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Ad Hoc Expert Meeting on Building Skills in Developing Countries:  
Training, Networking and ICTs  
Geneva, 27–28 November 2006

**BUILDING TRADE-RELATED SKILLS IN DEVELOPING COUNTRIES:  
TRAINING, NETWORKING AND ICTS**

Note by the UNCTAD secretariat\*

**Executive Summary**

This working paper provides background information on the further analysis being undertaken by UNCTAD on the impact of capacity-building on a country's ability to trade. The paper argues that the mechanism by which trade policy, supply-side measures and successful negotiations affect the development and poverty reduction strategies of nations will be directly influenced by the strength of local training and research capacity and capacity-building inputs in the field of trade. After having explained this mechanism schematically and defined the scope of trade-related capacity-building (TRCB), the paper discusses how countries can develop strategies for sustainable human resource and institution-building. In doing so, the paper reviews several 'modes of delivery', based on case studies and country experiences in the area of training and research for trade and trade policymaking. Additionally, the paper also identifies a number of factors affecting and influencing the success of building trade-related knowledge and skills, in particular: (i) the sustainability of training and research; (ii) the coherence of short-term and longer-term capacity-building; (iii) the quality of training and research; and (iv) the role of ICT and networking in facilitating and improving training and research. Finally, the paper advocates increased financial support for trade-related capacity-building activities, and in particular for the Aid for Trade initiative to centre the role of training and research programmes in its conception of trade capacity.

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\* This document was submitted on the above-mentioned date as a result of processing delays.

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## I. INTRODUCTION

1. Developing countries face a range of challenges in pursuing development-friendly integration into the international economy. The lack of skills to analyse and apply information and knowledge is particularly important. Accordingly, they seek to strengthen their trade-related human, institutional and research capacities. The São Paulo Consensus enjoins UNCTAD to assist in these endeavours.

2. The current Aid for Trade initiative is focusing attention on the wherewithal to help countries build trade-related capacities in the fields of trade policy, trade development, development of productive capacities and trade-related adjustment measures.<sup>1</sup> The focus of this expert group on the development of trade-related skills and knowledge is thus particularly timely. The group stems from the Expert Meeting on Human Resources Development and Training in Trade Supporting Services<sup>2</sup> (October 2000) and sessions of the UNCTAD Advisory Group on the Strengthening of Training Capacities and Human Resources Development, which have been held regularly since 2002.

3. The main objective of this Expert Meeting is to provide a discussion forum to explore how to develop strategies for sustainable local human resource and institution building in the area of trade through sharing experiences and best practices.<sup>3</sup> This meeting will highlight the methods and tools (including ICT and networking) that can be used in such strategies.

## II. KNOWLEDGE AND SKILLS FOR TRADE

### A. Approaches to trade-related capacity-building

*“A country can only be as developed as the capacity and skills of its human resources”<sup>4</sup>*

4. There are many supply-side constraints affecting a country's capacity to utilize the opportunities of trade for economic growth, development and poverty reduction. Lack of knowledge and skills is one such constraint: ensuring that trade policies are “right”, and “development friendly” and adapted to local conditions requires access to knowledge and information and the availability of wide-ranging skills and capacities.

5. For example, trade policy *“professionals must be able to analyse complex commercial, political, legal, economic, institutional and substantive policy issues. They have to be skilled communicators and negotiators, able to formulate [...] and implement trade agreements”<sup>5</sup>* that not only encompass border measures, e.g. tariffs, but increasingly a wide range of domestic regulatory measures that impact on the welfare of vulnerable constituencies, such as the poor.

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<sup>1</sup> WTO (2006), Recommendations of the Task Force on Aid for Trade.

<sup>2</sup> See TD/B/COM/3/32, 22 December 2000.

<sup>3</sup> Trade, investment and related development issues are for reasons of readability referred to as “trade”.

<sup>4</sup> His Excellency Mr Apolo Nsibambi, Prime Minister of Uganda, United Nations General Assembly, 2001.

<sup>5</sup> Geza Feketekuty (2002). *Professionalizing Training in Commercial Diplomacy and Building an Institutional Training Capacity in Disadvantaged Countries*, GHS, WTO Series Number 09.

6. It is important at the outset to establish the boundaries of the present discussion, and particularly the relationships between “building skills”, “trade-related capacity-building” and “capacity development”.

