strengthening the capacity for the implementation of the TBT Agreement

■ Achievements up to now

Schedule	Content	Targeted attendants
January 23, 2002	GATS pre-workshops	Administrative officials in charge of GATS in each ministry and agency
March 22, 2002	Kick-off seminar "WTO Agreements and the experience of Japan"	Administrative officials and representatives of the industrial world
March 18-19, 2002	TBT mini-workshop	Administrative officials in charge of TBT
March 20, 2002	TBT mini-workshop	Administrative officials in charge of TBT
May 3,6-7, 2002	GATS workshop	Administrative officials in charge of services
May 27-29, 2002	AD/SCM/SG/DS workshop	Administrative officials in charge of AD, etc.
July 4-5, 2002	TBT workshop	Administrative officials in charge of TBT
September 4, 2002	AD/SCM/SG/DS workshop	Administrative officials in charge of AD, etc.
October 9-10 2002	GATS workshop	
October 24-25 2002	TBT workshop	
February 2003 (planned)	AD/SCM/SG/DS workshop	
February 2003 (planned)	GATS workshop	
February 2003 (planned)	TRIPS trainers-training	
February 2003 (planned)	TBT workshop	
February 2003 (planned)	Wrap-up seminar	

Figure 4-5 Project Implementation Content in Malaysia

<p>■Project Objective</p> <p>In order to strengthen the capacity of Malaysia to implement WTO Agreements and to participate in the multilateral free trading regime, the following activities have been undertaken:</p> <p>(1) Advisory opinion and transfer of knowledge in order that WTO-related policy makers and strategists can deepen knowledge necessary for the implementation of WTO Agreements</p> <p>(2) Policy recommendations to related institutions within the government for strengthening the capacity for the implementation of WTO Agreements</p>
<p>■Output</p> <p>(1) Formulation of plan: recommendations for enhancing the capacity for the implementation of WTO Agreements</p> <p>(2) Transfer of knowledge: enhancement of understanding and strengthening of implementation capacity of the participants with regard to the individual Agreements: Agriculture, SPS, TRIPS, TBT, and DSU)</p>
<p>■Counterparts</p> <ul style="list-style-type: none"> • Contact point for implementation/overall adjustment of WTO Agreements: Ministry of International Trade and Industry • Institutions in charge of Agriculture/SPS Agreements: Ministry of Agriculture, Ministry of Health • Institution in charge of the DSU implementation: Attorney General's Chambers • Institution in charge of the TRIPS Agreement: Ministry of Domestic Trade and Consumer Affairs • Institutions in charge of the TBT Agreement: Department of Standards Malaysia, SIRIM Berhad
<p>■Implementation period of the project</p> <p>March 2002 ~ May 2003 (planned)</p>
<p>■Activities</p>
<p>1. Enhancement of capacity in regard to implementing the Agriculture and SPS Agreements (Component 1)</p> <ul style="list-style-type: none"> • Review of implementation status and identification of issues regarding Agriculture/SPS Agreements • Enhancement of general knowledge with regard to the Agriculture/SPS Agreements through seminar for government officials • Formulation of recommendations for strengthening the capacity for the implementation of the Agriculture/SPS Agreements
<p>2. Enhancement of capacity to implement the DSU (Component 2)</p> <ul style="list-style-type: none"> • Review of administering status and identification of issues regarding the DSU • Enhancement of knowledge with regard to the DSU through workshops for government officials • Formulation of suggestions for strengthening the DSU implementation capacity and for development of human resources
<p>3. Enhancement of capacity to implement the TRIPS Agreement (Component 3)</p> <ul style="list-style-type: none"> • Review of implementation status and identification of issues regarding the TRIPS Agreement • Enhancement of knowledge with regard to the TRIPS Agreement through seminar/workshop for government officials • Formulation of suggestions for strengthening the TRIPS Agreement implementation capacity <p>(Planned to incorporate the development of training curriculum and teaching materials into the policy recommendations)</p>

4. Assistance for enhancement of capacity to implement the TBT Agreement (Component 4)

- Research on the implementation status and identification of issues regarding the TBT Agreement
- Enhancement of capacity to implement the TBT Agreement and promotion of participation in international standardizing activities by holding seminar/workshop
- Formulation of recommendations for enhancing the capacity for the implementation of the TBT Agreement

■ Achievements up to now

Schedule	Content	Targeted participants
August 26-29, 2002	Agriculture/SPS seminar	Administration officials in charge of Agreement on Agriculture/SPS
September 3-5, 2002	TBT seminar/workshop	Administration officials in charge of TBT
October 7-8, 14-18 2002	DSU workshops	Administrative officials in charge of DSU
October 28-29 2002	TRIPS seminar/mini-workshop	Administrative officials in charge of TRIPS
March 2003 (planned)	Wrap-up seminar	

Figure 4-6 Project Implementation Content in the Philippines (planned)

