



**COMMONWEALTH  
SECRETARIAT**

**SCOPING STUDY:  
LONG TERM SUSTAINABLE APPROACH TO TRADE  
CAPACITY BUILDING**

SECOND DRAFT

October 2006

Prepared by Samantha Newton-Ward

&

Veniana Qalo

for the Commonwealth Secretariat

**LONG TERM SUSTAINABLE APPROACH TO TRADE CAPACITY  
BUILDING**

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## COMMONWEALTH CAPACITY BUILDING PROGRAMS IN THE AREA OF INTERNATIONAL TRADE

### **Background**

The Commonwealth Secretariat works as a trusted partner for the people of the Commonwealth and its overarching role includes being a catalyst for global consensus-building and a source of assistance for sustainable development and poverty eradication. The Commonwealth Secretariat's current programs on international trade are expected to yield the expected outcomes and results that will contribute towards its long-term goal of pro-poor growth and sustainable development of its members. Incorporated in this framework program on international trade is its cross-cutting program of Capacity Building and Institutional Development.

and participation in WTO and related negotiations.

In addressing capacity constraints faced by its member countries in the area of trade, the Commonwealth Secretariat proposed that a long term approach to trade capacity building be adopted. This study was undertaken to determine the feasibility of the proposal in addressing the institutional gaps facing many ACP member countries in the areas of trade policy formulation, negotiation and management through long-term trade training and career development to assist candidates prepare for work in their respective Trade Ministries.

The Capacity Building Programs of the Secretariat, particularly in the area of International Trade, are largely focused on the provision of assistance to assist in strengthening their effectiveness

## **Introduction**

The need to secure the integration of developing countries, particularly LDCs, into the globalised economy has been widely recognised at the international level, constituting one of targets to be achieved under the UN Millennium Development Goals. Strengthening their effective participation in regional and multilateral-level negotiations is important to ensure that the negotiations' results are development-oriented, incorporate developing country interests and concerns and contribute to their overall attainment of economic growth and sustainable development.

A myriad of capacity building assistance programs are currently being provided to developing countries to address this issue. However many, if not all, of the ACP countries still cannot adequately and consistently monitor and analyse developments in the global trading system, formulate

Appropriate policy recommendations, administer trade policy and effectively conduct varied and complex bilateral and multilateral trade negotiations.

In addressing capacity constraints faced by its member countries in the area of trade, the Commonwealth Secretariat has proposed that a different approach to trade capacity building be adopted. The proposal is for a long-term trade-training capacity building project which addresses institutional gaps in the areas of trade policy formulation, management and negotiations through a programme of specialised training particularly focused on career development to equip candidates with the requisite technical skills for more in-depth analysis of trade policy issues within their trade administrations. This study was undertaken to determine the feasibility of the proposal.

Donors and a range of agencies and institutions have been operating a variety of trade-related training and capacity building projects to address the institutional gap of many developing countries in understanding the changing trading environment, formulating appropriate policy and effectively negotiating to secure their trading interests. Despite these initiatives, institutional gaps still exists.

The gap in institutional capacity places countries at a serious disadvantage in keeping pace with and understanding the changing trading environment, formulating appropriate policy and effectively negotiating to secure their trading interests. Bridging this gap can therefore be of considerable potential benefit to the countries' ability to satisfactorily participate in and secure benefits from the multilateral trading system.

The current approaches to institutional capacity building are, in general, project based with

a short to medium-term focus, frequently centred on short training seminars. The EAD proposal is for a different, long term approach involving the identification of suitable young professionals for appropriate extended specialised training and career development. It is intended to complement rather than substitute for existing capacity building programmes.

#### **APPROACH TO FINDINGS**

An overall approach to capacity building that addresses the institutional gaps that exist in most Commonwealth small states in the area of trade policy formulation, negotiation and management requires information gathering. This report was prepared using feedback gauged through dialogue with relevant stakeholders including those in a selected number of ACP member countries. The stakeholders that were consulted in this process included:

## **EXECUTIVE SUMMARY AND**

### **AREAS OF RECOMMENDATIONS**

- Government Ministries and Agencies (Foreign Affairs & Trade and other line Ministries involved in trade policy formulation, Education, Scholarship Boards and Training Institutions);
  - Regional Universities and students on Bachelors and Masters Programs on International Trade Law and Economics;
  - The World Trade Organisation (WTO) and the World Trade Institute in Berne, Switzerland; and
  - Selected Regional Trade-Related Organisations (CRNM, CARICOM, PIFS, and SADC etc.)
- The purpose of this study was to investigate the feasibility of implementing the proposed long term trade training capacity building model. Options for tailoring the model, on the basis of the feedback received from the ACP member governments visited so that it better contributes towards the narrowing of institutional gaps in the areas of trade, were also investigated.
- In discussions held with the various ACP member governments visited there were two problems identified one of which was the lack of trained and experienced staff able to:
- (i) undertake legal and economic analysis; and
  - (ii) Formulate structured positions for negotiations at the national and regional levels.

The opportunity for officials to acquire the specialised knowledge required and to be trained to effectively utilise this knowledge in a structured manner geared towards the attainment of specific outcomes would truly contribute towards bridging the institutional gaps which exists in most ACP countries in the areas of trade policy formulation, management and negotiations.

Two key aspects to the success of the model in addressing the trade capacity constraints of ACP countries are the quality of the post-graduate education provided and the experiences gained by the participants in undertaking internships with international institutions.

#### **Areas of Recommendations:**

- Ideally the post-graduate study could be provided by regionally based institutions however, with the exception of the Caribbean; in the short term the post-graduate study component may have to be undertaken at an internationally recognised institution while suitable regionally based programmes are developed. Where suitable regionally based programmes are available, scholarships should be provided to suitable candidates from trade-related institutions/ministries involved in the trade policy formulation process to undertake the post-graduate study.

