

**Summary Report of Book Vernissage
“Inter-Ministerial Coordination and Stakeholder Consultation of
Trade Policy Making”**

19th July, 2010 in Room C, WTO

1. Centre for Socio-Eco-Nomic Development (CSEND) and CUTS Geneva Resource Centre (CUTS GRC) jointly organized a book vernissage on 19 July 2010 in Geneva, Switzerland to present the main findings and messages of their respective recent research publications. The event was attended by Geneva Missions delegates of developing and developed countries and the representatives of inter-governmental and non-governmental organizations.
2. Introduction by Mr. Atul Kaushik, Director of CUTS Geneva Resource Centre and Adviser (Projects), CUTS International: Recent research publications by Professor Raymond Saner titled “Trade Policy Governance through Inter-Ministerial Coordination: A Source Book for Trade Officials and Development Experts” and by CUTS titled “Towards More Inclusive Trade Policy Making: Process and Role of Stakeholders in Select African Countries” provide important insights to improve inter-ministerial coordination and stakeholders consultations with a view to increasing the contribution of trade to development.
3. Welcome Address by Mr. Darius Kurek, Counselor (Trade and Development), Permanent Mission of Switzerland to the WTO&EFTA: Inter-ministerial coordination (IMC) is the key in the trade policy making in the context of trade and development. It also requires capacity development of the Ministry of Trade (MOT) which can also drive trade reform agendas. EIF has an important role for trade and development. As OECD’s trade performance presentation pointed out¹, right sequencing is very important. Coherence among development policy, trade policy and agricultural policy needs to be strengthened. Swiss Government’s WTO Task Force and Swedish Government provide very good examples of inter-ministerial coordination. The books are useful for both developing and developed countries.
4. Introductory Statement by Professor Lichia Yiu, President, CSEND: The quality of a policy depends on: ownership / coherence / relevance. IMC and stakeholder consultation are key issues in this process. Different research findings indicate that trade acts as a driver for national

¹ Referring to a presentation which was made at Aid for Trade workshop in the morning.

economic development. However this causal link is not adequately established in many countries. The quality of trade policy making determines whether trade can facilitate country development and can generate favorable employment opportunities for the population and help the country get out of poverty. The research work that CSEND conducted examines the processes of quality assurance in making good trade policy making and in ensuring implementation through effective policy coordination.

5. Presentation of “Trade Policy Governance through Inter-Ministerial Coordination”, Prof. Raymond Saner, Ph.D: This presentation was based on key findings of a 3-year research project by a group of trade and policy experts which was financed by the Swiss National Research Foundation. Reports from the field and relevant research literature indicate that despite international efforts in providing support (trade capacity building); countries are often not able to improve their trade negotiation performance due to deficient policy coordination at inter-ministerial level. IMC has many important ramifications for governments. Firstly, coordination can be utilized to eliminate programmes that are redundant or duplicate certain actions or regulations. Secondly, coordination is a necessary element to manage ‘cross-cutting issues’, when different client groups should be provided with services and programmes that are comprehensive and integrated. Thirdly, the increasing international dimension of trade policies and the expanding membership in international organizations makes effective domestic policy coordination necessary and urgent. The effective functioning of coordination in these circumstances can ensure greater internal policy coherence in government as well as collaboration in implementation. The study’s aim was to identify the underlying causes of inadequate policy coordination that negatively impact countries’ negotiation capacities in bilateral, regional and global trade negotiations. Such causes could be e.g. lack of administrative coordination and consultation mechanisms, deficient administrative law and procedures or absence of public management competencies. The presentation also identified positive scenarios (best practice examples) of policy mechanisms and related enabling organisational and institutional factors of inter-ministerial policy coordination which demonstrate positive impact on the country’s trade negotiation capability. A typology of coordination mechanisms was also presented. This typology defines the different types of mechanism for governmental coordination in terms of country’s governance orientation (along the centralisation-decentralisation continuum). This typology provides a tool for government in determining the appropriate coordination structure for their respective trade policy making processes.

6. Presentation on “Improving Ownership of Trade Policy through Inclusive Processes” by Mr. Rasid Kaukab, Deputy Director and Research Coordinator, CUTS Geneva Resource Centre: This presentation was based on the main lessons from five country studies on improving ownership of trade policy through more inclusive stakeholder consultation mechanisms. The study has been undertaken in Kenya, Malawi, Tanzania, Uganda, and Zambia under the Fostering Equity and Accountability in the Trading System (FEATS) project of CUTS. The study notes that several consultative mechanisms on trade policy issues have been established in these countries, the stakeholders are better informed, and a culture of dialogue among all stakeholders is emerging. However, these consultative mechanisms lack resources and clear mandates and not all stakeholders are being consulted. The study has developed a qualitative tool titled “Inclusive Trade Policy Making (ITPM) Index” to assess the inclusivity and identify the gaps for targeted interventions. The presentation also identified possible ways to maximize inclusivity pay-offs for better and more effective trade policies at the sectoral, national and regional levels. This includes: further elaboration of ITPM Index to measure the impact of improved inclusivity on trade policy content and outcomes, using study lessons to develop inclusivity and ownership for Enhanced Integrated Framework (EIF) and Aid for Trade, and establishing parallel processes at the regional level.