<p>■Project Objective</p> <p>In order to strengthen the capacity of the Philippines to implement WTO Agreements and to participate in the multilateral free trading regime, the following measures will be implemented:</p> <p>(1) Advisory opinion and transfer of knowledge in order that WTO-related policy makers and strategists can deepen knowledge necessary for the WTO Agreement implementation</p> <p>(2) Formulation of policy recommendations to related institutions within the government for strengthening the capacity for the implementation of WTO Agreements</p>
<p>■Output</p> <p>(1) Formulation of plan: Recommendations for enhancing the capacity for the implementation of WTO Agreements</p> <p>(2) Transfer of knowledge: strengthening of the system of the information sharing in order to strengthen the capacity to implement WTO Agreements, understanding of the individual Agreements (Agriculture/SPS, TBT, GATS, SG/AD, and TBT Agreements), implementation of seminars, workshops and local short-term training courses for enhancing the capacity for implementation.</p>
<p>■Counterparts</p> <ul style="list-style-type: none"> • Contact point for implementation/overall adjustment of WTO Agreements: Bureau of International Trade Relations at the Department of Trade and Industry • Strengthening of the information sharing system at the ministries and agencies: Bureau of International Trade Relations at the Department of Trade and Industry • Agricultural Agreement: Department of Agriculture • TBT Agreement: Bureau of Products Standards at the Department of Trade and Industry • AD/SG Agreements: Bureau of Import Services at the Department of Trade and Industry, Tariff Commission, Department of Finance, Bureau of Customs • GATS/telecommunication services: National Economic Development Authority (NEDA), Department of Transportation and Communications • Other related institutions
<p>■Implementation period of the project</p> <p>November 2002 ~ March 2004 (planned)</p>
<p>1. Strengthening of the sharing system of the information among the ministries and agencies (Component 1)</p> <ul style="list-style-type: none"> • Analysis of the Department of Trade and Industry and the institutions related to the implementation of WTO Agreements (including information sharing, and status of coordination among related institutions) • Formulation of recommendations for strengthening the information sharing system in the Department of Trade and Industry and related institutions by using IT • Determining system range for building an experimental information system (pilot project) • Experimental building and administering of information system
<p>2. Enhancement of knowledge in regard to the Agriculture and SPS Agreements (Component 2)</p> <ul style="list-style-type: none"> • Review of the implementation status and identification of issues regarding the Agreements • Enhancement of general knowledge with regard to the Agriculture/SPS Agreement through seminar/workshops for government officials and relevant authorities • Formulation of recommendations for strengthening of implementation capacity
<p>3. Enhancement of capacity for implementation of GATS (Component 3)</p> <ul style="list-style-type: none"> • Review of the implementation status and identification of issues regarding the Agreement • Enhancement of knowledge with regard to GATS through advisory opinions, guidance and workshops for government officials for enhancing the capacity for the implementation of the Agreement

<ul style="list-style-type: none"> • Formulation of recommendations for strengthening the implementation capacity 	
4. Enhancement of capacity for implementation of the SG/AD Agreements (Component 4)	
<ul style="list-style-type: none"> • Analysis of the implementation status and identification of issues of the Agreements • Advisory opinions and guidance for enhancing the capacity for the implementation of the Agreements • Formulation of recommendations for further enhancement of implementation capacity 	
5. Enhancement of capacity for implementation of the TBT Agreement (Component 5)	
<ul style="list-style-type: none"> • Research on the implementation status and identification of issues regarding the Agreement • Advisory opinions and guidance with regard to appropriate institutional coordination, related to the understanding of the Agreement obligation and implementation of notification • Formulation of recommendations for enhancing implementation capacity 	
6. Formulation of an action plan for capacity building (Component 6)	
<ul style="list-style-type: none"> • The formulation of recommendations for grasping the actual state of the individual agreement and further enhancement of the implementation capacity based on the cooperation results • Holding of seminars which aim to publicize the WTO role and significance in regard to participation in the multilateral trading regime 	
■Planned Activities	
Schedule	Content
March 2003 (planned)	Kick-off Seminar
May 2003 (planned)	GATS workshop
June 2003 (planned)	SG/AD workshop
June 2003 (planned)	TBT workshop
August 2003 (planned)	Agriculture/SPS seminar
October 2003 (planned)	GATS workshop
October 2003	TBT technology transfer meeting
February 2004 (planned)	GATS workshop
March 2004 (planned)	Wrap-up seminar

<Reference>

Related Links

Consulate General of Japan in Geneva

<http://www.geneve.ch.emb-japan.go.jp/>

Ministry of Foreign Affairs of Japan

<http://www.mofa.go.jp/>

Ministry of Economy, Trade and Industry of Japan

<http://www.meti.go.jp/english/index.html>

Ministry of Agriculture, Forestry and Fisheries of Japan

<http://www.maff.go.jp/eindex.html>

Ministry of Finance Japan

<http://www.mof.go.jp/english/index.htm>

Financial Services Agency of Japan

<http://www.fsa.go.jp/indexe.html>

Ministry of Public Management, Home Affairs, Posts and Telecommunications of Japan

<http://www.soumu.go.jp/english/index.html>

Ministry of Land, Infrastructure and Transport of Japan

<http://www.mlit.go.jp/>

Japan External Trade Organization (JETRO)

<http://www.jetro.go.jp/index.html>

Japanese Industrial Standards Committee

<http://www.jisc.go.jp/eng/index.html>

Japan Institute of Invention and Innovation (JIII)

<http://www.jiii.or.jp/english/e.htm>

The Fair Trade Center of Japan

<http://web.infoweb.ne.jp/fairtraded/> (in Japanese)

Nippon Keidanren (Japan Federation of Economic Organizations)

<http://www.keidanren.or.jp/index.html>