- It is proposed that, for countries in regions where universities do not yet provide the requisite post-graduate curricula on the economics and law of international trade, candidates should initially be funded to undertake post-graduate training at an internationally recognised university such as the World Trade Institute. Assistance should simultaneously be rendered to assist these regions aggressively seek development support in the establishment of institutes housed under their regionally based universities to provide the post-graduate course on economics and law of international trade.
- The internship component of the model is expected to provide the candidates, upon completion of the academic training, with structured work-learning experience with relevant international organisations such as the WTO, UNCTAD or the Commonwealth Secretariat. While the work of the intern should clearly benefit the organisation, it should primarily be a quality learning experience for the candidate where they are provided with the opportunity to develop the skills to apply their academic knowledge. The internship components, should preferably provide practical application of the theories learnt using a systematic approach for the analysis of information structured towards achieving specific outcomes (whether it be negotiating positions, policy advice etc). Pre-determined, specific and well defined tasks for graduates to complete during their placements would ensure effective and useful application of their post-graduate academic training.

- Appropriate supervision and mentoring by employees within the host organisations is important in furthering these goals.
- It is proposed that a pilot project be launched to determine the feasibility of the project on a larger scale. A pilot project would allow for the development of the necessary relationships between institutions involved in the project whilst improving the capacity of a small number of ACP countries in the areas of trade policy formulation, management and negotiations. Indicative costs per participant range between £20,000 and £30,000, depending on the educational institution involved.
- The combination of the post-graduate training and internship should contribute to the professional development of the candidate. By equipping them with the specialised knowledge and practical work experience in the area of trade policy formulation, management and negotiation, specific trade capacity constraints suffered by ACP countries could be alleviated.

## **SECTION 2: PROPOSED TRADE TRAINING CAPACITY BUILDING MODEL**

A concept note was prepared for this project. The note set out the background to the proposed trade training capacity building program, its broad objectives and scope of work as well as a proposed model comprising three specific components - post-graduate training, internship at international institutions and employment with respective national trade ministries. The other area addressed in the project proposal was the potential funding requirements of the project. The proposed model was used as a basis for commencing discussions with stakeholders in the ACP member countries visited and is outlined below:

**Post-Graduate Training:** Candidates would undertake postgraduate training in areas required to increase capacity in national trade administrations. Candidates would spend a minimum of one year working full time at the relevant ministry after completing their undergraduate qualifications before undertaking post-graduate studies, either at a regional institution or overseas. During their post-graduate studies candidates would, where feasible, work for the relevant ministry during vacations.

**Internship with International Institutions:** Following graduation from their post-graduate training, candidates would undertake periods of internship with selected international and regional agencies eg WTO, Commonwealth Secretariat, UNCTAD, before returning to their Ministry.

**Employment with national Ministries:** Participating governments would by necessity undertake to provide positions for the graduates of the programme within their trade ministries. Where possible, the positions should be commensurate with the graduate's qualifications and experience. Governments should ensure that graduates will, to the fullest extent possible, be provided with the opportunity to be retained within that Ministry and be provided with a career path for promotion and development.

**Funding:** There are two elements to the funding of this project. The first is the financing of the program and the second is the method through which the candidate is provided with the funding.

Programme financing would have to include the following components:

*Postgraduate Education:*

- tuition fees and any costs for compulsory text books etc
- living allowance during the post-graduate degree
- travel costs (including cost of travel for students to travel to and from their respective training institutions to their home-country during vacations to work, airfare for study tour)

*Internship*

- salary/allowances for the duration of internships/secondment with international institutions
- travel costs

*Other*

- costs of administering the programme

It was envisaged that these costs would be funded by donors and managed by the Commonwealth Secretariat. Participation of each candidate, including “compulsory” time spent working with government, was expected to be four to five years. The cost of the entire program was estimated at £65,000 per candidate, incorporating post-graduate training costs, internship costs and costs of administrating the program.

It is proposed that selected candidates would be provided with a government loan for appropriate postgraduate training in areas required to increase national trade administrations. Whilst the candidate is participating in the programme or continues in the employment of the participating government, the loan would not be repayable and would be written off after a pre-determined period of employment with the government. Should the candidate withdraw from the programme or from government employment before the period expires, the loan would be repayable.

### **SECTION 3: CAPACITY CONSTRAINTS WITHIN ACP TRADE MINISTRIES**

The proposed project was billed as complementing rather than substituting for existing capacity building programmes. However, an understanding of the capacity constraints faced by ACP countries is important in determining the type of value-added responsiveness of any such technical assistance program.

ILEAP, in their paper “An African Perspective on Aid for Trade” stated that “There is a need for a versatile core of trade officials with prior advanced-level training and long-term experience on the job. There must be a sufficient quantity and quality of these analysts to allow negotiation of win-win outcomes and strategic alliances on a needs or issues basis. They must further be able to update capitals promptly, request specific policy guidance and understand instructions form capital when provided.”

Each country and region obviously has unique problems with respect to trade capacity; however the needs articulated by ILEAP for Africa are relevant also for the Caribbean and the Pacific. Many ACP governments have a requirement for officials above a certain level to have a tertiary education, however the training of technicians/ trade analysts in trade ministries is not necessarily trade related.

In some of the ACP countries visited, constraints stemmed largely from lack of government budgetary allocations for human resources in the trade and related ministries dealing with trade policy formulation, negotiations and management. ACP countries which had the human resources were often still suffering, either because some staff had extensive experience but lacked the qualifications and analytical skills or whilst others lacked experience and had problems applying theory to practice despite having requisite academic qualifications. Essentially they were all suffering from a lack of trained and experienced staff able to undertake legal and economic analysis, and the subsequent formulation of information into structured development-oriented negotiating positions at the national/regional/multilateral level.