7. UNDP defines capacity development in the following manner: “[c]apacity is the ability of individuals, organizations and societies to perform functions, solve problems and set and achieve goals”.<sup>6</sup> This definition relates to capacities at three levels: that of the individual acting in her or his area of work; that of the public or private institution or organization or group performing certain tasks and providing certain services; and that of society as a whole, acting collectively in the interest of the public good. Capacity development is generally understood to encompass the development of human resources; the strengthening of institutions; the establishment of legal and regulatory frameworks, policies and laws; and the expansion of information systems.

8. Whilst the UNDP definition refers to the concept of capacity development in general, the OECD/DAC<sup>7</sup> defines trade-specific capacity-building as involving a range of interconnected activities of donors and partner countries to enhance the ability of target groups such as policymakers, enterprises and civil society to: (a) collaborate in formulating and implementing a trade development strategy embedded in a broader national development strategy by establishing a trade policy process with broad stakeholder participation; (b) increase the volume and value-addition of exports, diversify export products and markets, and increase foreign investment to generate jobs and exports; and (c) participate in and benefit from the institutions, negotiations and processes that shape national trade policy and the rules and practices of international commerce.

9. The following scheme (see figure) illustrates the logic of the trade-related capacity-building process from the formulation of policy to its implementation, together with the evaluation of policy, based on UNCTAD’s concept of capacity-building.<sup>8</sup> The scheme presented in the figure illustrates capacity-building linkages and inputs, and in the same way as the OECD/DAC definition, places trade policies in the context of national development strategies. There are primarily two areas of capacity-building at the country level: the first precedes the policy formulation stage and the second occurs during the implementation of policies.

10. Capacity-building and consultations at the individual and institutional level first take place at the country level where the major stakeholders, such as academia, policymakers and the private sector, interact to create and strengthen local knowledge and skills required for policy formulation. Universities, for example, provide inputs to local policy capacity by training future policymakers and by generating and disseminating locally relevant research. They also raise awareness and understanding of trade issues among private sector professionals and wider civil society so that they are better equipped to influence the policy formulation process. This capacity-building process takes place gradually and requires a long-term strategy.

11. The formulation of trade policies, in the centre of the scheme contained in the figure, should be based on strengths and weaknesses of the economy and take into consideration linkages to related policy areas, such as investment, macro-economic policies, innovation and

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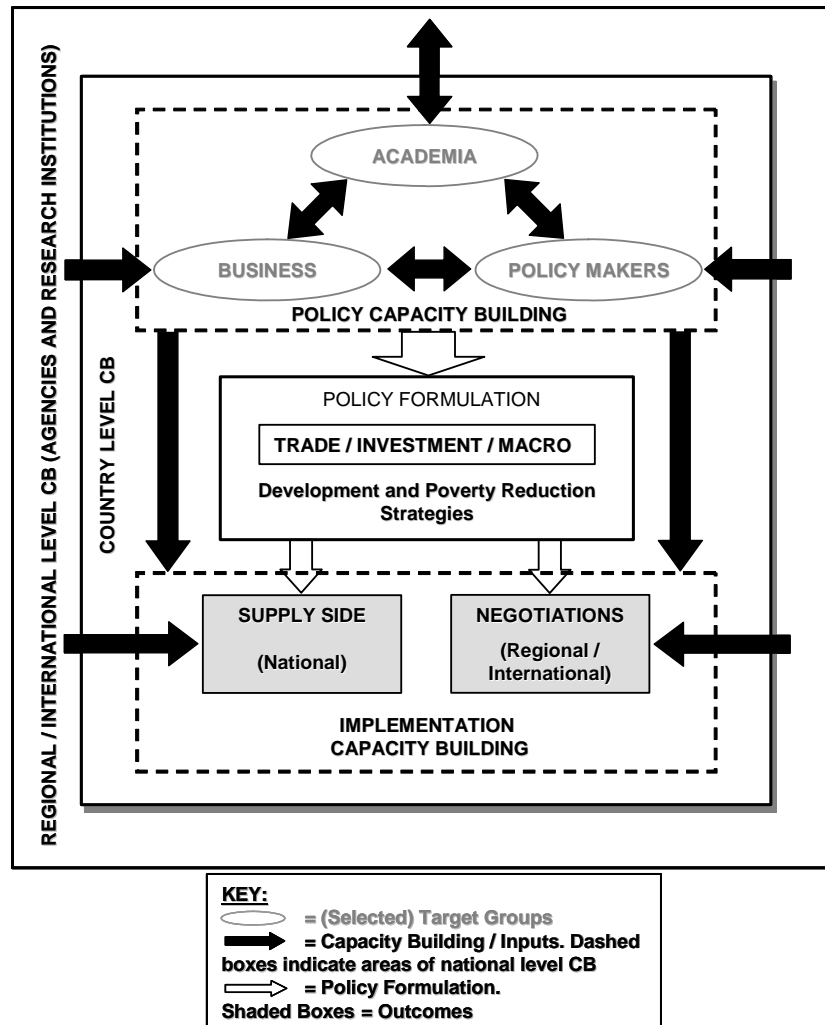
<sup>6</sup> This definition was found at: <http://www.capacity.undp.org>

<sup>7</sup> OECD (2001) *Guidelines on Strengthening Trade Capacity for Development*.

