

General Council

**ACTIONS TO INCREASE THE PARTICIPATION OF DEVELOPING
COUNTRY MEMBERS IN THE WORK OF RELEVANT INTERNATIONAL
STANDARD-SETTING ORGANIZATIONS**

Information from Financial Institutions

Report by the Director-General

Revision

1. You will recall that the General Council had requested that I "explore with the relevant international standard-setting organizations and relevant intergovernmental organizations financial and technical mechanisms to assist the participation of developing countries in standard-setting activities".¹ I have previously reported to you regarding our consultations with the standard-setting organizations.² Since we have established an on-going process, I will continue to report periodically on this collaboration. The present report is with respect to my contacts with the relevant intergovernmental organizations which could provide financial assistance to developing countries.

2. In this regard, I have sent letters to the World Bank, the Asian Development Bank, the Islamic Development Bank, the Inter-American Development Bank and the UN Development Programme. I drew their attention to the fact that one of the principal provisions of both the TBT and SPS Agreements is to encourage governments to harmonize their national requirements with international standards in order to facilitate trade. I informed them that many developing countries were concerned about their difficulty to effectively participate in the work of international standard-setting bodies, which was due in part to their lack of technical expertise and of financial resources to attend meetings of these bodies.

3. I requested each of these organizations to provide information regarding the kind of technical and financial assistance that they may already be providing or planning to provide to developing countries to facilitate their participation in the work of international standard-setting bodies. I also asked whether these organizations had scope to expand their assistance to developing countries. The responses I have received to date from the World Bank, the Inter-American Development Bank, the Islamic Development Bank, the Asian Development Bank and the UN Development Programme are summarized below.

World Bank

4. The World Bank has an active programme of research and capacity building in the area of standards, technical regulations, and trade. This work centers on a programme in the World Bank development research group, supported by the Bank and the Trust Funds established by the United Kingdom and the United States. The World Bank also offers support through their lending operations

¹ WT/GC/M/59, Minutes of Meeting of 18 October 2000.

² WT/GC/42 and WT/GC/45.

for infrastructure modernization, export promotion and policy reform initiatives in a number of developing countries around the world.

5. It is estimated that in FY99 World Bank project funding with direct and indirect goals of support for infrastructures related to standards totaled US\$ 419.2 million. Standards-related projects included goals such as: (1) adoption of international conventions and directives relating to the standardization and simplification of documents accompanying trade in goods and services; (2) investment in standards infrastructure, including metrology, calibration and laboratory accreditation systems; (3) assisting firms in the adoption of international quality standards (ISO 9000) and environmental management standards (ISO 14000); (4) supporting access to business information technology and providing advice on packaging and quality control; and (5) government regulatory reform projects in the health, safety, and environmental regimes across industry sectors.

6. The World Bank is committed to capacity-building initiatives in standards from a development perspective, including work with trade-related objectives. In order to assist the WTO as part of a continuing dialogue on standards, the World Bank has proposed hosting a meeting on "Standards, Trade, and Development". The objective of the meeting would be to allow interested international institutions and other groups, along with the WTO, to systematically review current aid to developing countries and discuss with senior officials creative proposals for meeting trade-related objectives in this area over the long-term.

7. A more detailed understanding of the economic, institutional, and policy aspects of standards, technical regulations and trade is central to the Bank's new work agenda. In order to expand understanding of these issues, the World Bank launched new work on international standards, technical regulations and trade policy in November 1999. The overall goal of a three-year series of initiatives centers on (1) increased understanding of the quantitative significance of standards and regulations as barriers to trade, and (2) analysis of trade policy aspects of governments' technical regulations, with particular emphasis on developing countries. These issues are of particular importance to developing countries as they seek to strengthen industrial performance, increase agricultural production, and expand trade opportunities in the world markets. A series of workshops and a conference in 2002 to enhance dissemination of the research and policy recommendations from this part of the work programme is under consideration.

8. With additional resources, the Bank is prepared to develop educational tools and sponsor training seminars on international standards and best practices in standards and regulatory reform. The goal of this part of the work programme would be to provide direct assistance from the World Bank to developing countries on international standards development systems, information on programmes available for modernization of standards infrastructure, and other topics related to understanding the role of standards on development.

Inter-American Development Bank

9. In the area of standardization, the Inter-American Development Bank (IADB) is currently providing several types of support. In particular, borrowing member countries can access a series of instruments geared towards strengthening key institutional aspects of international trade and regional integration. The IADB's support mechanisms include: (1) regular or special credit programmes; (2) non-reimbursable national and regional technical cooperation programmes; (3) financial support to the private sector through the Inter-American Investment Corporation (IIC); and (4) non-reimbursable national and regional technical cooperation programmes geared towards the private sector through the Multilateral Investment Fund (MIF).

10. The IADB has also recently established a "Trade Facility". This is a special trade facility by which borrowing member countries can obtain a credit line for up to US\$ 5 million through fast-track

procedures for the strengthening of their trade institutions. To date several countries, including Guatemala and Honduras, have taken advantage of this facility. These programmes have heretofore not included TBT and SPS-related projects in a very significant way. The facility, nevertheless, is broad and flexible in nature so as to allow for the consideration of support programmes in such areas.

Islamic Development Bank

11. The Islamic Development Bank (IDB) has been providing technical assistance to its member countries since 1998. Its main aim is to assist member countries in understanding the various WTO agreements and in meeting their obligations. The IDB is also giving special attention to capacity building in member countries in the context of WTO. For this purpose, the IDB has organized various training courses, issue-specific workshops and seminars. A total of 34 programmes have been implemented for the relevant officials in member countries. The IDB has made use of resource persons provided by the WTO in some of its WTO related technical assistance activities. In addition, the IDB is focusing its activities on preparing member countries for future multilateral trade negotiations. To date, the IDB has organized four seminars related to the SPS and TBT Agreements.

Asian Development Bank

12. The Asian Development Bank (ADB) overarching goal is poverty reduction. Technical assistance provided by the ADB puts much emphasis on the promotion of economic growth of developing countries, human resources development, good governance and regional cooperation. In response to increased demand from its members and international organizations, and despite limited financial resources, the ADB recently began to provide technical assistance in the trade sector. However, the ADB does not provide technical assistance related to the SPS and TBT Agreements.

UN Development Programme

13. The UN Development Programme activities are decentralized, and developed in partnership with the client countries. They are based on broad thematic programmes whose overall goal is to reduce poverty. Often, the national Minister of Planning or Minister of Finance ensures the overall coordination and selection of core programmes. These programmes usually cover a period of three or four years, and involve several international agencies in their implementation. The programmes could include some support to standard-setting activities.

14. The UNDP cannot provide precise information regarding on-going assistance in this area, because reporting on technical cooperation activities undertaken at the national level is made according to macro categories which do not allow desegregation at the level required to identify specific programmes related to standard-setting activities.
