

**Sub-Committee on Least-Developed Countries
Seventeenth Session**

NOTE ON THE MEETING OF 28 SEPTEMBER 1999

Chair: Ambassador Benedikt Jónsson (Iceland)

A. ADOPTION OF AGENDA

1. The Sub-Committee adopted the proposed agenda contained in document WTO/AIR/1160.

B. FOLLOW-UP TO THE HIGH-LEVEL MEETING ON LEAST-DEVELOPED COUNTRIES

- (i) Report by the chairman on the informal consultations regarding the Integrated Framework held on 28 July 1999
- (ii) Oral progress report by the Secretariat on the implementation of the Integrated Framework

2. The Chairman said that, as suggested by the Airgram, the discussion on the Follow-up to the High-Level Meeting would concentrate on the Integrated Framework (IF). He would begin by reporting on the informal consultations on the IF which had been held on 28 July 1999. Mr. Chiedu Osakwe, the newly appointed Co-ordinator for the WTO's work with least-developed countries in the run-up to Seattle, would subsequently provide an oral progress report on the implementation of the IF. The Chairman's report on the informal brainstorming meeting on the Integrated Framework, held on 28 July 1998, is attached as Annex I.

3. The Chairman understood that, since the informal brainstorming meeting, there had been some definite progress in the implementation of the Integrated Framework, both in terms of its "mainstreaming" into the activities of some of the core agencies involved and in terms of movement towards the holding of round-table meetings for a number of LDCs. He therefore invited the newly appointed Co-ordinator for the WTO's work with least-developed countries, to give an oral progress report on the implementation of the IF. (Annex II contains the progress report by the Secretariat).

4. The representative of Bangladesh, welcoming Mr. Osakwe as Co-ordinator for LDCs, offered some comments with regard to the issues raised in his report on implementation, coordination, donor interests and monitoring. Implementation and progress were not as substantive as they should have been. The IF was something his government was pursuing regardless of its feelings for it. It was something LDCs were doing because the international community was committed to it. That should not be forgotten in the deliberations in the Sub-Committee. The IF was something that had been agreed by Ministers attending the WTO Ministerial meetings in Singapore and Geneva. It had grown out of a feeling of responsibility that the multilateral trading system was not equally fair and filled with opportunities for all Members. His delegation realized that there were difficulties of coordination and coherence in the international effort. At the same time, his delegation realized that

there was strength in the international community, and given the goodwill of the international community that he hoped was guaranteed, there was no reason why there should not be faster and more substantive progress. Coordination, especially in Geneva and Washington, had not been as strong as it should have been. His delegation had been trying to get the six core Agencies to say, in one paper, what they intend to do and how they intend to do it. Unfortunately, such a paper was still not available. The LDCs had their own known weaknesses of coordination in their capitals. However, as had been stated, his government had not had any coordination difficulties. All ministries involved in the IF had been brought into a new Steering Committee. The Ministry of Trade and Commerce had been clear and forthright in its leading role and had coordinated the work in the capital. As a result, his Government was in constant contact with the donor community in Dhaka and was receiving queries as to the progress at the Geneva end. Despite the work done by the WTO Secretariat and the Administrative Unit, he had not yet been able to feed his Minister with enough progress at the Geneva end. There was still a need for the six Agencies to show some actual field coordination.

5. The representative of Bangladesh continued by saying that the question of monitoring was important. At the current stage, the Sub-Committee was monitoring progress of coordination, however, the progress of the work itself had to be monitored at a later stage. His Government had already held its coordination and had proposed the date of 25 November for the holding of the roundtable meeting in Dhaka. The document containing the multi-year programme which would be presented to donors in Geneva, in their capitals and in Dhaka was almost ready and should be out by the first week of November. Advance copies would be distributed. His government had asked the Administrative Unit to confirm acceptance of the date of 25 November for the roundtable, as it was just before the Seattle Ministerial Meeting. His Minister chaired the Steering Committee and had asked him to enquire whether it would be possible to hold the meeting at that date. The press, the legislature and other ministries that his ministry had been motivating to participate in the exercise were asking when the meeting would take place and what its outcome would be. It was therefore necessary that the meeting was held as soon as possible.

6. The representative of Bangladesh went on to say that technical assistance was the most important aspect of the IF, as it was the only one that incurred immediate benefits to the LDCs. Two recent developments in the WTO had therefore to be brought to the notice of the Sub-Committee. A proposal by the delegation of the United States on technical assistance had been tabled in the General Council. His delegation supported that proposal. The U.S. proposal had for the first time pointed to the need to deal with supply-side and infrastructure weaknesses and suggested that the international community look into that aspect of trade-related technical assistance. Infrastructure improvements required large injections of funds for assistance, but nevertheless he was grateful to the delegation of the United States for having brought up that important aspect. Another important aspect of the proposal of the United States was the suggestion that there should be an ongoing reporting mechanism by the Chairman to the General Council and that a Deputy Director General, or some other officer, should be named specifically by the Director-General so that the General Council regularly, or at every session IF possible, be informed about progress in the IF. His delegation supported that proposal. Another element related to the establishment of a research centre in the WTO which would be looking after the research needs of the LDCs. His delegation hoped that that idea could be further strengthened and that some structured training in the WTO could be organized under that proposal. One aspect of the U.S. proposal which his delegation opposed was the suggestion to include philanthropic and private sector organizations and donors in the IF. The work of the private sector and NGOs was important and encouraged by his Government. However, there might be difficulties of coherence and coordination between the six core Agencies and the private sector and NGOs as the six core Agencies might not be able to deal with the fast pace and small scale interventions smaller agencies would undertake. Therefore, for reasons of sustainability, his delegation had suggested to the delegation of the United States not to include philanthropic organizations, NGOs and private sector donor bodies in the new IF. Another proposal which had been submitted by a group of eight countries including Switzerland, Norway, Netherlands, Denmark, his own country and others on the question of technical assistance. His delegation had previously said that the financing of technical

assistance had to be moved from the present unpredictable ad-hoc arrangement to a more stable one for more funds to be sought and used on a specific, known and predictable programme of action. Technical assistance should become a mainstream budget line within the WTO budget.

7. The representative of Haiti said that from the information in the draft documents circulated by the Secretariat he had learned about the advantages his country could draw from additional market access. He therefore encouraged his country's trading partners to help the new Director-General in his desire to push forward the proposal by the former Director-General Renato Ruggiero for Members to agree on zero tariff treatment for all products originating in the LDCs.

8. The representative of Haiti continued by saying that his country was one of those which had benefitted most from the Integrated Framework and the efforts made by the WTO Secretariat, the Administrative Unit and the other five core Agencies, to ensure a follow-up to the 1997 High-Level Meeting on LDCs. The difficulties in realizing the benefits of the IF had been mentioned and his delegation appreciated the efforts made by the Administrative Unit, UNDP, ITC, UNCTAD and the WTO to get the IF under way. The Geneva Ministerial Conference had given the mandate to accelerate the follow-up of the results of the High-Level Meeting. It had been difficult but he was under the impression that there was some progress, especially when considering what happened in his own country. After the organization of the three or four roundtables that were in the pipeline it might be easier for the other LDCs to arrive at a speedy finalization of the preparatory process and to hold their national roundtable meetings. He reminded delegations that his government was just about to organize a roundtable meeting and that an informal donor consultation would be held the following Friday at which his government would present its preparations for the roundtable. He counted on the presence of his government's development partners for his government to share with them the experience of Haiti and hear their views on how to improve on the documentation. The documentation was at an advanced stage with a second version already prepared. The national Steering Committee had worked with two consultants financed by UNCTAD and UNDP to prepare the document.