In almost all the ACP countries visited, what was commonly lacking were trade policy analysts that had requisite qualifications in the combined disciplines of the law and economics of international trade. In addition, it was noted that analysts often did not have the skills to organise available information for appropriate analysis and to therefore systematically work towards a particular goal. There is a myriad of training programs available regarding specific trade

agreements to get officials “up to speed”<sup>1</sup>. However, without training in the fundamental aspects of laws, economics and policies of the international trading system, and training/experience in the appropriate application of this knowledge, it is difficult to perform meaningful analysis regarding these agreements.

The joint WTO/OECD Trade Capacity Building Database (TCBDB) provides evidence of the increase in assistance provided for the purpose of trade capacity building in recent years. Aid committed to assist beneficiary countries with trade policy and regulations<sup>2</sup> increased from a base of USD 0.65 billion in 2001-02 to USD 0.81 billion in 2004. Assistance provided in the area of trade policy and regulations is most often focused on particular trade issues, the topics generally reflecting the focuses of the multilateral trade discussions. For example, funding for trade facilitation technical assistance was significantly increased in 2004, reflecting the decision by the WTO General Council to commence negotiations on this issue. Assistance is also provided on the basis of a needs assessments or demands of countries.

The majority of the assistance currently provided, as mentioned above, is short-term and focused only on specific trade issues. This project, in contrast, is aimed at providing ACP trade officials with advanced level training in the fundamental inter-disciplines of economics and law of international trade, through post-graduate training, and to enhance this training through a practical internship at a relevant international organisation before the official returns to government duties. The project was devised with the idea of training lower level officials who, after the completion of the programme, would be qualified to undertake the monitoring and analysis work that so often is unable to be performed in ACP trade ministries. The priority of such capacity building is identified in many ACP countries’ national development strategies. Botswana, for example, in its National Development Plan 8 (1996/1997 – 2001/2002) highlighted that one of the major constraints facing its Ministry of Foreign Trade was capacity for implementation of regional and multilateral agreements and participation in international trade negotiations. In its current NDP, Botswana is aiming to improve institutional, manpower and technical capacity constraints in the Ministry, through

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<sup>1</sup> Perhaps the most comprehensive of these is the twelve-week Trade Policy Courses (TPCs) provided by the WTO’s Training Department, exposing participants to all of the WTO Agreements. The courses are aimed at widening the participants’ understanding of the multilateral trading system and international trade law, and of the activities, scope and structure of the WTO. Regional Trade Policy Courses (RTPCs) have been organised since 2002. While the key objectives of RTPCs are the same as for the Geneva based TPCs, there are additional objectives including increasing the number of government officials with a solid foundation knowledge on the WTO, developing a partnership between the WTO and institutions in the region thus establishing a regional hub for training and fostering and strengthening research links between universities and other institutions in the region and international organisations including the WTO.

<sup>2</sup> Defined as covering support to aid recipients’ effective participation in multilateral trade negotiations, analysis and implementation of multilateral trade agreements, trade policy mainstreaming and technical standards, trade facilitation including tariff structures and customs regimes, support to regional trade arrangements and human resource development in trade.

the upgrading of its Foreign Trade Unit and recruitment and training of new staff. Funding is still however being sought from internal and external sources for the implementation of this initiative.

#### **SECTION 4: FEASIBILITY OF PROPOSED MODEL AND TAILOR-MAKING ON THE BASIS OF FEEDBACK RECEIVED DURING THE VISITS**

In undertaking the scoping study, dialogue was held with a number of Commonwealth ACP member governments and with regional, international and educational institutions to determine its practical feasibility. The findings of the study are discussed under the headings of the components of the proposal as well as the sustainability of the proposed project.

##### **Postgraduate Training**

A number of different options were explored through discussions regarding the postgraduate training component of the project. To a large extent, these options related to the method of delivery of the training, which fell under the main headings:

- postgraduate training provided by an internationally recognised institution
- postgraduate training provided by a regional institution
- distance-learning.

##### ***Postgraduate training provided by an internationally recognised institution:***

The World Trade Institute's (WTI) Masters of International Law and Economics (MILE) was used, in discussions, as an example of postgraduate training provided by an internationally recognised institution. The WTI's MILE is an intensive one-year programme focusing on economic and legal perspectives on international trade regulation. The MILE programme consists of three terms of instruction (34 weeks) and a three-month period of writing the Master's thesis. Each week of instruction consists of 20 hours of work in the classroom and a graded assignment.

There are several unique characteristics of the WTI's MILE program:

- the courses provide in-depth knowledge on international trade regulation.

- The instruction is interdisciplinary linking economic and legal perspectives. Most of the courses are co-taught by an economist and a lawyer
- The WTI has assembled a global faculty of experts
- Students come from all over the world, many of whom have an academic as well as a professional background in international trade.

It is the programme's combination of economic and legal training that was seen, by many we spoke to, as the course's finest point.

The capacity of institutions such as the WTI to absorb new students must be considered. The WTI limits admissions to 50 students per year. They currently have many more applicants than places available, making admission a competitive process. Funding is however an issue for many of the applicants and there are only a limited number of scholarships available. Another consideration for such institutions is the diversity of their students. Whilst WTI selection is non-discriminatory as to country of origin, nationality and gender, they do seek to include students from developing and transition countries to create a good mix of different professional and academic backgrounds. The national and regional perspective and experiences of these professionals are exchanged during the course and brings a new practical dimension to the theoretical aspects of the course.