<sup>8</sup> See *Capacity Development* (2003), TD/B/50/9.

technology. Trade policies should be conceived as a means to achieve broader national development and poverty reduction goals.

**Figure. Trade and trade policy capacity-building**



12. Policies feed into negotiating positions, strategies and tactics, as well as the implementation of agreements with regard to regional and/or multilateral negotiations. At the same time, trade policies, embedded into national development policies, should impact on the supply side. This will enhance the productive capacities of domestic businesses, thereby improving infrastructure and facilitating investment and innovation. This level of implementation requires further trade-related capacity-building (TRCB) activities to address the capacity constraints faced by negotiators and individuals and institutions in the domestic private sector. Local training institutions certainly play an important role in this regard.

13. However, further inputs may be needed from the international community, be it in the form of short-term activities or longer-term cooperation. The same is true at the level of policy formulation where the contribution from regional research networks, training provided in cooperation with international agencies or more experienced training institutions and universities can strengthen the capacity-building process taking place domestically.

14. It is furthermore necessary to incorporate effective evaluation mechanisms (such as impact assessment) into the process of trade policy capacity-building, as this feeds the knowledge from the level of implementation into policy formulation. For example, the outcomes of negotiations will sometimes have an influence on future policy formulation.

15. The present exercise will focus on the building of skills and knowledge and access to information as a sub-set of an overall approach to TRCB, with specific reference to:

- comprehensive human resource development – at the levels of policy formulation, implementation and evaluation – i.e. “equipping individuals with the knowledge and skills and access to information, in order to enable them to perform their tasks more effectively”;<sup>9</sup>
- the strengthening of local training institutions, so that over time they become sustainable and autonomous and able to provide the range of skills required for a dynamic open economy; and
- the means to generate one's own local knowledge, e.g. by fostering local research institutions and adapt generic (trade) knowledge to country-specific needs.

These issues cover many trade-related skills. However, in the light of UNCTAD's mandate and experience, the paper will emphasize issues related to the building of skills and to accessing knowledge for trade policy formulation and implementation.

## **B. Resources for trade-related training and education**

16. Reflecting the prime importance of home-grown or endogenous policies and programmes, by far the greatest amount of TRCB is undertaken by developing countries themselves. Unfortunately, there is no consolidated information on such efforts. However, information is available from the Joint WTO/OECD Trade Capacity-building Database<sup>10</sup> on the extent of donor commitments.

17. According to the database, donor commitments for TRTA-CB increased from \$2 to \$3 billion over the period 2001-2004, or roughly 4 per cent of total overseas development assistance. Over the same period, commitments for “trade-related training education” rose from \$37 million (in 2001) to \$73 million (in 2003), before dropping back to \$36 million in 2004, the last year for which full data are currently available. Over the same period, the number of discrete training and education activities ranged from a low of 360 in 2001 to a high of 588 in 2003.

18. The category “trade-related training education” covers donor commitments for human resources development in trade, which are not included in other categories. It is thus very likely to be an underestimate of actual donor support for HRD and skill-building. In fact, the database contains several caveats<sup>11</sup> regarding the quality of the available data, stemming in part from inconsistencies in reporting as some donors break down the specific activity according to the specific sub-category, whilst other donors report the entire activity in one or

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<sup>9</sup> See also Francis Matambalya (2006). *Improved Trade-related Capacity-building: Lessons from a Survey of Initiatives in Tanzania and East Africa*, 4<sup>th</sup> Meeting of the UNCTAD Advisory Group on Training Capacities and HRD, March.

<sup>10</sup> This information is available at: <http://tcdbd.wto.org>

<sup>11</sup> See Box 1, 2005 Joint WTO/OECD Report on Technical Assistance and Capacity-Building, Dec. 2005.

other sub-category. Notwithstanding this caveat, the total amount for training does seem very low, both in absolute terms and as a percentage (about 2 per cent) of total TRCB, given the relative importance of the sector.