9. The representative of Haiti went on to convey his congratulations through the Chairman to the new Director-General for his expressed intention to bring the issue of technical assistance before the Seattle Ministerial Conference. In that way, the Director-General seemed to take up a proposal made by the delegation of Norway to the effect that WTO technical cooperation should be financed through the regular WTO budget. He reiterated his delegation's support for the Norwegian proposal, in its entirety. First, technical cooperation should be financed through the regular budget, and second, something which was important to his delegation, all Members, without exception, should contribute to that fund. It would be abnormal IF the LDCs, which were the first to benefit, could not contribute, in spite of their limited resources. That seemed to be a point of contention. However, it was desirable for an agreement to be reached on contributions by all, but according to the capacity of each. A concern which he had raised in the Budget Committee was to enable the LDCs to take the greatest possible advantage of the Seattle Ministerial Conference. His delegation had suggested that the development partners of the LDCs facilitated the participation of the LDCs at Seattle. The experience with the LDC meeting in Sun City, where each LDC delegation consisted of an official from the capital as well as the Europe-based official dealing with WTO issues was positive. The LDC trade officials in Sun City had prepared a document which had been transmitted to the General Council by Ambassador Chowdhury of Bangladesh and that document would be discussed in Seattle. It would be a pity IF the officials who had prepared that document and who had begun to grasp the negotiating mechanisms for the integration of the LDCs into the multilateral system would be absent in Seattle at the time when the debate would pick up. His delegation therefore launched an appeal to delegations wishing to contribute to a solid integration of the LDCs into the multilateral system to feed the trust fund that had been set up by the Budget Committee to collect funding for the participation of LDCs at the Seattle Ministerial Meeting. He said he thought all of his LDC colleagues shared this appeal even IF they could not be present at the current meeting.

10. The representative of India said that his delegation supported the objective of the Sub-Committee which was the full integration of the LDCs into the multilateral system. His delegation appreciated the problems LDCs faced. For instance, while 29 LDCs were WTO Members, not all of them were represented in Geneva. He therefore posed the question of whether there was a mechanism for feed-back from non-Geneva-based delegations to learn about how they saw the Integrated Framework and other WTO programmes for LDCs. He congratulated the delegations of Bangladesh and Haiti which were very active. They had naturally and admirably taken on a lead-role for LDCs in the WTO. However, it was important to get feed-back from non Geneva-based delegations as well for their opinions to be taken into account. A number of measures had been alluded to including market access, technical assistance and supply-side constraints. He did not believe that market access was the entire answer to the problems faced by LDCs. Access was often not the problem, the problem lay in utilising the access already granted. Technical assistance and capacity building were the key issues which Members should address IF they were to provide a meaningful package for the LDCs at Seattle or beyond.

11. The representative of Lesotho said that while his delegation welcomed the appointment of a Coordinator for LDCs, the move did not go far enough in addressing the problems of the LDCs. It was a temporary arrangement supposed to last only up to the Seattle Ministerial Conference. However, the problems of the LDCs went beyond the Seattle Ministerial Conference. IF there was going to be any meaningful effort made in addressing LDC issues in the WTO, a more permanent arrangement had to be put in place. That should not only include the appointment of a Coordinator, but also a corresponding enhancement in the human resources available for LDC issues. IF anything should be done for the LDCs, it should be done in a systematic way with a number of mutually supportive assistance measures being made available simultaneously. While his delegation agreed that there was a need to enhance the availability of financial resources for the implementation of the Integrated Framework, a corresponding enhancement in the human resources available for it was equally important. IF nobody was there to ensure that the money available was put to good use it did not matter what amount of financial resources was available. Arranging roundtable meetings was not difficult. His government had done so before on other issues like poverty alleviation with the UNDP and other agencies. The most crucial part was the follow-up to the results of the roundtable meeting. Until a mechanism was put in place to assist or encourage LDCs to ensure follow-up on all the commitments and pledges made at roundtables, most of their problems would not be addressed by a roundtable meeting. The LDCs' development partners had to be engaged, not only in the period leading up to the roundtable, but after as well. Market access was an important issue which had to be addressed. Nevertheless, it was no solution in itself. The LDC problem in most cases was not lacking access but lacking goods to sell. There had to be assistance for LDCs to diversify their product base. There was no LDC with stockpiles of products stuck in storage because it had run out of anywhere to sell them. The situation was rather that the LDCs only produced one or two types of products for export. They therefore had to diversify their product base. Then only could they compete effectively and make use of existing market access opportunities and call for improvements in market access. Efforts should be directed towards diversifying the range of products LDCs produced.

12. The representative of the United States welcomed the recent designation by the Director-General of a special advisor to coordinate activities concerning the IF. Her delegation hoped that the coordination effort also included other issues of importance to developing countries such as capacity building. Because the focus of the meeting appeared to be on the latest activities of the Sub-Committee to improve the IF, some of the items discussed, such as the use of certain terms, seemed similar to suggestions her delegation had made in its proposal submitted about two months earlier. Her delegation had entered into consultations with other delegations to make revisions that would further accommodate some of the ideas and reactions to the original proposal. Her delegation aimed at tabling a revision during that week, including some elements which had been highlighted by the delegation of Bangladesh. Her delegation was appreciative of the endorsement by the delegation of Bangladesh. Her delegation had included some enhanced language on budget which she hoped would put her government in a position to be responsive to the question of a comprehensive,

sustainable, long-term approach to the funding of technical assistance requirements in the WTO. The other element was that in addition to the improvements to the IF and after seeing success stories for the LDCs, the IF should be considered for extension to other countries, as the idea was a good one. After much discussion since its creation about its concept and in some cases about its functioning in reality, the idea of coherence among institutions, whether it be to provide technical assistance or other efforts to build capacity and the notion expressed in the EC paper on coherence, it had proved that a coherent, integrated approach to capacity building in the WTO was imperative. From discussions in the General Council it was clear that trade-related issues could not be discussed in isolation without bringing in some coordinated efforts with the other institutions, whether they be the Bretton Woods institutions or other institutions active in promoting the very elements found in WTO to be necessary for LDCs and other developing countries integration into the world trading system. The work of the Sub-Committee had to be elevated and a regular reporting procedure to the General Council on LDC issues had to be found in order to be clear that the Membership was serious about follow-up and results.