Institutions such as the WTI obviously utilise selection criteria in their admissions process. The WTI requires a first degree in law, economics, international relations, political science or business and naturally shows preference to those with a proven academic record of outstanding achievement. They do not require applicants to sit an admissions examination but, in addition to the application form, CV and academic transcripts, do require a statement of purpose (indicating the student's reasons for wanting to study in the MILE programme) a personal statement and two letters of recommendation.

Most ACP governments do have staff who would meet the minimum entrance requirements. The question is how these qualifications compare to those of other applicants to the course. A further question is how many students from each region the institution would accept, given their considerations of student diversity. There is the additional consideration of the teaching language, usually English, which may be problematic for non-English speaking ACP countries. If an institution such as the WTI were to be used to provide the post-graduate training component of this programme then their admissions procedures/criteria and their ability to absorb new students are two areas that would require detailed discussion between the Commonwealth Secretariat and the institution.

An issue that needs to be considered with respect to internationally recognised institutions is their “nationality” as perceived by funding bodies and the latter’s reluctance to support institutions that are not of their own “nationality”. As an example, countries have had to apply for derogations to EU funding laws to use funds provided by the EU to send students to the WTI (a non-EU institution).

A further, perhaps more basic, issue regarding funding is the costs involved, both direct and indirect, in obtaining a degree from an internationally recognised institution. This was an issue raised by many countries. Travel costs and the costs of academic resources also need to be taken into consideration.

In terms of course content, whilst courses such as the WTI’s MILE do provide an in depth knowledge of international trade regulation, they do not necessarily address regional trade issues. Many officials that we spoke to expressed a desire to see regional trade issues, specific to each candidate’s region, incorporated into the postgraduate training component of the project.

***Postgraduate training provided by a regional institution:***

One solution to the problems raised in discussions regarding international institutions, particularly regarding the inclusion of teaching on regional perspectives, but also with respect to nationality of institution for funding purposes and costs, is to use regionally based institutions. Unfortunately, there is a limited availability of regionally based programmes that promote independent thinking about trade policy and negotiations or that take a holistic and long-term perspective<sup>3</sup>. However, to an extent, appropriate post-graduate trade-training courses have been introduced in some universities in the Caribbean and African regions, with curricular on the economics and/or law of international trade that are more regionally focused. The Pacific currently does not yet have an appropriate programme offered by any university in the region, despite the high demand by the region’s Trade Ministers. This may be reflective of a lack of communication of these priorities to the Education Ministries, resulting in insufficient attention being given to the issue by the Regional University Board.

In the Caribbean, the University of the West Indies Cave Hill Campus in Barbados offers a one-year Masters in International Trade Policy. As stated in the programme handbook, “the courses in the MITP programme are specifically designed to address the unique nature of the Caribbean and developing countries in world trade”. The programme covers both the theoretical foundations and the practical skills in trade policy, the primary objective of the programme being to

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<sup>3</sup> ILEAP; 2006; p8

create a cadre of young professionals specifically trained to assist in the specific areas of vulnerability in trade policy unique to the sub-region<sup>4</sup>.

Student selection for the Cave Hill programme considers applicants' qualifications, country of origin and experience, as detailed in their application form, reference letters and statement of intent. There is a preference for students with relevant work experience, but it is not compulsory. There is also a preference for students with a relevant first degree, however exceptions have been made in some circumstances. The selection panel prepares a shortlist of applicants, then this shortlist is reviewed to ensure sufficient distribution between countries in the region. The programme has a current capacity of 30 students per annum, however this could be increased if sufficient funding was available.

There is a second trade-related programme, recently introduced within the Caribbean Region – a Masters of International Economics and International Law that is offered at the Mona Campus of the University of the West Indies in Kingston, Jamaica. This two-year programme was developed in response to the Jamaican Government's observations regarding a shortage of people who understood international trade law and economics. Currently there is only one student undertaking the Programme, this being the first year that the programme is being offered.

In Africa, the University of Pretoria in conjunction with the University of the Western Cape, both in South Africa, have, with donor support, partnered with European and American Universities to offer one year Masters programmes in International Trade and Investment Law in Africa, and Economics of Trade and Investment. Established in 2002 they are, or were, the first of their kind to be offered in Africa.

The South African component of the LLM in International Trade and Investment Law in Africa provides the students with an introduction to international trade and investment law (including an introduction to the basic principles of international economics), with an African focus. The advanced courses, offered by the overseas partners, then provide the opportunity for the students to specialise. Admission to the LLM is on a competitive basis. Applicants must be in possession of an LLB degree, or the equivalent. Applicants are required to supply a CV, detailed academic record, two letters of recommendation from persons attesting to the candidate's academic and professional competence, a note on financial position indicating the extent to which and reasons financial assistance is required and a covering

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<sup>4</sup> A second objective is the creation within the University of the West Indies, Cave Hill campus of an institutionalised capacity to address the ongoing human capacity needs of the OECS and the wider CARICOM in the area of international trade policy.

letter including a statement of purpose. The LLM programme is limited to a maximum of 20 students per year.

The LLM programme runs in parallel with the MCom on the Economics of Trade and Investment in Africa. The coursework for this programme focuses on economics and includes inter-disciplinary aspects such as law, finance and agricultural analysis. As with the LLM, admission to the MCom is on a competitive basis. Applicants must be in possession of an honours degree in Economics/Econometrics, or the equivalent. Application requirements are similar to those for the LLM, with the additional requirement of a 300-word exposition of eligibility for the MCom and an outline of planned research.