19. One explanation<sup>12</sup> for this relatively small amount of funding is the low appreciation of the contribution that could be made by local education and training institutions, which are thus overlooked by potential capacity-building initiatives.

20. However, recognition of the need to address supply-side constraints, and in particular the lack of knowledge and skills, has increased and is reflected in the recommendations of the Task Force on Aid for Trade. The Aid for Trade initiative, as part of the Doha Round, is intended to help “developing countries, particularly LDCs, to build the supply-side capacity and trade-related infrastructure that they need to [...] implement and benefit from WTO Agreements and more broadly to expand their trade”.<sup>13</sup> The “weaknesses in ... institutional capacities to develop and implement results-driven national development strategies” hinder their ability to benefit from trade liberalization. The report of the Task Force highlights the need to, *inter alia*:

- train trade officials to collect and analyse data on trade policies and their impact;
- facilitate knowledge-sharing and the development of guidelines;
- support national stakeholders to articulate commercial interests and identify trade-offs; and
- promote the involvement of local, regional and private sector actors, as well as South-South cooperation through triangular schemes.

21. Although the Aid for Trade initiative focuses on the development side of the trade-development nexus, there is still more room for a greater emphasis on and a clearer reference to the contribution of local training institutions and knowledge networks and the role of TRCB in this regard. The latter is outlined, for example, by the Diagnostic Trade Integration Studies (DTIS), prepared under the auspices of the Integrated Framework Programme for LDCs.<sup>14</sup> This aspect requires, in addition to the transfer of knowledge and skills inherent in support for capacity-building, a much greater emphasis on capacity development aimed at strengthening a home-grown, endogenous knowledge in developing countries. Experts may wish to consider how to bring about such needed additions in the overall programme of support for TRCB and thus a more balanced response to the needs of developing countries.

### III. STRENGTHENING LOCAL EDUCATION, TRAINING AND TEACHING CAPACITIES

22. It is important for developing countries to build or strengthen an endogenous and sustainable training capacity on trade issues. Sustainability has: (a) human resource and institutional aspects (individual/institutional capacity to conceive and deliver locally relevant trade-related education and training programmes); and (b) financial aspects (capacity to sustain programmes financially). In evaluating whether a country succeeds in building a

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<sup>12</sup> Matambalya, *op. cit.*

<sup>13</sup> Recommendations of the WTO Task Force on Aid for Trade, WT/AFT/1, 27 July 2006.

<sup>14</sup> See for example, a study by the Integrated Framework for Trade-Related Technical Assistance to Least Developed Countries (2004), *Removing Obstacles to Growth in Mozambique: a Diagnostic Trade Integration Study*.

sustainable local training capacity, it is necessary to examine the current problems inhibiting this development, what modes of delivery of training are available to a country, and what are the target groups of training on trade-related issues.

### **A. Target groups**

23. A wide range of skills is required for trade and different groups need different types of trade-related knowledge and skills. They include government officials, parliamentarians and negotiators; those in the business sector, including enterprises in the primary, manufacturing and services sectors; academia, NGOs, consumers and other civil society groups. Their needs for information, knowledge and skills development will, naturally; vary according to their specific interests and responsibilities.

24. For example, policymakers will need to have command of a broad range of political, economic, financial, social and regulatory aspects of a particular trade issue. Businessmen will in part be concerned with the macro-economic considerations, but more generally with sectoral implications of one business option or another. Parliamentarians will need to understand and act on the legislative implications of trade agreement, and the economic implications of trade decisions. Academics will need to teach and train the next generation of trade professionals, as well as conduct information-based research on trade and trade policy. Journalists will wish to be informed about – and influence – how public opinion will judge progress and problems in trade and development. Consumer groups will seek information on welfare, environmental and social considerations. Trade practitioners will need specialized and practical training.

### **B. Current trade-related training programmes**

25. Over the past decade or so training programmes have helped trade officials in developing countries to improve their understanding of global trade rules and negotiating issues and their own countries' trade options. Undoubtedly, progress has been made. However, it has also been observed that “despite the large amounts of money spent on such training, the collective effort has been inadequate to bring all government officials and private stakeholders in developing countries, especially in Africa... up to a global level of necessary professional competence”.<sup>15</sup>

26. It also appears to be the case that most training offered through technical assistance programmes is too short to provide the kind of sustained capacity development over a sufficient period of time to ensure real professional competence. “Most programmes focus on international trade rules or issues on the current negotiating agenda: they do not focus enough on skill development”. Above all, one of the serious shortcomings of the current technical assistance effort is that “virtually nothing is being done to develop a local institutional capacity to provide effective training” in developing countries themselves.