13. The representative of the European Communities said that he hoped that what he heard during the meeting was not just pre-Seattle Ministerial Conference excitement, but that some of the thoughts would translate into long-term improvements. Some improvements concerning mainstreaming could be detected from the reports given on the IF. Ideas raised had to be followed up and his delegation hoped to see that some of the good intentions expressed on more engagement and better coordination would actually translate into a more effective system. Recent concrete experiences in that respect were informal donor meetings held in Geneva. One with the delegation of the Gambia had been held and another one with the delegation of Haiti was scheduled. While his delegation supported the idea of having that type of meeting in Geneva, his delegation had the impression that the meeting on the Gambia to some extent was an opportunity missed. It had resembled a pledging meeting and not a cooperative, coherent, integrated meeting where the Agencies explained to potential donors where the value added of an integrated approach lay, which the priorities were and where the synergies from pursuing the proposed projects lay. Some of that work had possibly been done at an earlier stage. However, IF bilateral donors were invited with a view to be convinced of the usefulness of the projects being introduced into the roundtables, and IF additional funding was sought, his delegation wished to see the focus of the meeting on integration. He said that his comment was not only addressed to the WTO, but also to the other five Agencies who, in part, had been present at the meeting and who had not taken the floor to explain their vision about where their specific value-added and expertise would come in to make each project holistic and better coordinated. His delegation looked forward to the meeting on Haiti and hoped that it would turn out differently. He said that his delegation, like that of the United States, had submitted a proposal to the General Council. One important aspect of his delegation's proposal which related to the ongoing discussion in the Sub-Committee was the idea to extend the IF to a broader circle of developing countries. His delegation believed that that was a necessary and useful initiative because the principles of the IF were right. That was also the main result of the informal discussion of the Sub-Committee in July 1999. Nobody questioned the principles of the IF, but it was unfortunately difficult to implement them in the real world. His delegation's proposal stated that the fundamental principles could be extended to other developing countries in using the experience and knowledge gained through the operation of the IF. What was meant by that was that delegations had to have an idea of how the IF was working. That was where the review mentioned in paragraph 6 of the IF came in. There was a case to be made for the six Agencies to seriously start reviewing what they had done. Much material had come out of the informal meeting in July. Delegations had voiced specific queries they had with respect to implementation. His delegation was interested in how the six Agencies, especially the WTO Secretariat and the Administrative Unit, intended to approach the review and what timeframe they considered. The IF did not give a timeframe for the completion of a review but stated "within two years". Several dates could be read into that, such as October 1999 for example. He asked when the review would take place, how the six Agencies intended to go about it and where the results would be fed in. Under paragraph 9 of the Geneva Ministerial Declaration, there was a point for Seattle on the follow-up to the High-Level Meeting. That was a short time-frame and he did not wish to be

unrealistic. Nevertheless, the point about a review should not be forgotten, it was one of the points which were of long-term interest for improving the IF.

14. The representative of Burundi said that her delegation welcomed the decision by the Director-General to designate a Coordinator for LDCs and hoped that the Coordinator would collaborate closely with his colleagues from UNCTAD and WIPO. However, her delegation would be more satisfied IF a division for LDCs would be created in the WTO Secretariat. Regarding technical assistance, her delegation supported the proposal made by the delegation of Norway which, to a certain extent, coincided with the African position. She supported the intervention made by the delegation of Lesotho regarding product diversification in the export sector, which implied technology transfer to the LDCs.

15. The representative of the Organization of African Unity (OAU) said that a meeting of African trade-ministers had taken place the previous week in Algiers within the framework of the OAU. One of the issues discussed extensively by the Ministers had been the IF and in the statements issued at the end of the discussions there was a reference to the need for a new impetus to be given to the IF. The reference to the need for a new impetus to the IF encompassed both the Chairman's report and the report by Mr. Osakwe. There seemed to be a general unhappiness with the pace of implementation of the IF but a recognition of the validity of its underlying principles. In the light of the known problems of coherence, uncertainty about financing and the flow of information there was perhaps a need for a major rethinking of where the IF was going. He was encouraged by the interventions he had heard, including the proposal by the delegation of the United States, and there seemed to be some emerging elements which could help a rethinking and drive the process forward. It was clear that the issues of coherence, financing and the flow of information were some of the elements that had to be considered more closely in response to what the African Ministers, 33 of which represented LDCs, had referred to as a need for a new impetus.

16. The representative of Lesotho said that he had a point regarding a possible expansion of the IF to other developing countries. His delegation believed that the IF was a sound approach. However, there had been problems with its implementation and one should first look at what had gone wrong and how those problems could be tackled. When something did not work, it would not be fixed by making it bigger. His delegation believed that before an expansion of the IF to other developing countries could be considered, it should first be ensured that it was well functioning and beneficial to the LDCs. An expansion of the IF should therefore be considered carefully and the IF should be made to function well in its present form. Only thereafter could other alternatives be considered. The delegation of the United States had proposed the creation of a resource centre to assist LDCs in the WTO. As much as his delegation believed that there was scope for improvement in the coordination of LDC activities in the WTO, his delegation believed that the proliferation of new bodies might lead to an increased demand on the already scarce resources made available for LDC initiatives. The setting up of a resource centre would lead to a creation of a secretariat to run the resource centre which could possibly put more strain on the available budget. At present, his delegation could therefore not support the creation of such a resource centre. There was already a body, funded by the Swiss government, to assist LDCs in particular and other countries which were not well represented in Geneva. That Agency went some way in addressing the issues that the United States had proposed that the resource centre would undertake IF established. The idea of establishing a resource centre should be given careful consideration before it was implemented.

17. The representative of Norway said that many important issues regarding the IF had been raised in the two oral reports given to the Sub-Committee and a thorough informal discussion had been held in July 1999 from which many important conclusions had emerged. One was that the IF was not to be scrapped, however, it should be reformed from within and brought forward. The Seattle Ministerial Meeting was only eight or nine weeks away. The most urgent issue to resolve seemed to be the financing of technical assistance. The delegation of Bangladesh had mentioned that and said that the most important aspect of the IF was technical assistance and had also made a reference to

proposals in that context. In the special session of the General Council there were three proposals directed directly at technical assistance, all of which had been mentioned. He referred specifically to the proposal from Kenya on behalf of the African Group and another from the delegations of Bangladesh, Denmark, Canada, Norway, Sweden and Switzerland. These two proposals were equal in the sense that they aimed at solving the acute problem of financing, while the proposal by the delegation of the United States was more related to the process of how technical assistance was provided. The three proposals were complementary and it would be beneficial to study them together. All three could contribute to improve technical assistance in general and the functioning of the IF, in particular.

18. The representative of the United States said that it had been because of comments similar to those made by the representative of Lesotho that her delegation was in the process of revising its proposal to make it clear that her delegation's intention initially had been to explore immediate expansion of the IF. However, her delegation had recognized that it first had to be proved that the existing concept was workable and she was convinced that other countries which could benefit from the IF wished to have that information as well. The improvements laid out in the previous proposal which continued in the revision were intended for the original designated beneficiaries before being expanded to other developing countries. However, the concept of the IF was a good one and should be explored for other developing countries as well. Her delegation's proposal also recognized the need for capacity building assistance to address supply-side, regulatory and infrastructure needs. Some delegations had raised the issue of transfer of technology. That issue was sensitive in the view of her delegation as it was dealing with private sector companies which had technology. It had to be negotiated with them what they could consider giving up. The constitution and statutes of the United States prohibited the government from imposing things on private citizens. However, to the extent that the government had legislated in an international forum to include an approach to technology transfer it had to meet its commitments in that respect. The focus of her delegation's proposal was on capacity building and technical assistance. Issues such as market access had not been included. Her delegation was, in that proposal, only interested in capacity building. Her delegation envisioned that, in the part of its proposal that dealt with supply-side and infrastructure needs, issues of technology transfer would be addressed in a coherent manner on a case-by-case basis. Her delegation could be a part of that discussion as indicated in the proposal, but it wished to include a more active role for bilateral donors.

19. The delegation of Bangladesh said that the representative of Lesotho had raised the exact concern he wished to raise regarding the comments made by the representative of the European Communities with respect to a possible expansion of the IF to other developing countries. From the LDC perspective at the receiving end, it was felt that to date, the IF had not been promising in terms of real benefits on the ground. Until the IF had been tested in actual implementation in the LDCs, there could be no question of expanding it into new and broader areas. However, the delegation of the European Communities or any other developed country could carry out its own study of the functioning and possible enlargement of the IF. His delegation felt that the IF currently should focus on the LDCs which it had been conceived to support by virtue of the Ministerial Declarations of Singapore and Geneva. He was in full agreement with his colleague from Lesotho in raising that concern. Regarding the resource centre mentioned by the representative of Lesotho he said that his delegation felt that there was a need for such a centre in the WTO. What its shape was going to be, what it was going to contain, and what it was going to do were matters that could be discussed at a later stage. In terms of capacity building and technical assistance to the LDCs, a concentrated resource centre in the WTO addressing the needs of the LDCs would be useful.