7. Substantive Comments by Lichia Saner-Yiu, President, CSEND: IMC and stakeholder consultation are essential in the five stages of policy making: 1) initiation; 2) formulation; 3) implementation; 4) evaluation; 5) monitoring. Particularly, in the case of the LDCs, Poverty Reduction can be achieved through better alignment between the development and trade policy agendas. Inter-ministerial coordination and stakeholder consultation practices are often weak in many countries, including in some developed countries. Improving on existing coordination and consultation practice requires a well designed and functioning monitoring system. Countries need monitoring systems to keep abreast of current practice which in turn provides them with the possibility of continuous improvement and institutional learning. Without effective inter-ministerial coordination (horizontal processes) and stakeholder consultation (vertical processes) supported by a robust review and monitoring process, policy initiatives based on PRSP and DTIS will not achieve their intended development objectives and will not contribute to lifting people out of poverty and the respective country out of the LDC classification.

8. Discussion: Several relevant points and questions were raised in the ensuing discussion which are summarized below:

a. UNCTAD Representative:

Policy implementation is as important as policy making. Implementation and outcome of the policies needs to be improved and analyzed more. It should go beyond the policy formulation and examine how coordination and inclusivity will impact on reforms. Resource allocation deficiency should be also mentioned.

b. Representative of Mali

It is a timely presentation. Sensitization of stakeholders using these findings can lead to more efficient trade policy outcomes. In many countries, such mechanisms exist only on paper and end up getting stuck with internal politics.

The problem that exists in the real world is lack of leadership. Such intervention with large vision will be very useful.

c. Representative of Switzerland

These two books can be a starting point for further studies based upon empirical work on trade policy making institutions and their performance, and become a benchmark to initiate some more quantitative analysis to draw further conclusions. Also best practices can be identified in the course of further work.

d. Representative of Rwanda

Correlation between coordination and impact on the ground should be defined which can be quite interesting. Case studies from successful Asian countries for comparison will enrich the scope of the study because the countries under CUTS study were all under support of JITAP. Based on 2 sub-groups, impact-input comparison can be also done.

e. Representative of Lesotho:

Coherence is also about consistency. Timing of policies is also crucial. LDCs have very little policy space against external policy influence: In this sense, “who drives policies should be identified” when a political aspect is mentioned. Trade Policy should be translated into Action Plans.

f. Responses from the panel:

Representative of CUTS: The study aimed to find out the current situation to allow targeted recommendations for corrective actions. The inclusivity of trade policy making processes in these countries has certainly improved through it may be partly due to the external stimuli,

for example, the WTO and EPA negotiations. Defining a correlation may not be desirable as several factors are at play. However, best practices can be identified. In fact, the scores of groups of stakeholders in the ITPM Index do indicate some best practices which can be further refined. Hence, further work is needed and will be useful.

Representative of CSEND: If we could monitor each step of the trade policy making, we could improve the policy making process and hence the quality of policies being adopted. Innovative approaches like the development of criteria or an index for inclusiveness of trade policy making as pioneered by CUTS should be further explored and expanded. In terms of correlation, it may be interesting to analyse the policy making process from the perspective of “resistance to change”² as elaborated by Professor Richard Beckhard. Resistance to change can be assessed based on the levels of dissatisfaction with the status quo, the level of desirability for a different stakeholders (e.g. by donors, governments, private sector and civil society actors, etc.). All these factors influence the decision whether the proposed actions would be implemented or not. Effective inter-ministerial coordination could reduce institutional resistance and lead to more collaboration and increased policy effectiveness.

9. Concluding Remarks by Atul Kaushik, Director CUTS GRC: Out of the four broader planks of Trade Policy Making, Policy Implementation, Policy Results and Outcome mapping to review these three, these studies focused on the Policy Making Processes. CUTS and CSEND were happy and grateful for such an enthusiastic participation and interest shown by the participants. Apart from expanding the work horizontally across more countries and regions, the two organizations will take advice from the discussion to develop even better analytical tools in the future.

² Page 24 in the presentation handout.