Initiatives regarding trade training have also been developed, to different degrees, in Ethiopia, Ghana and Mozambique. A two year, part time Masters of Arts in Economics programme at the University of Addis Ababa, Ethiopia, has been designed, with World Bank assistance, to help increase capacity within the trade ministry. The objectives of the programme include “producing applied trade analysts that are capable of handling issues in the international fora such as WTO and regional economic communities such as COMESA”. The technical nature of the entrance exam, however, has resulted in only one ministry official gaining entrance to the course at this stage. A Masters programme in international trade has been mooted in Ghana but as yet has not been introduced. A Masters of Economics for International Trade was developed in Mozambique, to be provided in partnership between a local institution and a South African one. This initiative however has faced funding, language and resource issues that have made it unsustainable at the current time.

ACP Government representatives were very supportive of utilising regional institutions with the capacity to provide the post-graduate training envisaged in this project. However with the exception of the University of the West Indies Cave Hill Campus in Barbados and the University of Pretoria in South Africa, no regionally based institution was recognised by government representatives as currently providing a suitable level of education/training to sufficiently address the specific capacity constraints they are currently facing in their Ministries. Officials expressed a desire for the enhancement of the capacity of the regional institutions to deliver such education given its regional focus, affordability and accessibility to students from within the region. In recognition however of the time involved in achieving such capacity enhancements within regional Universities, particularly in those where no such curricula are currently offered, officials emphasised the urgency for the immediate training of their trade officials at an internationally recognised institution such as the WTI.

### ***Distance Learning:***

Distance-learning available by correspondence or through the internet is often suited to the needs of employed people who find, after leaving full-time education, that they must acquire additional specialised knowledge, but cannot spare the time to go back to university. Whilst the provision of such courses through distance education was recognised, in general, as a valuable method of learning, it has its limitations in the area of long-term trade training in the inter-disciplines of law and economics of international trade proposed in the EAD model.

Many of the ACP government officials spoken to had had experience with the WTO e-learning programs. General feedback on these programs were quite positive, however most who had undertaken them raised issues of time constraints and indicated that anything longer-term than the course they undertook would be unsustainable.

UNCTAD's trade training programmes (UNCTAD/TRAINFORTRADE) combine distance learning with intensive institution based training. UNCTAD believes that flexible and participatory distance learning enables trainees to take a more active part in their own training, providing them with the opportunity to:

- undertake training in their own home or their workplace,
- choose the timing and pace of learning to suit their situation, and
- exchange information and ideas with other trainees and trainers regardless of location, thereby overcoming barriers of geographical distance.

Distance learning tools utilised by UNCTAD/TRAINFORTRADE include electronic mail, real time "chat" facilities, on-line courses available through the internet, on-line discussion forum, databases of training instructors and audio and video conferencing. Independent reviews of UNCTAD/TRAINFORTRADE projects<sup>5</sup> have recognised the feasibility and potential benefits of distance learning. However, key to UNCTAD/TRAINFORTRADE's success is that their programmes are tailor made. Therefore, distance learning techniques are only utilised where appropriate, after the capacities, means and possibilities available in the country are evaluated and a customised solution for the delivery of distance learning is created.

From an institutional point of view none of the organisations we spoke to currently offer distance learning options for, or even a component of distance learning within, their Masters programmes. Whilst some institutions were exploring possibilities regarding distance learning,

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<sup>5</sup> As quoted in the UNCTAD/TRAINFORTRADE brochure.

implementation of such programmes was acknowledged as being financially and administratively burdensome. Successful programmes would also have to incorporate sufficient flexibility within their curriculum to permit candidates to study during in their spare time. In addition, the institutions placed great value on classroom interaction as a method of learning, and more particularly applying, the content of their courses.

The general consensus regarding distance learning in relation to this project was that it could be appropriate for introductory subjects, preparing students for the more applied sections of the training. However, while distance learning would potentially be appropriate for introductory components of the courses, the core subjects required classroom interaction. Classroom interaction complements the theoretical learning, providing participants with not only a means for applying what they have learned but also the opportunity to build a network with professionals from different countries of the world with whom they could interact and gauge advice/information on relevant negotiating issues.

### *Overview of Findings*

In the majority of countries visited, stakeholders confirmed the need for post-graduate training in the economic and legal aspects of trade in enhancing the capacity of their trade departments. In fact, for many countries trade capacity building was a priority area within their national development strategies. Even countries with trade departments staffed with highly qualified officials indicated a need for such training, for officials working in conjunction with the trade department (e.g. trade officials based in agricultural or commerce departments).

Given the plethora of trade agreements currently under negotiation, stakeholders were quick to point out the urgency for such training in the short term. However, they also emphasised that the provision of the proposed programme (or a relevant adaptation of it) on a long term basis would be the only way to ensure that short term capacity improvements were not lost.

To that end, while stakeholders from ACP countries were impressed with the curriculum offered at the WTI, this being the institution used as an example in discussions, they unanimously agreed that the provision of regionally based trade training would be the most effective way of improving capacity in the long term. For countries not serviced by a regionally-based university providing the desired level of trade training, training officials at the WTI, or an equivalent international institution, was seen as the best option in the short term for addressing the capacity constraints. Creation of a regionally based

programme was the expressed desire for all in the medium to long term.

Regionally based training potentially improves trade capacity (both within countries and therefore for the region as a whole) by allowing more students from the region to participate. The fee structures (and associated costs) of regionally based universities tend to be lower than for international institutions, therefore more students could participate for the same level of scholarship funding. In addition, a well-designed course will also attract self-funded students. The more students that participate in the course, the greater the pool of graduates in the region, reducing the impact of capacity lost through graduate flight. The development of trade programmes at regional universities also improves the institutional capacity within a region, potentially providing additional support to regional and national trade organisations.