20. The representative of the European Communities said that he wished to clarify the position of his delegation. His delegation did not wish to burden the IF, and especially not the people who dealt with it, with another fifty developing countries within the next couple of months. He had only raised the issue in the Sub-Committee to say that the experience of the IF was needed to go ahead with what his delegation believed was the right approach to capacity building and technical assistance. His

delegation was looking forward to the review to be able to draw the right lessons when approaching the other developing countries' programmes and try to implement the principles of better coherence with the World Bank, the IMF and the other agencies and thereby make capacity building more effective. He agreed with those who said that it was not yet time to enlarge the administrative structures created for the IF. Those had to remain primarily available to the LDCs.

21. The representative of Côte d'Ivoire said that her delegation had noted the proposals made by the delegation of the European Communities and by a group of countries including Norway, Sweden and Switzerland. The IF was a good approach based on good principles. Certain delegation had said that it was premature to extend it to non-LDC countries. Her delegation thought that the IF was a good approach and that it should be enlarged to intermediary countries which were not very developed but which were not designated LDCs either. These countries were in a delicate situation as it was not clear how they should be classified. The notions of LDCs and developing countries should not be used too strict as there were a group of countries which found themselves somewhere in between. The IF could therefore be extended to benefit a larger number of countries. The proposals made by the European Communities were interesting in that respect. One should not forget about the intermediary countries. Considering the JITAP programme of WTO/UNCTAD/ITC, she said that certain countries easily attracted financing even though they hardly were less developed than others. Cooperation between the WTO and civil society and the WTO and other international organizations was necessary to propose a system for enhanced financing of technical assistance for the weakest among the developing countries.

22. A representative of the WTO Secretariat said that the evidence from the informal July 1999 meeting and the ongoing meeting showed that delegations felt that there was a good deal of improvement to be made to the IF. As mentioned in the report by the Secretariat, there was at least one piece of good news and that was that one of the other Agencies, the World Bank, had integrated the IF into its major policy frameworks; the Country Assistance Strategy (CAS) and the Comprehensive Development Framework (CDF). That provided the WTO with the opportunity to work more closely with the World Bank as well as with UNDP and UNCTAD and the other Agencies involved. He hoped that the WTO would be able to work more closely with them in the following few weeks, especially in the light of the informal country-specific meetings to be held in the run-up to roundtable meetings. The roundtables themselves were only a further step in the process and the point of the operation was to get good projects on the ground. It was his aim to accelerate that process in working with the LDCs and the Agencies to get good trade-related projects on the ground rather than talking about it as had been done during the last year. On the question of the review, the IF mentioned the operation being reviewed by the six Agencies involved "after two years in the light of experience and taking into account the views of individual least-developed countries where it has been applied." He supposed that after two years meant after October 1999 but since it had not yet been applied much in any individual LDC the process of review would essentially take place after the Seattle Ministerial Conference. One desirable outcome of Seattle would be pressure on the six Agencies to make that review and to make it effective as well as making the process itself more effective.

23. Another representative of the WTO Secretariat said that Members had raised a number of important issues relating to implementation, need for coherence and coordination, monitoring, problems surrounding the roundtables, and the importance of ensuring adequate, effective and predictable financing. The question of whether a form of mechanism existed for feed-back from the LDC involved vis-à-vis the implementation of the IF had been raised by the representative of India. The answer was yes and in various ways. One important mechanism in a sense of a feed-back from the LDCs was the Sub-Committee itself. What had been heard during the meeting were important aspects of the feed-back that the Agencies should get. He said that he would himself encourage participation by the Geneva-based LDCs in the Sub-Committee. He knew that there often was a conflict regarding meetings in the WTO. However, he considered the Sub-Committee a committee of priority to LDCs. Attendance at meetings would be an aspect of feed-back. Secondly, focal points

had been established in the LDCs. It might be argued that those were more of channels for information to flow. Nonetheless, through the medium of the reference centers and e-mail capacity, it was possible for feed-back to reach the six Agencies. The WTO Director-General had also taken the initiative to organize a Geneva-week for non Geneva-based delegations in the week of 1-5 November. That would also be an important forum for non-resident delegations to give feed-back. The Web-site of the Administrative Unit was another forum. There seemed to be six broad issues that Members had raised and that the Secretariat had to take account of. The delegation of Haiti among others had spoken with regard to market access issues. The delegations of the United States, the European Communities, Lesotho, Bangladesh and the observer representative of the OAU had spoken to technical assistance; the necessity of predictability, improvements, adequate funding etc. The European Communities had raised the importance of managing the informal meetings to prepare for the roundtables in a manner that ensured that donors and other partners would be able to give their views, their opinions and their positions regarding how the roundtables would take place rather than the apparent expectation for those informal meetings to be more of a pledging exercise. The WTO Secretariat would consult with the Chairmen of those meetings to make them as constructive as possible. The other broad issue of market access, supply-side capacity and the need for diversification would be taken into account. The views expressed with regard to the possibilities of enlarging the number beneficiaries of the IF had been noted. Finally, he stressed that the oral report he had given was a building block to the review of the IF. The review would not be a large one-off review but rather a cumulation of the five progress reports already given.

24. The Chairman said that the interventions delegations had made underlined the importance of the Sub-Committee keeping up its monitoring of progress in the implementation of the Integrated Framework. It was a way, not only for delegations to be kept informed, but also to keep up the pressure on the core Agencies. He proposed that the Sub-Committee met every two months to monitor progress in the process. That would mean that the Sub-Committee would meet once more before the Seattle Ministerial Conference, but only after some of the trade-related meetings mentioned by the Secretariat had taken place. He suggested that the Sub-Committee meet on 19 November as three roundtable meetings would hopefully have been held by that date.

25. It was so agreed.

C. REPORT BY THE SECRETARIAT REGARDING THE COMPILATION OF EXISTING MARKET ACCESS INFORMATION

26. The Chairman said that the Sub-Committee, at its last meeting, had asked the Secretariat to circulate a draft version of the tables containing the compilation of existing market access information that it had made. Delegations would appreciate that the tables provided by the Secretariat on a product by product base were extremely voluminous and would be both expensive to produce and difficult to handle IF distributed to all Members at this stage. What the Secretariat had done as a first step was to circulate to each LDC the tables concerning its own trade, and to all of the 23 markets concerned in the study a complete set of the tables. At the initial stage, the tables were being circulated essentially for verification. He said that he was sure, and the Secretariat would also appreciate, that despite all best efforts there was need for updating and correction of some of the information provided. He requested delegations to verify the information and let the Secretariat know of any corrections and datings by 1 November. He asked the Secretariat to help the Sub-Committee understand the tables circulated and how it wished to proceed.