27. For example, a study in East Africa<sup>16</sup> concluded that the lack of an integrated approach, the concentration on short-duration training interventions, the lack of local

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<sup>15</sup> The quotes in this and the next paragraph are from Geza Feketekey (2002). “*Professionalizing Training in Commercial Diplomacy and Building an Institutional Training Capacity in Disadvantaged Countries*”, Graduate Institute of International Studies (GIIS), WTO Series Number 9.

<sup>16</sup> Matambalya, *op. cit.*



pedagogical skills and the low appreciation of the need for trade-related skills, have all retarded the development of a home-grown and institutionalized trade training capacity.

28. Other observers<sup>17</sup> have also contrasted the relative success in human resource development (or the development of individual capacities) with the lack of progress in developing institutional capacities. It has proven difficult in practice to blend the need to develop individual capacities with the need to strengthen institutions. Short-term, *ad hoc* and one-off interventions may be effective in dealing with immediate training needs, but they may not necessarily be consistent with long-term capacity-building programmes.

### **C. Modes of delivery of education and training programmes for building trade-related skills**

29. There are many ways in which an individual learns: either through formal education and training, or more often through informal contacts with peers, through learning on the job, i.e. by doing or by self-instruction. Formal education and training programmes may use many modes for delivering their courses, sharing information and imparting knowledge and skills. At their most flexible and effective, these programmes can also try to influence and assist the development of informal channels of learning.

30. In examining formal modes for the delivery of training, it is therefore essential to bear in mind: (i) the role of complementarity between the modes; "(ii) the role of ICT and networks as tools for learning and exchange; (iii) the relative importance of short-term and long-term courses and their sustainability; (iv) the provision of high-quality and relevant pedagogical inputs, such as training materials (e.g. course handbooks, simulation exercises, questions, reading lists); and (v) how the points made in items (i)-(iv) support the continuation of training and learning (either on the job or for future professional activities, and either through formal or informal channels).

31. The following seven modes of delivery have been identified as relevant for trade-related education and training:

- Face-to-face training by local institutions, or in overseas institutions, with or without the involvement of other agencies. International trade is normally taught as a component of courses on economics, business, international relations or development studies.
- Offline distance learning, by sending papers, books, CDs, videos, essays. Such courses may better respond to those without access, or poor access (low connectivity, etc.) to the Internet and other sources of technology.
- Online distance-learning, through e-learning, e-libraries, discussions, chats, tutorials, video conferences. Online distance-learning can involve complete courses, such as that given by WIPO's Worldwide Academy, or a modular access to online training materials, that can be used in existing courses or as stand-alone learning material as offered by UNCTAD's Virtual Institute. There are also many recognized degree courses, which include trade policy issues offered by online – or open – universities and institutes, such as Educatis (Switzerland), Indira Gandhi Open University of India, or the Campus Numérique Francophone.

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<sup>17</sup> For example, North-South Institute (2005). "Evaluation of DFID Support to Trade-Related Capacity-building", February.

- Regional cooperation, involving collaboration among education and training institutions in a particular country and/or region. Because of the specialization of trade policy-related courses and training, it is likely that institutions will benefit from the pooling of resources and expertise and the economies of scale to be gained from regional concentration. Examples of successful regional cooperation in trade policy training include the Masters Programme in International Trade Policy at the University of the West Indies in Barbados, available to students from all CARICOM member countries. The Facultad Latinoamericana de Ciencias Sociales (FLACSO) offers a variety of trade-related programmes in several campuses in South and Central America and which are based on course contents that have been developed jointly and shared among participating campuses.
- Twinning, involving formal partnerships among education and training institutions, both between “North-South” and “South-South”. Twinning, based on collaboration between a national institution and a foreign partner, can contribute to building and sustaining capacities. It has been used in a number of instances by aid agencies; although the approach is not without its difficulties, results have been generally been positive.<sup>18</sup>
- Fellowships, study tours, internships, again both “North-South” and “South-South”. Experiential learning can be a particularly cost-effective means of imparting knowledge. The most obvious example is that of enabling inexperienced trade negotiators to observe at first hand the preparations for, participation in, and follow-up of bilateral or multilateral trade negotiations. The learning process is even more effective when the delegation is accompanied by technical experts who can give insights into certain negotiating issues or processes. This type of on-the-job training could well be used more frequently: “building mechanisms for capacity development around negotiating processes can be a very effective modality”.<sup>19</sup>
- Training courses and workshops, ranging from very short (2-3 days) to longer (2-3 months) training courses on both policy and technical issues. Workshops can be extremely useful in imparting knowledge and information on specific and well defined subjects, in discussing the results of research and in developing action plans. However, workshops also suffer from well-known weaknesses. First, there can be too many workshops on the same or related subjects, for example issues related to the Doha Round with inadequate coordination among the donors and agencies concerned and with national authorities. Second, the links between individual participation in workshops and subsequent contributions to institution-building are weak and thus the impact is often not sustainable. UNCTAD, for example, emphasizes the institutional importance of training trainers (trade practitioners, academics and government officials) and connecting researchers and policymakers to professional networks and sources of knowledge which embeds and extends the value of UNCTAD's training; UNCTAD's Paragraph 166 courses on Key Issues on the International Economic Agenda has explored opportunities for linking participants with the Virtual Institute, for example.