The Caribbean is the only region with an institution with the capacity to service the region's trade training requirements, subject to sufficient funding. There is no trade training programme offered at a regional university in the Pacific. Whilst the training offered by the University of Pretoria and partners was recognised as being of a high quality, limited admissions make it insufficient to address the trade capacity constraints of all of the African countries. The issue of asymmetry towards South African universities within Africa also needs to be considered. However, whilst courses have been, or are being, developed at other universities within the region, none were recognised as currently providing the desired level of education.

For regions currently without a regionally based university offering trade policy training, Member countries need to aggressively seek development finance to establish institutes housed under their regionally-based universities to provide post-graduate studies on the economics and law of international trade. An institute housed within a university allows a programme to draw on faculty capacity in law and economics, while remaining independent of both.

In developing trade programmes at regionally based universities, the programme's status as viewed by international organisations must be taken into consideration – if the qualifications are not recognised by these organisations, students may not be eligible for internship placements. The best way to ensure that any programme is recognised is to involve relevant organisations in the creation, or review, of the programme offered to ensure mutual recognition of the qualification attained at the regional university.

The WTO's Institute for Training and Technical Co-operation (ITTC) already engages in the process of developing partnerships between the WTO Secretariat and the trade policy-related academic community in

Member countries. The intention of such partnerships is “to promote “joined up” capacity building, simultaneously enhancing capacity of the WTO to train government officials, building institutional and human capacity for such training in developing countries, contributing to the development of WTO-related curricula in academic institutions of higher learning, and promoting WTO-relevant research intended to strengthen national and regional negotiating capacity<sup>6</sup>”. Elements of this approach include curriculum development and development of didactic material.

### *Selection process for post-graduate training*

Irrespective of whether the post-graduate training component of the project is provided by an international or regionally-based institution, the selection processes of both the governments and the institutions providing the training would have to be taken into consideration in project planning.

Often governments have “preferred” candidates for training, based on time served/previous training received etc. However the government representatives consulted during the study were comfortable with the fact that the educational institution and funding body(ies) for this programme would have criteria that a potential candidate would need to be meet.

The logistics of the selection process would have to be determined prior to roll out of the project. Depending on the academic institution that will provide the post-graduate component of the training in the regions, it could be that applications go directly to the institutions (the relevant institution for that country having already been identified) or that governments nominate candidates to the project management team who would then refer selected candidates for consideration by the relevant institution.

### **Internship**

The internship aspect of the proposal was strongly supported by all stakeholders, with a preference being expressed for internships to be served at international organisations rather than at regional organisations or in trade ministries.

In discussions with academic institutions, they highlighted the importance of experience gained through internships. The UWI’s MITP incorporates a 5 month attachment to a trade ministry or to an international agency. Students are required to submit a Practicum Research Paper based on their attachment as part of the assessment of the Programme. The UWI’s Masters in International Economics and

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<sup>6</sup> WTO; 2005; p18

International Law also involves an 8 week internship as part of the assessment of the degree. The WTI try to obtain internship positions for as many of their students as possible, however completion of an internship is not incorporated into the curriculum of the program.

Two problems were raised by the educational institutions with respect to internships. The first, raised by all three institutions, was the issue of funding of candidates through the internship period where internships are unpaid. The second, raised by both of the Caribbean campuses was availability of and access to internship positions at international and regional organisations.

The WTO currently offers the Netherlands Trainee Programme to officials from LDCs and other low income and small and vulnerable countries, providing them with the opportunity to work for the WTO and under the direction of WTO staff members, thereby learning about matters dealt with within the WTO. Under the programme, each official spends a total period of up to ten months with the WTO and will be expected to complete a pre-determined, specific and well defined task in that period. The task will have specific relevance for the beneficiary country in terms of capacity building and/or in the ongoing negotiations. Tasks could include undertaking a “needs assessment” for identifying priorities for technical assistance and training, fulfilling outstanding notification obligations and assisting in the implementation of commitments for new, recently acceded, Members; or assisting in the preparation of Trade Policy Reviews (TPRs). After completion of the programme, trainees must go back to their ministries and contribute to the strengthening of their countries’ institutional capacity. Each official receives a lump sum of CHF5,000 per month during their internship, plus travel expenses.

UNCTAD also runs an internship programme at its headquarters in Geneva. It is offered to students enrolled in graduate school, with a view to promoting a better understanding of trade and development issues and giving them insight into how UNCTAD attempts to find solutions to these problems. The programme can take place any time during the year for a minimum of two months and for a maximum of six. However, as UNCTAD has no provision in its budget to pay interns, all costs connected with internships must be borne by the students concerned or by their sponsoring institutions or Governments.

The Commonwealth Secretariat Internship Programme is offered to students who are Commonwealth citizens between the ages of 20 and 35 years old. The programme can take place at any time during the year for a minimum of one month and a maximum of six. Internships offered by the Secretariat are remunerated to the value of £250/week and internship opportunities are posted on the Commonwealth Secretariat website. Applications may be submitted at any time of the

year but should reach the Secretariat at least one month prior to the proposed commencement of the internship. Prospective interns submitting speculative applications should state clearly and precisely on the application form their particular field of interest, what skills and experience they expect to gain or develop during the period of Internship and the contributions they will make to the work of the Secretariat.

There are capacity constraints for international organisations in accepting interns, both in terms of institutional capacity and in terms of “housing” interns within their facilities. These issues were raised in discussions with the WTO regarding their internship programmes. The WTO has attempted a work-around of the “housing” issue by requesting that government and regional missions in Geneva provide space for interns (ie desk and computer), however some problems have been encountered with such arrangements that still need to be sorted out.

Competition for internship placement is already high. This project would obviously increase competition for the limited internship places. In order to ensure internship placements for participants on the programme therefore, arrangements would have to be made with placement organisations to ensure sufficient placement opportunities for programme participants.