27. The representative of the WTO Secretariat said that the impetus to the exercise had come from the former Chairman of the Sub-Committee, Ambassador Hans-Henrik Bruun, to build on the work previously done on market access for LDCs for the High-Level Meeting in 1997 and in particular the tables published in WT/LDC/HL/14 and Add.1. as well as document

WT/CTD/LDC/11/Rev.1. These two documents were derestricted. Ambassador Bruun's initiative which had been agreed to at the time by Sub-Committee was to provide information on market access conditions and trade in the same markets that had previously been reviewed in WT/LDC/HL/14, i.e. 23 markets, but not to LDCs as a group as had previously been done but to individual LDCs. The current work therefore presented information on market access relating to the exports of individual LDCs into the 23 major markets of interest to them and presented information on the trade flows, the share of trade accounted for by the individual LDCs, the bound and applied rates of duty available, any GSP or GSTP preferences, special LDC preferences, other duties and charges and non-tariff measures. The main sources of information used had been data supplied by WTO participants themselves in the Integrated Database complemented by trade data essentially from UN Comtrade. Information up to 1997 was currently available under Comtrade and he believed that 1998 data was beginning to become available. At the previous meeting of the Sub-Committee, the details of the columns had been explained. The first column showed the imports into each market in the survey from the LDCs. The second column showed the market share of LDCs in total. The third, fourth, fifth, sixth, seventh and eight columns showed the value and market shares in 1995, 1996 and 1997 of an individual LDC as named on the top of the column and its relative market share into the different markets into which it actually exported the particular product in that year. The products were defined at the HS 6-digit level. The next two columns were the MFN bound and applied rates available in the Integrated Database, applied and bound by the particular market in the most recent year. The bound rate being the end of Uruguay period and the applied rate being 1997 data. Where there were several duties within a single six-digit tariff line, a tariff range was given as data was not broken down further than the six-digit level which was the standard international coordination point for the Harmonized System. The following two columns gave information, as available, on GSP and GSTP rates of duty into the markets concerned and any special duties or conditions applied to imports from LDCs. The column with the title "Other" gave information, often footnoted to the tables, on specific preferential schemes which fell outside the GSP and GSTP system. For example the European Community rates would be footnoted with information on the rates of the Lomé Convention. Information, as available from data sources in the Secretariat on other duties and charges from the schedules of individual Members was presented as was information on non-tariff measures which drew on the previous information contained in WT/LDC/HL/14 Add.1 which in turn drew on the notifications by Members of the WTO, the UNCTAD database on trade control measures and the WTO Trade Policy Review series. The non-tariff information was as complete as the Secretariat could make it. However, he did not wish to vouch for its absolute completeness. The information was circulated to Members for its verification. He believed that the tariff information was correct and hoped that the same was true for the non-tariff information but wished to have any comments from delegations by 1 November 1999.

28. The representative of Switzerland said that the work that had been done was interesting and promised to provide a good insight into the matter of market access and problems faced by individual LDCs. To consider past exports, which meant actual imports, was to only consider one side of the coin. Another one would be to consider potential exports. He said that he was aware that that was a difficult task as it involved estimating potential product capacity and asked whether the Secretariat in any way had considered including potential exports in the study.

29. The representative of the WTO Secretariat said that the draft information circulated was a first step in a process which he hoped to carry further. The first step involved a compilation of data on products exported by any LDC to any of the 23 markets. Through showing the position across markets he hoped to show the potential or at least the market access conditions for exporting the same products LDCs were already exporting to one market to the other markets included in the study. The issue of potential exports could be developed in two ways. One was to look at the market access conditions for processed and manufactured goods derived from raw products currently exported by LDCs. It could also be useful to get a picture from the LDCs of the potential as they saw it for exporting other products to different markets. He said that he appreciated any ideas from Members on how to carry out further studies of potential exports of LDCs.

30. The representative of the European Communities said that it was academic to discuss whether market access was more important than supply-side constraints. His delegation was pursuing a strategy where both were essential. Neither of them was very much without the other. His delegation had put forward a proposal for basically zero tariff access for LDC exports. Considering the lists and the rates compiled by the Secretariat there still seemed to be a case for that type of a proposal. It was also important to extend market access in countries neighbouring the LDCs. His delegation's initiative and the information provided by the Secretariat would help to prove its value as a part of a more general strategy. On the other hand, IF the necessary was not done on capacity building, market access would not lead far either.

31. The representative of UNIDO said that his delegation supported the proposal by the Secretariat that in considering potential markets there was a need to take the extent of value-added into account, products which presented processing opportunities. Considering the opportunities emerging in global markets, not many of them were in traditional products. When the analysis focussed on traditional exports and zero tariffs levels for those traditional exports, the comment made by the representative of Lesotho became valid. The issue was not access, it was to diversify production capacity. There was an earlier study by UNCTAD which had classified products into "dynamic products" for which there were some value added which could result in employment creation and poverty alleviation. He underscored the points made by Lesotho and India that the work of the Sub-Committee should concentrate on ways in which countries could be assisted to diversify production. IF capacity building was considered for diversifying the production base the work of other agencies became critical. The newly appointed WTO coordinator for LDCs would be able to include activities of other agencies that could enhance the effectiveness of the technical assistance given to enhance production capacity in LDCs. In that regard, the effort mentioned in the report by the coordinator to align the IF with the CDF of the World Bank was welcome as was any effort to link the IF with the United Nations Development Assistance Framework (UNDAF).¹ The latter would be critical as most UN agencies were involved in that process at the country level. That would enhance the effectiveness of any technical assistance provided.

32. The representative of Bangladesh said that as had been said, it was clear that the discussion of market access versus capacity building was an academic one. It was important to understand that the two were related. Which of them was more important was not the issue. The issue was that there should be an integrated approach to market access and capacity building. From a small market perspective, market access did activate LDC economies. It brought in FDI, it helped technology transfer and capacity building indirectly as well. At the end of the debate, market access did remain of primary importance as it was the prime mover of capacity building. He stressed the importance of keeping market access at the centre of the debate.

33. The representative of Côte d'Ivoire asked whether it was possible for the Secretariat to undertake a similar compilation of market access information relating to other countries which were not LDCs, either to all other developing countries or at least to those who so requested.

34. The representative of the WTO Secretariat said that the "brief" of the exercise initially had been to do work for LDCs. However, he recognized that there were other countries which might be in a similar position of needing information. There was also work going on in the Technical Cooperation Division in that respect and he wished to talk to the representative of Côte d'Ivoire and

¹ "As a product, the United Nations Development Assistance Framework (UNDAF) is a single framework document promoting the complementary and mutually reinforcing qualities of the discrete country programmes of individual UN funds and programmes. UNDAF is thus a tool for maximizing the individual and collective impact of UN programmes of assistance on country priorities.

As a process, UNDAF will help UN funds and programmes to work in concert to achieve policy goals, including those flowing from recent global conferences, and to support national capacity development more coherently". (Source: FAQs on UNDAF's Website at <http://www.itcilo.it/undaf.faq.htm>)

discuss it with the Technical Cooperation Division to see what could be done to help her delegation in particular.

35. The Chairman said that as the documentation compiled by the Secretariat was so voluminous that it was difficult to get an overview, he suggested that the Sub-Committee agreed not only that the delegations concerned send any corrections and up-dates they might have to the Secretariat by 1 November 1999 but also that the Secretariat used the information compiled to write a short note summarizing and giving an overview of the data which would be attached to the revised tables.

