

Project Concept Note Template for the follow-up meeting of the 2010 SPECA Economic Forum

Ashgabat, 7-8 June 2011

Project Title	Integration of SPECA countries into the Multilateral Trading System	
Outcome	Strengthen capacities of SPECA Member States to formulate, articulate and implement appropriate policies and strategies to participate effectively in, and derive maximum benefit from, multilateral trading system - in particular WTO accession negotiations and post-accession assistance in implementing and benefiting from WTO agreements and commitments.	
Indicative Funding Requirements	Total estimated budget:	\$ 2,874,480
Potential Sources of Funding	[Donor(s): [Development Bank(s): Other Resources:	No funding pledged so far
Expected start date	January 2012	
Expected Duration	2012-2016	
Implementing Organisation(s)	UNCTAD	
Country/Countries	All SPECA countries	
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1 Background

Pursuant to intergovernmental mandates¹ UNCTAD promotes the accession of developing countries and countries with economies in transition to the WTO on terms consistent with their level of development and their ability to implement obligations associated with WTO membership and derive developmental benefits.

Three SPECA countries - Afghanistan, Azerbaijan and Kazakhstan- are beneficiaries of the UNCTAD Trust Fund for WTO Accessions. UNCTAD also provided accession-related technical assistance to Tajikistan and Uzbekistan on an *ad-hoc* basis. Trade-related technical assistance and capacity building programmes are aimed at assisting them in enhancing their trade policy making capacity, developing human resources, as well as establishing / strengthening the institutional and regulatory framework and infrastructure in these countries at all stages of their accession process to benefit from WTO membership.

In September 2006 UNCTAD in collaboration with the Ministry of Foreign Affairs of Azerbaijan organised the Roundtable of SPECA countries on WTO accession issues. The objectives of this Roundtable were to share experiences relating to WTO accessions as well as to enable them to network among themselves on accession-related information and other issues on the multilateral trade agenda. The participants praised UNCTAD's technical assistance on WTO accession and

¹ UNCTAD IX (Midrand Declaration), UNCTAD X (Bangkok Plan of Action), UNCTAD XI (São Paulo Consensus), UNCTAD XII (Accra Accord)

requested to continue its support to SPECA countries particularly in the area of awareness-building regarding the WTO and the potential impact of WTO membership on governments, private sector and civil society of acceding countries as well as focusing technical assistance also on the "pre-accession", "accession" and "post-accession" phases.

2 Justification

Promoting the accession of developing countries and countries with economies in transition to the WTO on terms consistent with their level of development and their ability to implement obligations and derive benefits associated with WTO membership is a core policy objective of UNCTAD. Recognising this policy objective as being a key mechanism for building valuable trade policy capacity and thereby increasing the opportunities for economic development and poverty reduction, the Accra Accord (UNCTAD XII) at paragraph 90(e) provides that:

"UNCTAD should continue to provide and strengthen technical support to and cooperation with developing countries, according to their level of development, particularly LDCs and countries with economies in transition, prior to, during and in the follow up to their WTO accession process."

Specifically, UNCTAD has the following objectives related to supporting accession to the WTO:

- Assisting national officials in elaborating optimal approaches in the respective phases of the accession process, particularly in making an inventory of relevant problems to be solved both of an internal and external nature.
- Strengthening the knowledge of national officials of multilateral trade negotiations techniques, strategies and tactics in order to improve their negotiating capacity;
- Providing advice in trade policy formulation and implementation, particularly relating to the WTO accession negotiations;
- Strengthening the capacities of trade supporting national institutional structures (including the academic community) through training and joint analysis of the relevant problem areas; and
- Increasing awareness among civil society, including private sector stakeholders and parliamentarians on the accession process and what it entails.

The long-term objective of the accession-related technical assistance provided by UNCTAD is to enable the newly acceded Members to benefit from and contribute to the multilateral trading system as a result of their better understanding and appreciation of the various WTO Agreements through establishment of appropriate institutional and regulatory framework, and expansion of their trade and economic growth, supporting their poverty reduction objectives.