The issue raised by governments regarding graduates ability to apply their training through a systematic approach to the analysis of information in order to achieve specific outcomes (whether it be negotiating positions, policy advice etc) can, to an extent, be addressed through well designed and well managed internship programmes. Pre-determined, specific and well defined tasks for graduates to complete during their placements would ensure application of their post-graduate training. Appropriate supervision and mentoring by employees within the host organisations can further enhance these goals. In organising internship placements for candidates, these issues should be taken into consideration by the project management team to ensure that the full potential of internship can be realised by participants.

Given the capacity constraints of international organisations to absorb interns, and the potential difficulty for trade ministries to supply suitable candidates, it was suggested by some stakeholders that the post-graduate training and internship components of the proposed programme be separated. It was proposed that one (or more) scholarships could be provided in each country for post graduate training (with scholarships potentially going to non-government employees) but that the internship component be provided only to those participants with roles in national ministries. This would be an issue for the consideration of the project management team,

dependent on the numbers of potential candidates within trade ministries.

### **Employment with National Ministries**

Study leave entitlements vary between governments, however all of the governments that we spoke to did provide some form of leave for study (the variations being in terms of length of leave provided and entitlements to pay during the period of leave). No government indicated that there would be a problem for candidates in their country selected for this programme obtaining study leave.

For most governments we spoke to, their current study leave policies would ensure that the candidate's position within the ministry was available on their return to country after completion of the training and internship components of the programme. Problems may however arise in terms of the initial selection of candidates for the programme - in many countries an official (or not) rota system operates with regards to training opportunities which can mean that the most appropriate person for the training is not the one who receives it. Most countries indicated that this problem could be resolved through the design of the selection criteria for the programme.

All countries alluded to problems with staff retention, particularly for staff provided with advanced training opportunities, be it at regional or overseas universities. Most ACP countries visited address the issue through bonding mechanisms, applicable to officials who receive funding for external training, designed to retain employees on the completion of their studies. The conditions of bonding mechanisms vary between countries, as do the success rates of enforcing these mechanisms. Within the Caribbean, a number of countries are currently reviewing their bonding policies, particularly as they relate to return of candidates to work not only within Ministries but now also possibly within the 'CARICOM' region given the CSME initiative<sup>7</sup>. Whilst no countries that we spoke to in Africa or the Pacific bond students to the region some do adopt a broader policy than bonding purely to government positions, believing that capacity lost to the private sector is not capacity lost to the country as a whole.

A separate, and related, issue raised by many governments was their inability to guarantee a career path for promotion and development within the ministry for the candidate on their return from training. A career in government in most of the countries we visited involves changing between ministries as opportunities arise (ie positions at more senior levels become vacant). Few of the governments we spoke

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<sup>7</sup> One major objective of the CARICOM Single Market Economy (CSME) is the creation of a single economic space which will provide for inter alia the free movement of goods and services, labour and capital.

to had general career development plans for government officials, let alone on a ministry by ministry basis. Obviously there is no easy solution to this problem but, as it might affect the success of this project, it does need to be considered.

## **SECTION 5: SUSTAINABILITY OF PROJECT**

The sustainability dilemma facing a capacity-building project such as the one proposed stems from the fact that skilled nationals within the public service often face low incentives (e.g. pay scales, working conditions etc) to remain 'on the inside' whilst there is high demand for their skills 'on the outside' (e.g. private sector and donor/intergovernmental agencies). Thus any type of marketable, high-level training results in the flight of these professionals and further loss of capacity to the ministries. On the other hand, any type of training that is not rigorous, world-standard and comprehensive is not likely to achieve any tangible capacity-building benefits.

As with any capacity-building project, there is no one-size-fits-all to solving the sustainability dilemma. Furthermore, any solution will be necessarily partial in scope: until pay and work conditions within the civil service equalise those of the private and donor/IGO sector, attrition will always be a problem.

The most common approach used in attempting to stem the flight of professional from government is the enforcement of a bonding mechanism. Public servants who benefit from long-term training scholarships often return to their postings under bonded contracts for a specified period of time, either a legal bond (contractual) or with a penalty (financial). However, while bonding *de facto* keeps public servants in their current positions, it does little to increase their willingness to remain beyond the expiration of their bonded contract. Additionally, private sector firms are often more than willing to pay financial penalties in order to acquire skilled staff. Despite its limited usefulness, some form of bonding is unavoidable to ensure that trained nationals remain in their posts for a minimum period of time.

The Caribbean's potential change in bonding policies to accommodate the CSME initiative will affect countries within the region differently. A country seen as "attractive" by graduates may end up with an excess, whilst countries viewed as less attractive may still suffer from capacity constraints if their trained people choose to work elsewhere in the region.

By encouraging / introducing regionally based education programmes, the number of people within a region with specific trade training will increase. Increasing the number of people that are trained within a country or region obviously increases the pool of

qualified persons to be employed, which should result in more competition for available positions. A sufficient body of trained people would eventually mean that the demand for positions is greater than the demand for trained people, potentially stemming the flight of officials from government upon receiving training; if not to other countries within the region then possibly to international organisations.

## **SECTION 6: RECOMMENDATIONS AND FUNDING**

The proposed trade-training capacity model can contribute to addressing the institutional gaps currently facing ACP countries in areas of trade policy formulation, management and negotiations. While a number of institutions and donors have provided, and do provide, aid and assistance to various ACP countries and regions in relation to trade capacity building, this project does not seek to replicate those interventions but rather complement and add value to them by particularly focussing on the professional development of lower level officials to equip them with the knowledge and skills to effectively participate in the areas of trade policy formulation, negotiation and management within their government.