36. It was so agreed.

D. FUTURE WORK OF THE SUB-COMMITTEE

37. The Chairman said that considering the two previous items on the Agenda, the Sub-Committee already seemed to have decided on some of the work it would undertake in the near future. It was obvious that delegations attached importance to continued monitoring, by the Sub-Committee, of progress in the follow-up to the High-Level Meeting and in particular of the Integrated Framework. The Sub-Committee would also continue to consider the item of market access for the exports of the least-developed countries. In addition, he had suggested at the last formal meetings that the Sub-Committee could take up implementation and capacity-building and he wished to make a suggestion in that respect. At its meeting on 6 July 1998, the Sub-Committee had requested the Secretariat to prepare a paper which could help the Sub-Committee assess the difficulties the least-developed countries faced with regard to the implementation of WTO obligations. The context of the request had been several-fold. First, the importance attached by WTO Ministers in their 1998 Declaration to the implementation of individual WTO Agreements and the realization of their objectives. Second, WTO Ministers' intention to further pursue their evaluation of that issue at their Third Ministerial Conference. That would cover, *inter alia*, the problems encountered in implementation and the consequent impact on the trade and development prospects of Members. Third, the Sub-Committee's monitoring of follow-up to the High-Level Meeting, which had had as a central theme the least-developed countries' capacity to take advantage of the benefits of participating in the multilateral trading system which was clearly and closely linked to their capacity to implement WTO Agreements. Subsequently, the Secretariat had circulated a document (WT/COMTD/LDC/W/10) on LDC implementation of WTO Agreements. The discussions on that paper had not resulted in any concrete action. He therefore proposed that the Sub-Committee asked the Secretariat to consider that document and the discussions held on it and come up with suggestions as to how LDCs could be assisted in implementing WTO Agreements. That might be taken up in the post-Seattle framework and he suggested that the Secretariat be asked to produce such a paper early in the year 2000 for consideration in the spring.

38. It was so agreed.

E. OTHER BUSINESS

39. No item was raised under "Other Business".

ANNEX 1

Report by the Chairman on the Informal Consultations of 28 July 1999 on the Integrated Framework

Following intense discussions on the Integrated Framework in the Sub-Committee on Least-developed countries, it was decided that the Sub-Committee should convene in an informal setting to discuss the Integrated Framework. That informal meeting was held on 28 July 1999. The purpose of the meeting was to have a frank exchange of views on the Integrated Framework. I was positively surprised and pleased to see such a large number of delegations present at that meeting, considering not only that we convened at 8 in the morning, but also that the discussions of the selection of the Director-General was ongoing and that it was just before vacation time. I believe that it was a very useful meeting in a number of respects: both because several least-developed countries gave detailed accounts of how they saw the Integrated Framework and because the delegations representing donors gave their views. LDCs spoke about the practical problems they faced in the implementation of the Integrated Framework, how they had managed to solve those and proposed changes to the Integrated Framework, while donors gave their opinions on the aims and functioning of the Integrated Framework.

Before that meeting, the Integrated Framework had often been criticized in an un-nuanced manner. I was therefore a bit provocative in my introductory remarks and asked whether the Integrated Framework should be scrapped. However, one of the conclusions that can clearly be drawn from the informal consultations was that the Integrated Framework fulfilled a needed purpose. No delegation which took the floor wished to see it dismantled and all subscribed to its underlying principles of a demand-driven exercise that aimed at making trade-related technical assistance more efficient and forged cooperation on trade issues in the LDCs, within and among agencies and within the donor community. Some even said that one main drawback for the Integrated Framework was that it had received too little political attention, and that the profile of trade-related technical assistance had to be raised.

It became clear at the meeting that the expectations on what the Integrated Framework should, or could achieve, differed among delegations. A few LDC delegations said that the interpretation of "trade-related technical assistance" sometimes seemed to exclude areas of real importance to LDCs like infrastructure development for example. It was stressed that the Integrated Framework was not the answer to all development problems of the LDCs. Without the proper internal policies in the LDCs and the external support of the international community in areas other than trade, the Integrated Framework will not assist LDCs develop at all. However, the Integrated Framework can be an important part of a least-developed country's development strategy, IF put into the right context. IF successfully implemented, it could even set a precedent for domestic cooperation among ministries, involvement of the private sector and NGOs in the LDCs and of cooperation between large agencies and involvement of donors.

Even IF the informal consultations showed that delegations generally considered the Integrated Framework useful, all seemed to agree that it could be improved. Action to improve the functioning of the Integrated Framework was called for at the level of all three main groups of players: the LDCs, the six core agencies, and the donors. Coordination problems were frequently cited problem at all three levels, but also among the different levels. We heard first hand experience from some LDCs which explained that in their capitals there were sometimes coordination problems among ministries, among the private sector representatives, within the academia and NGO communities and among all those players. However, in the LDCs that had encountered coordination difficulties, steps had been taken to overcome those. One way was for the LDC governments to be careful in the selection of consultants who would assist them. The national consultant had to have experience both from the public and from the private sector. Another way of dealing with

interministerial cooperation was for the focal point for the Integrated Framework in the LDC to create an interministerial group to work on issues related to the Integrated Framework. Some delegations mentioned that it was already an achievement that the different players in the LDCs which dealt with trade-related matters communicated and cooperated. One LDC delegation mentioned that in order to make the Integrated Framework process sustainable beyond the holding of a roundtable, a permanent steering committee had been established in his capital and the aim was that the consultant would follow the process together with the steering committee beyond the holding of a roundtable. It was also stressed that the WTO Trade-Policy Review Mechanism could assist LDCs prepare for the holding of a roundtable meeting was mentioned as was the role of the press in teaching the public about the importance of trade for development. One LDC delegation mentioned that his government did not have any coordination problems at all at the national level, but with the international Agencies.

As concerned the cooperation among the agencies and between the Agencies and the LDCs, a suggestion was that one of the agencies with LDC field representation would be selected as lead agency for the Integrated Framework process in each LDC. In this way the LDCs would have one clear counterpart to turn to, and it would ease cooperation among the six core agencies and with donors as it would be clear which agency took the lead in matters concerning the implementation of the Integrated Framework in a specific LDC. The lead-agency should also assist the LDC in taking the first steps in arranging for the holding of a roundtable. However, the Agencies have confirmed my understanding that it already is the practice to choose a lead Agency to which the LDC would principally turn for assistance in the preparations for the holding of a roundtable. During the informal meeting, delegations also stressed that choosing one agency as lead agency would not mean that the other agencies would not be involved. There was a need for the active involvement of all agencies even if one was designated lead-agency. A desire was also expressed for better internal coordination between the agencies headquarters and field-staff as was coordination between donor countries embassies and capitals.

Several delegations representing donors said they wished to be more closely involved in the process. They urged the LDCs to keep donors better informed about their preparations for the organization of a roundtable. There were also calls for the inclusion of other intergovernmental organizations and non-governmental organizations. It was said that the idea of engaging other institutions was for those to contribute with resources and not for them to take part in the policy issues of the WTO.

One of the problems with the Integrated Framework mentioned by LDCs was that it was unclear from where the funds would come. Some donors replied that the initial idea with the Integrated Framework was to use existing resources more efficiently. Some LDCs also found the Integrated Framework unclear as to whether it was up to the governments of the LDCs or whether it was the responsibility of the Agencies to contact donors for funding. A couple of delegations expressed the view that obtaining finance for projects actually was secondary to the benefits of coherence in the Integrated Framework.

A concern raised by LDCs was the lack of clear deadlines in the implementation of the Integrated Framework. One delegation suggested that there should be a deadline in the case of each LDC for the LDC government and donors to agree on the timetable for the exercise. It was also mentioned that, as the exercise for many of the LDCs had begun with them preparing their needs-assessments back in 1997, their needs assessments no longer corresponded to the current situation. There was therefore a need for several LDCs to update their needs-assessments.

The desire to set up a monitoring and follow-up mechanism was mentioned by several delegations. The need for proper monitoring and follow-up was raised both with regard to the agencies and with regard to internal LDC policy. One idea mentioned was for a WTO working party to be established to discuss LDC issues, another was for a WTO Deputy Director-General with the

responsibility to report periodically on the progress and shape of the Integrated Framework. After we have listened to the report by the Secretariat, I will come back and make a proposal for enhanced monitoring of the process from the WTO side.