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<sup>18</sup> See, for example: Olowu, D. (2002). Capacity-building for policy management through twinning: lessons from a Dutch-Namibian case, *Public Administration and Development*, 22, 3: 275-288. The project sought to build two types of institutional capacities: high-quality policy managers within government and capacity for policy management training at the national University.

<sup>19</sup> North-South Institute (2005). *Evaluation of DFID's Support to Trade-related Capacity-building*, February, paragraphs 94-95.

32. There is thus a wide variety of pedagogical approaches and options for acquiring skills. The choice of one or other method is clearly based on such considerations as relevance to need, suitability in terms of the level and content of the course, duration, location, cost and convenience. The advantages and limitations of different choices can best be considered on a case-by-case basis during an assessment of training needs in a given area. Consideration has to be given to local needs and how, what are often generic training packages, can best be adapted and made relevant to local contexts.

33. Several themes run through all of the different training methods. These include, for example:

- The degree of networking, involving cooperation with partner training institutions both at home and abroad, including through twinning arrangements. This can also assist short-term workshops to achieve a longer-term impact, by connecting participants to pre-existing networks;
- The nature of funding arrangements, i.e. whether the training is financed solely from domestic public or private resources, or whether donors are also contributing in one form or another;
- The degree of support from international organizations and/or research institutes in developed or other developing countries;
- The use of ICTs, including for the preparation and dissemination of training materials;
- The content – and quality – of the training materials; and
- The desirable mix between short- and long-term training.

34. The education and training methods described above are not mutually exclusive: there are many instances of “blending” or “hybrid approaches”, for example between distance learning or “face-to-face”: UNCTAD's TrainForTrade programme uses online learning prior to face-to-face training workshops, which helps to generate interaction, and to raise the knowledge of participants to a comparable level prior to being selected for face-to-face training courses.<sup>20</sup>

35. The modes are not listed in any kind of hierarchy whether from local to foreign or from low-tech to high-tech or from simple to complex. Rather, they overlap and reinforce and complement each other in meeting the diverse needs of different target groups.

36. The above lists of modes of delivery and themes are not comprehensive: there may be others. The heuristic nature of learning and training means the field is constantly changing, as lessons are learned, new approaches are discovered, communication is extended and new training tools emerge, which also has implications for ongoing funding and support for training needs.

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<sup>20</sup> See UNCTAD (2004). *Strategy for Implementing a Distance Learning (DL) Process*. Available at: <http://r0.unctad.org/trainfortrade/dlstrategy.pdf>.

#### IV. STRENGTHENING ANALYTICAL CAPACITIES ON TRADE AND LINKING RESEARCH TO POLICYMAKING

##### A. The need for closer links

37. The ability to provide rigorous, empirical and accessible policy-oriented research is essential to better integrate developing countries into the international economy, thereby helping them achieve their development goals and reduce poverty. International and regional trade negotiations, as well as the formulation and implementation of appropriate policies at a national level, involve extensive analysis of economic phenomena and data, and an assessment of the economic impact of trade policy decisions.

38. Strengthening the linkages between research institutions such as universities, and policymakers and negotiators (government officials, negotiators, parliamentarians) often requires capacity-building inputs at the individual and the institutional level. These inputs can be provided by the international community and/or developed through local, regional and international networks among researchers and research institutions.