Successful development of the project will involve significant human and capital resources. It is proposed that a pilot-project commence whilst the logistics of developing the project on a full-scale basis be worked through. Commencement of a pilot-project would allow for the development of the necessary relationships between institutions involved in the project whilst improving the capacity of a small number of ACP countries in the areas of trade policy formulation, management and negotiations.

### *Post-graduate Training:*

There is an immediate need for trained officials in many of the ACP countries to assist with the current plethora of negotiations and the subsequent implementation of the outcomes of these negotiations. To address this need, training needs to commence at the earliest opportunity. Ideally training would be provided at regionally based institutions however, with the exception of the Caribbean, in the short term training may have to be undertaken at an internationally recognised institution while suitable regionally based programmes can be developed.

It is proposed that, for countries in regions which do not yet have the requisite post-graduate training curricula on the economics and law of international trade provided through any of their regionally based universities, candidates should initially be funded to undertake post-

graduate training at an internationally recognised university such as the WTI. Support should similarly be rendered to assist these regions to aggressively seek development support in the establishment of institutes housed under their regionally based universities to provide the post-graduate course on economics and law of international trade. An institute housed within a university allows a programme to draw on both legal and economic resources from the respective faculties while remaining independent of both.

For countries in regions where appropriate training is offered within the region, candidates should be funded to undertake training at regionally based universities. Depending on availability of other donor resources, in the longer term the appropriate departments of these regionally based institutions could be developed to allow for improved capacity within government ministries and within the regions.

A competitive selection process will have to be agreed between the project management team, governments and the relevant education institution (as appropriate) to ensure that the appropriate candidates are chosen. Given the need for training to be undertaken as soon as possible, it is probably the education institutions that can provide the best guidance in terms of expediency of these arrangements.

#### *Internship:*

Given the demand for internship places at international organisations, the project management team should begin dialogue at an early stage with appropriate organisations to secure positions for the participants of the programme. The internship component of the proposal was seen as one of its most valuable components, so securing these placements is key to the success of the project.

Equally important is the need to engage with these institutions to ensure a clear understanding regarding of the objectives of the internships. Organisations should also commit to providing challenging, substantial work experiences for the candidates and to supervising and evaluating their performance. In exchange, organisations receive valuable work contributions from creative, highly motivated individuals/ pre-professionals, helping positively influence the development of the future work force in the field.

#### *Employment with National Government:*

The appropriate conditions of the programme, including minimum bonding periods and penalties for infringing the terms thereof need to be determined by donor bodies and the project management team. Importantly, these bonding systems should not be so unrealistic as to

become a disincentive towards attracting the appropriate candidates for the program. Agreements will then be required between the project management team and each government to ensure the appropriate conditions are placed on the funding being received by participants in the programme. Whilst the funds would never have to transfer to government (with educational costs going direct to the institution and allowances being paid direct to participants) agreements with governments would have to be finalised before any funding could proceed. Further agreements may be required between donor bodies and the project management team, if this team is to be responsible for the disbursement of the funds.

#### *Budget and Funding*

Funding the proposed programme should cover the costs of post-graduate training, living expenses during the internship and travel. A separate element of funding would be required to support countries in developing regionally based training programmes. An indication of the costs involved in funding the program is provided below:

#### *Post-Graduate Training Cost*

The post-graduate training costs obviously depend on where each candidate undertakes their training. As an example, costs for the WTI MILE and for the UWI MITP are as follows:

	<b>WTI<sup>8</sup></b>	<b>UWI<sup>9</sup></b>
WTI MILE tuition fee -: 30,000 CHF	13,200 GBP	
UWI MITP tuition fee -: 14,000 USD		7,560 GBP
Estimated living expenses WTI -: 1,200 CHF/month * 12 months	6,336 GBP	
Estimated living expenses UWI -: 600 USD/month * 11 months		3,564 GBP
UWI Study Tour (airfares and accommodation) -: 3,000 USD		1,620 GBP
<b>Total</b>	<b>19,536 GBP</b>	<b>12,744 GBP</b>

<sup>8</sup> using an exchange rate of 1CHF = 0.44GBP

<sup>9</sup> using an exchange rate of 1USD = 0.54GBP

## *Internship*

With respect to the cost of internships, the WTO provides participants in the Netherlands Project with 3000 CHF/month (1,320 GBP/month). The EAD of the Commonwealth Secretariat provides interns with stipends of 250 GBP/week (i.e. 1,000 GBP/month).

Travel costs will obviously vary depending on where the candidate is travelling from and to, however this is a component of the program that governments could potentially fund. In discussions some governments suggested co-funding of the travel costs as a means of demonstrating government support of the programme. If governments are to make such contributions however, it may be necessary for them to have included such costs in their annual budget submissions.

If we exclude travel costs and assume a six month internship using the WTO's stipend rate, the cost of a participant who attends WTI would be 27,456 GBP. The cost of a participant who attends UWI would be 20,664 GBP. This is not taking into consideration any project management costs that may be incurred.

Of course, there is the potential for cost savings in that the published costs for training may be reduced through an agreement with the relevant institutions, depending on the level of funding that is being provided. There is also the possibility that participants may be eligible for a WTI Scholarship (tuition, living expenses) or the existing Netherlands Programme at the WTO, which would eliminate the need for funding of the related costs for those participants.

Barbados already provides funding for nationals participating in UWI's MITP and will continue to do so, given that trade training has been identified as a priority education area by their government. Trinidad also funds their participants at the UWI. Therefore, for participants from these countries, programme costs would not include the tuition fee component.

Study leave entitlements provided by some governments include pay during the period of leave. Potentially this may be viewed as a contribution by government to the programme, with living allowances provided being adjusted accordingly.

Excluding travelling and project management expenses, the cost per participant in the programme is therefore estimated at between £20,000 and £30,000.

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