I believe that the points I have mentioned were the most pertinent points raised during the informal consultations. In my view, these comments show that there is a role for the Integrated Framework, but also that there is an urgent need for action to improve it. However, I consider that the Integrated Framework already has produced one major achievement and that is that issues related to trade in least-developed countries have begun to be better coordinated both within the LDCs, among the six core Agencies and even within the donor community. Coordination and coherence is a slow and burdensome process, but it produces real benefits with time.

ANNEX 2

Fifth Progress Report by the Secretariat on the Integrated Framework

Mr. Chairman, for your report to the Sub-Committee, which I know Members will agree is factual and balanced, I am about to present the 5th in a series of continuing Progress Reports on the Implementation of the IF. In this report, I propose to share with Members some of the problems encountered, progress made, the status of Roundtables, and the review of the IF as mandated in paragraph 6 of WT/LDC/HL/1/Rev.1.

Before I present this report, let me extend to Members of the Sub-Committee, the warm and personal greetings of the Director-General who wanted to be present at this meeting, but is currently in Washington for the IMF/World Bank Meeting, and will travel to New York, later today, to address the 9th Annual Meeting of Trade Ministers of Least-Developed Countries (LDCs), tomorrow, 29 September 1999. The Director-General has asked me to convey to Members his determination to work for a meaningful outcome for Least-Developed and poor countries at the Seattle Ministerial Conference; and his stated priority to ensure a balanced outcome for all Members.

Let me return to the report that I am required to present. The concept of the IF is an excellent and truly original idea. We should commit ourselves to make it work. The different parties in the IF, donors, beneficiaries, participating agencies and others, have expressed various views about the IF. Practical difficulties have been recognized. There have been problems in implementation. Concerns have been expressed. There is divergence of expectations and different understandings on objectives. Problems of coordination have been mentioned. There have been complaints of bureaucratic difficulties encountered. Nonetheless, it is obvious that we are bound by a consensus to ensure that it works. Members, donors and beneficiaries alike all desire the maintenance of the IF.

When Members endorsed the Integrated Framework, at the High-Level Meeting for Least-Developed Countries in 1997, no budgetary provisions were made for additional funding for its implementation. The six agencies were asked to undertake the major exercise of implementing the Integrated Framework only by using efficiency gains and possible re-prioritisation. As a result, the high expectations of some LDCs have been disappointed.

At the same time, we should also recognize that the Integrated Framework was never designed to solve the complex challenge of development; but address aspects of it that are trade-related. Some progress has been made considering the resources available. We need to inject a dose of realism in the circumstances. The IF can be used as a tool in achieving the goal of increasing the participation of LDCs in the multilateral trading system.

I would like to briefly address the specific issues of (i) implementation; (ii) cooperation among and within the six core agencies; (iii) donor requests; and, (iv) monitoring and follow-up.

Implementation

First, on implementation, there is scope for improvement. There is a learning curve, and we are still on that curve. Implementation can be further improved by engagement. We learn by engagement. Some LDCs are advanced in the implementation of the IF in particular with respect to internal coordination. This experience can be shared with others. A statement of national experiences may even be helpful, Members contemplate a review of the IF. The Agencies would be better able to assist LDCs by drawing on the experiences of those LDCs that are advanced in the implementation of the IF. For instance, the experience of some LDCs in the implementation of the IF has led to the idea of creating a steering committee of several Ministries as well as the private sector and civil society for

enhanced internal coordination in the implementation of the IF. The agencies have fully supported the formation of Steering Committees; and as in Bangladesh and Haiti, have organized and participated in short workshops to brief members of the Steering Committee and launch preparations for the Roundtable Meeting. Furthermore, experience to date, suggests the need for more care in the selection of national consultants that are experienced both in the public and private sector. On implementation, Members may note that documentation by the Administrative Unit aims, inter alia, to take account of experiences gained by those LDCs that are advanced in the implementation of the IF, and to afford this experience to other LDCs.

At the G77 in Marrakesh and the recently concluded 2nd Ordinary Session of the Trade Ministers of the OAU/AEC, the DG held many bilateral meetings with Trade Ministers, including with LDCs' Ministers. Issues raised included improvement of the implementation of the IF, in all its phases: pre-Round Table, Round Table phase, and post Round Table phase. The results of suggestions made are under analysis for feasibility.

Cooperation among and within the six core Agencies

Second, cooperation among and within the six core agencies has been raised as an issue. Coordination will always be a problem; and we must seek to optimize coordination. I would like to assure Members of the Sub-Committee that the participating agencies are paying careful attention to improving coordination, particularly since the Informal Meeting of the Sub-Committee on 28 July 1999. Members also have a role to play in enhancing coordination on trade-related issues amongst the six participating Agencies. As Members of the participating organizations, increased emphasis can be accorded to the trade-related issues. The views that Members express here at the WTO can be reinforced IF they are similarly made in the other participating agencies. The Secretariat is glad to report that since the last meeting, the IF has been mainstreamed into the World Bank's Country Assistance Strategy (CAS), and the Comprehensive Development Framework (CDF). There is now, therefore, a clear commitment by the Bank to ensure that their country Directors include trade-related concerns in their national programmes. Contacts with Mme. Moulinier at UNDP, Geneva, Mme. Tibaijuka, at UNCTAD, have made evident fresh ideas that the Agencies can pursue, and have provided fresh impetus to the IF. Members of the Sub-Committee should be assured that for the Secretariat, it is not business as usual. Comments have also been received from the IMF on how coordination, inter alia, can be improved amongst the Agencies. Our new Director-General is also providing important political boost to the implementation of the IF. We are committed to enhancing coordination amongst the participating Agencies.

Donors

Third, donors desire closer engagement with the process of implementation of the IF because not all development partners are locally represented in some of the LDCs. To respond this need, the WTO, upon request proposes to host informal consultations at the WTO, together with the LDC Government and the agencies, prior to the trade-sector Roundtable. These meetings in Geneva are conceived as informative and preparatory meetings. At these informal meetings, advance copies of the documentation for the Roundtables are circulated, including the draft multiyear programme.

These informal meetings provide the donors with a forum to listen to the LDC Government, offer early or initial pledges, or simply offer ideas and suggestions on the future Roundtable.

Examples of Informal Donor Consultations were held in connection with the Trade Policy Reviews of Mali, in November 1998, Togo, in January, this year, and Guinea in February, this year also. Just last Friday, we held a separate meeting for the Gambia. A Meeting for Haiti is scheduled for Friday, this week, and for Tanzania, on Monday, 4 October. Others will surely follow. These

meetings are intended as precursors for the Round Tables which will be held later in October and in November these countries.

It is obvious also that LDCs have a role in informing their development partners of their intention to schedule trade-related roundtable meetings, and to involve their partners in the process. During the Informal Consultations on 28 July 1999, the question was raised as to who would contact the donors. The answer is clear, either the LDC informs the donors directly, or it could ask one of the participating agencies to do so, or it could request the Administrative Unit to do so. The responsibility of contact with the development partners rests with the LDC. As defined, the IF is demand-driven; and, LDCs need to "own" the process. The participating agencies should not decide which development partners to invited to a roundtable meeting of a particular LDC. However, let me emphasise that the WTO and the Administrative Unit will assist an LDC in organizing a pre-meeting (Informal Consultations) in Geneva.