39. In the past, the relationship between researchers and policymakers has traditionally been one-way or 'linear in nature':<sup>21</sup> researchers prepare papers and briefs which are then used by policymakers in decision-making and the formulation of policy positions. More recently, there has been a growing recognition that research inputs into policymaking need to be consultative, and the flow of information between researchers and policymakers should be two-way. Specific advantages of this approach include a better awareness of policymakers' needs by researchers, and a better understanding of the research and its findings by policymakers.

40. In practice however, the relationship between researchers and policymakers is not straightforward. Several problems have impeded the efficient and constructive use of local capacity by developing country governments. Among these problems are the issues of credibility and trust: how do local researchers build their credibility in the eyes of policymakers and why should governments trust what researchers say? For these reasons, governments have often sought research inputs and policy advice on trade issues from international organizations, such as UNCTAD, or by outsourcing their research needs to well known private sector companies and NGOs. They have also utilized the research findings of lending institutions or donors.

41. The question for developing countries is whether 'outsourcing' of research capacities is sustainable and whether it provides them with research which is relevant to their own local context written by professionals who are familiar and engaged with the issues and research questions specific to the country. One model of how to provide and use locally-generated research-based policy advice has been developed by the Overseas Development Institute, and is called the "context, evidence, links" framework.<sup>22</sup> This framework emphasizes an interplay (i.e. non-linear) of three overlapping areas influencing the effectiveness of research: the political context in which research is generated, including the political economy of trade

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<sup>21</sup> D. Tussie, Riggiozzi, M.P. and Tuplin T. (2003). A study of policy influence: The G-24 technical support service found at <http://www.idrc.ca/en/ev-31676-201-1-Do-TOPIC.htm>

<sup>22</sup> Court, J. and Young, J. (2004). Bridging Research and Policy in International Development: Context, Evidence and Links, in D. Stone and S. Maxwell (eds.), *Global Knowledge Networks and International Development*, Routledge.

policymaking; the credibility, usefulness and presentation of the evidence used in the research; and the importance of links between researchers, negotiators, policymakers and civil society at large for generating and disseminating research findings and influencing the policy agenda.

42. Many of the proposals set out in the ODI framework are reflected in the recommendations of a joint UNCTAD-WTO-ITC workshop on trade data and trade policy analysis.<sup>23</sup> During the workshop, an informal dialogue was held between the participants (mainly researchers) and Geneva-based policymakers which produced several specific recommendations for both policymakers and researchers, including how to build trust and credibility, how to communicate and present research, how to gain access to policymakers, and how policymakers could utilize local research capacity.

43. Having moved beyond a linear process of communication between researchers and policymakers, other organizational modes of feeding information-based research into the policymaking process have been developed. For example, researchers are sometimes placed within negotiating teams in Geneva, or seconded to missions, in order to provide substantive inputs and analytical expertise, and also to take back to their institution the relevant research questions and developments in negotiations. Further attention has also been paid to how research can influence the policy agenda through wider societal awareness,<sup>24</sup> or 'enlightenment',<sup>25</sup> and at what point research is taken up and used by policymakers.

44. The role of networks and networking, usually facilitated and extended over time and space by ICT, can also play an important part in the development of local research capacities and in bridging the gap between researchers and policymakers: "[...] nurturing and sustaining local (and regional) research networks linking universities, local think-tanks and research institutes and other non-governmental bodies can be indispensable in addressing the challenges of ownership, sustainability and context [...]".<sup>26</sup> There are now several well known international academic research networks specifically linking developing country research and researchers on trade issues, as well as local and regional research networks (for example the African Economic Research Consortium and the Economic Research Forum for the Arab Countries, Iran and Turkey). These may be formal networks with a support structure, sometimes managed and/or funded by international agencies, or they may be informal relationships between individuals who share similar professional interests; these relationships and networks are sometimes referred to as 'epistemic communities' or 'communities of practice'.<sup>27</sup> In addressing the difficulty that developing countries often have: accessing information and data, it is worth assessing to what extent knowledge networks offer solutions to research and policymaking needs.

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<sup>23</sup> UNCTAD Virtual Institute (2006). *Research-based Policymaking: Bridging the Gap between Researchers and Policymakers*, available at: <http://vi.unctad.org:8080/unctadvi/secure/resources.jsf?serverNavigation=true>

<sup>24</sup> UNCTAD (2003). *Capacity Development*. UNCTAD TD/B/50/9.

<sup>25</sup> D. Tussie, Riggirozzi, M.P. and Tuplin T. (2003). *op. cit.*

<sup>26</sup> Pierre Sauvé (2004). *Building Capacity for Development through Trade: Perspectives from APEC*, Department of Foreign Affairs and International Trade, Canada.