3 Expected Output(s)

The Project aim at delivering the following outputs:

- improved overall understanding of the complex rules and disciplines associated with WTO membership by Government trade officials and negotiators, in particular, the representatives of business and private sector and other relevant stakeholders from the civil society including, parliamentarians, media, academia and research institutions, consumer organisations, etc.
- government officials involved in the accession process or those about to apply to the WTO trained and technically prepared in trade-related policy and WTO matters/processes;
- accession-related trade policy studies, reviews, and impact assessments completed; upgraded capacity to formulate and implement trade and trade-related policies; memorandum of foreign trade regime, responses to the questions from WTO Members;

- improved information and resource sharing among of acceding developing country trade negotiators

4 Proposed Approach & Strategy, including Capacity Development Response

This Project is directly concerned with financing technical assistance, which will be used to support SPECA countries, which have applied to join the WTO or who have expressed an interest in joining. The technical assistance would be specifically applied to building capacity in these countries in order that they can join the WTO on terms consistent with their respective development needs and which would allow meaningful participation in the multilateral trading system.

The main objective of the Project is to continue support technical assistance which will keep a sustained momentum in addressing a range of problems in acceding countries such as: (i) lack of experience in the multilateral trade negotiations; (ii) insufficient capacity to formulate trade-related policy; (iii) weak strategies for negotiating terms of accession to the WTO, and (iv) inadequate attention to the requirements and obligations inherent to WTO membership.

The Project aims to further strengthen trade-related capacity in target countries by training, technical studies, expert legal and institutional advice. The Project will increase the capacity of target acceding countries to join on terms more consistent with their developmental needs (i.e. on "balanced terms") and to speed up the process of their accession to the WTO.

UNCTAD has the expertise and accumulated knowledge to offer high quality and independent assistance to acceding countries. The strength of UNCTAD is that it has wide-ranging and multi-disciplinary expertise in the area of trade negotiations supported by an extensive experience in providing technical assistance to developing countries and countries with economies in transition in the context of their GATT/WTO accession and their participation in multilateral trade negotiations. UNCTAD currently assists many countries and regions, including most of SPECA countries in trade negotiations including WTO accession. UNCTAD's Trade Negotiations and Commercial Diplomacy Branch will manage the proposed Project.

5 Annual Work Plan

PLANNED ACTIVITIES	Timeframe				Planned Budget
	2012	2013	2014	2015	Amount US\$
1. Activity Assisting national officials in elaborating optimal approaches in the respective phases of the accession process, particularly in making an inventory of relevant problems to be solved both of an internal and external nature, and in defining national policy objectives	X	X	X	X	160,000
2. Activity Providing advice in trade policy formulation and implementation, particularly relating to the WTO accession negotiations;	X	X	X	X	160,000
3. Activity Strengthening the capacities of trade supporting national institutional structures (including the academic community) through training and joint analysis of the relevant problem areas	X	X	X	X	150,000

4. Activity Training of negotiators in Geneva as well as in their home countries to strengthen the knowledge of national officials on multilateral trade negotiations techniques, strategies and tactics, in order to improve their negotiating capacity;	X	X	X	X	200,000
5. Activity Technical advisory missions on both substance as well as the process of accession. This includes providing trade policy advice to assist these countries in moving towards a market-oriented regime consistent with the provisions of the GATT and the WTO, while taking on board their development aspirations	X	X	X	X	120,000
6. Activity Workshops sensitising the negotiating team, and other government agencies, private sector and academia, as well as key policy-makers, including parliamentarians on the GATT and WTO agreements, the accession process, as well as obligations and benefits of WTO membership. This activity would increase awareness among key policy makers, civil society, including private sector stakeholders and parliamentarians on the accession process and what it entails;	X	X	X	X	80,000
7. Activity Undertaking sectoral studies that will enable the respective governments to be aware of the potential and constraints of further development in specific sectors. It will include impact assessment of implementation of WTO Agreements, and will also be useful in the preparation of their market access offer in goods and services;	X	X	X	X	80,000
8. Activity Post-accession activities, including assistance to implement commitments undertaken by the acceding countries	X	X	X	X	96,000
9. Activity Project management	X	X	X	X	1,390,000
MISCELLANEOUS Contingency (5%)					121800
UNCTAD Project overheads (13% of Project sub-total)					316680
TOTAL					2,874,480