Monitoring and follow-up

In paragraph 5(1) of WTO/LDC/HL/1/Rev.1, the IF stipulates that the role of co-ordinating the implementation and monitoring of the trade-related technical assistance activities shall be primarily the responsibility of the least- developed country. The implementation and monitoring modalities stemming from the endorsement of a multi-year country programme, and envisaged as the next step of the Integrated Framework, would be facilitated with the setting up of a mechanism, such as a Steering Committee, composed of the relevant stakeholders within each LDC. As earlier noted, some least-developed countries, with the involvement of field representatives of the World Bank and/or UNDP, have already set up such mechanisms to prepare for the trade-sector Roundtable. Least-developed countries, supported by their development partners, may wish to consider strengthening and maintaining such Steering Committees, as a mechanism for overseeing the implementation, monitoring and evaluation of the multi-year programme of trade-related technical assistance activities.

No evaluations of multi-year country programmes, as mandated by paragraph 5 (m) of the Integrated Framework, have as yet been undertaken by the six agencies, because no such programmes have been endorsed to date. However, on an annual basis, the six agencies have been monitoring the status of implementation of their respective activities in the Integrated Responses. The next monitoring update is due to be undertaken in March 2000. The monitoring of the trade-related technical assistance activities undertaken at the end of 1998 and early this year, has been sent to representatives. Typically, the monitoring updates are forwarded to the focal points of LDCs for comments and verification as well as being disseminated on the Integrated Framework web-site.

The Secretariat has reported the regular monitoring of progress made on the follow-up to the High-Level Meeting. These Reports have been circulated to Members and Observers as Secretariat documents WT/COMTD/W/40, WT/MIN(98)/2, WT/COMTD/W/45, WT/COMTD/LDC/W/12 and WT/COMTD/LDC/W/12. We have also adopted the practice of inviting representatives of the other core agencies to address meetings of the WTO Sub-Committee on Least-Developed Countries on their role in the Integrated Framework.²

One of the objectives of the Integrated Framework is to provide comprehensive information. To this end, information is contained on the web-site of the Integrated Framework (<http://www.lcds.org>) about least-developed countries' Needs Assessments, the Integrated Responses of the six agencies, their state of implementation, the activities of other development partners in a

² ITC, Administrative Unit of the Integrated Framework, World Bank, UNCTAD, IMF and the UNDP have addressed the WTO Sub-Committee on Least-Developed Countries. This is reflected in the minutes of these meetings WT/COMTD/LDC/M/12 through 16.

particular country (insofar as it is provided to the Administrative Unit), the state-of-play of the organization of trade-related Roundtable meetings, and current and up-coming events in relation to the Integrated Framework.

The evidence suggests that the web-site is serving the useful purposes of transparency and information sharing among and between the six agencies, the least-developed countries and their multilateral, regional and bilateral development partners. There have been well over 11,000 visitors to the site since mid-September 1998.

The Status of the Roundtables

An important question, Chairman, repeatedly raised by Members is what is the status of the Roundtable?

As background which Members already know, 40 out of the 48 least-developed countries, have now completed their needs assessment. Thirty have designated focal points³ for the Integrated Framework. Yemen, recently, became the forty-first country to request assistance to participate in the Integrated Framework.

On the actual status of the roundtables themselves, to date, approximately twenty least-developed countries have informed the participating agencies of their interest in scheduling trade-sector Roundtables under the Integrated Framework. Most have requested assistance for organizing these roundtables. Drawing from past experience and the positive and constructive suggestions put forward by Members, momentum has been generated for the Roundtables scheduled in Bangladesh, the Gambia, Haiti and Tanzania in the fall of 1999. Copies of the draft multi-year programme documentation to be endorsed at the Roundtable and dates of the meeting can be accessed on the Integrated Framework web-site.

While all core agencies, pursuant to their mandate and expertise can provide the requested assistance, the UNDP and the World Bank, by virtue of their extensive accumulated experience in organizing Roundtable and Consultative Group Meetings as well as their field operations in most least-developed countries, are very well-suited to play a central role in assisting least-developed countries at this stage of the exercise. Over the next 6 to 12 months, the UNDP and/or the World Bank together with, in some instances, one or more of the other core agencies, would be assisting Benin, Bhutan, Burkina Faso, Djibouti, Ethiopia, Guinea, Malawi, Mali, Mauritania, Mozambique, Nepal, Niger and Zambia in their preparations for a Roundtable meeting.

What about the WTO, where do we stand? Members need to know that we have implemented a proportion of technical assistance activities at this stage of the Integrated Framework, on the basis of, and I would like to emphasise, *extra-budgetary support of Members*. We can provide detailed statistics of our technical assistance activities on request. Essentially, we would just mention that three-week Trade Policy Courses for participants from Anglophone and Francophone countries were organized. Specialized regional seminars have been held as well as individual national seminars. As Members already know, "Reference Centres have been opened in 38 LDCs. By the end of 1999, over 85 per cent of the activities to which the WTO undertook commitments in the Integrated Responses, would have been undertaken.

On an annual basis, the six core agencies have been monitoring the status of implementation of their respective entries in the Integrated Responses. Implementation of the activities to which the six Agencies committed themselves is progressing. Almost half of the 2000 entries by the

³ Contact details of the Integrated Framework focal points in least-developed countries and in their development partners - bilateral, regional and multilateral, can be accessed on the web-site <http://www.ldcs.org>.

six Agencies in the Integrated Responses, have been completed or are in advanced stages of completion. For transparency, the information has been collated and disseminated by the Administrative Unit on the Integrated Framework web-site, with the next update, based on the six Agencies inputs, due to be completed by March 2000. This information on implementation status, has also been sent for comments and verification, to least-developed countries who, as owners of the Integrated Framework exercise, are responsible for co-ordinating the implementation and monitoring of trade-related technical assistance under the Integrated Framework.

Members have expressed concern at the slow pace of progress at this phase of the Integrated Framework. We can and should accelerate, but we also need to recognize there are several factors at play that are not under the control of participants in the process. Hard work, patience and improved coordination as well as sharing of responsibilities are required. As expressed by Members and recognized by the participating Agencies, the trade-sector Roundtables will not be an end in themselves. Results to be delivered including the endorsement of a multi-year programme is contingent on the quality of the preparatory process leading up to the meeting. Indeed, success in endorsing a concrete multi-year programme of trade-related technical assistance at a Roundtable depends on a host of factors including, the prevailing political and economic situation in the least-developed country, the level of donor interest and support, the resources, mandate and expertise available with the different agencies to deliver the requested assistance, and not least the priority and importance attached to trade by the least-developed country themselves as the owners of the Integrated Framework.

The Review Process

Chairman, the review of the IF by the 6 Agencies is mandated in paragraph 6 of WT/LDC/HL/1/Rev.1. This review to be undertaken after 2 years in the light of experiences gained in the operation of the IF has already begun. Discussions in the Inter-Agency Working Group, chaired by the WTO, will be focussing on this issue further particularly in light of the views expressed by least-developed countries and their development partners at the forthcoming Ministerial in Seattle. Perhaps more importantly, it is considered necessary that Members should be involved in this review exercise. The views of Members would be welcomed on how the review process can be structured to include the participation of Members. We could maintain regular monitoring of the IF on a bi-monthly basis. We could further discuss this IF another meeting is scheduled for the Sub-Committee before Seattle. We could also consider a review after the Round Table Meetings have been held with Gambia, Haiti, Tanzania and Bangladesh.

In conclusion, let me say that all stakeholders: Members, both least-developed, as owners of this demand-driven exercise and others, as bilateral development partners seeking to increase the benefits that LDCs derive, share a common responsibility with the agencies for success in meeting the aims of the IF.