<sup>27</sup> For example, <http://www.odi.org.uk/RAPID/Tools/Theory/Index.html>

## B. The impact of research on policymaking and policies – some examples

45. Over the past decade there has been an increasing interest in analysing if and how research (in particular from developing countries) can influence both the trade policymaking and policy formulation process. Organizations which are very active in this field include the Overseas Development Institute (ODI), the Global Development Network, research networks such as LATN, as well as donor agencies funding research projects (IDRC, UK DFID) and individual researchers (e.g. Deverajan, Shantayanan and Robinson, 2002).<sup>28</sup>

46. The assessment of the impact of research on policies requires a clear definition of the change in policy and the ability to isolate the effect of research as opposed to other factors, such as institutional pressures and power relations. This is certainly not a simple task, since policy processes generally depend on a multitude of factors; research may therefore have indirect effects, i.e. through awareness-raising<sup>29</sup> rather than an easily traceable direct impact.

47. The approach chosen by IDRC to assess the impact of UNCTAD's technical support service for the G-24<sup>30</sup> (a research programme which intends to advise G-24 deputies and ministers on relevant issues concerning the international financial system and monetary affairs) consisted of conducting interviews with researchers, policymakers and other stakeholders on how the research had been used. The results suggest that while the main impact has been indirect, "...in framing concepts and critical views from developing countries' perspective[s]...", and influencing public opinion by accessing a larger audience, there have been direct effects in a limited number of instances, e.g. the research provided on capital controls played an important role during the financial crises of the late 1990s.

48. The ODI approach starts from a clear policy change, such as the adoption of PRSP's as an eligibility criteria for World Bank and IMF lending and debt relief under HPIC, and works backwards to assess the role of research among the determinants.<sup>31</sup> The indirect and long-term effect of research and the importance of time and timeliness are also emphasized in the PRSP case, where development research during the 1970s, 1980s and 1990s set the stage for policy reviews adopted in the end of the 1990s. However, policy research commissioned in the late 1990s by the IFIs themselves (enhancing credibility and facilitating communication with the "user" of the research, in this case the World Bank and the IMF) focused on operational solutions and provided specific policy recommendations. The case study also highlights the importance of links and networks among policymakers, researchers and other stakeholders such as the Jubilee Debt Relief campaign.

49. A research project<sup>32</sup> conducted in the context of India's negotiating position on trade facilitation at the WTO illustrates a case where the direct links between research and a shift in policy, from inward-looking to outward-oriented, and addressing problems faced by exporters in foreign markets, are more tangible. The research involved a literature survey, a survey with

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<sup>28</sup> Deverajan, Shantayanan and Sherman Robinson (2002). *The Influence of Computable General Equilibrium Models on Policy*, TMD discussion paper. n° 98.

<sup>29</sup> D. Tussie, Riggirozzi, M.P. and Tuplin T., *op.cit.*

<sup>30</sup> D. Tussie, Riggirozzi, M.P. and Tuplin T., *op.cit.*

<sup>31</sup> Court, J. and Young, J. (2004), *ibid.*

<sup>32</sup> Abhijit Das (2006), UNCTAD India Programme on Strategies and Preparedness for Trade and Globalization in India (Project). Paper prepared on invitation of the Latin American Trade Network (LATN) and the International Development Research Centre (IDRC).

Indian exporters, visits to ports, interviews with logistics companies and trade promotion centres and SME clusters in various cities. Several reasons for successful policy influence have been pointed out:

- *Demand-driven:* the research was undertaken at the request of the Department of Commerce and one of the key negotiators was involved in the study from the beginning outset.
- *Addressing a need:* the research project was the first to analyse trade facilitation problems of Indian exporters. There were therefore no "competing" studies.
- *Representative and credible:* methodology covered a broad range of sectors, regions, etc., and could therefore not be regarded as driven by lobby groups; also the support by the UNCTAD India programme and the fact that the organization conducting the research was selected through a transparent process enhanced the political and technical credibility of the project.
- *Applied:* the problems identified were based on the experience of exporters and did not derive from theoretical considerations.
- *Dissemination and endorsement:* the results were endorsed at a national seminar by a broad range of stakeholders, among them the Customs authorities, which would be in charge of implementing eventual obligations.
- *Involvement in implementation:* Apart from disseminating the findings, the UNCTAD India Programme assisted the Department of Commerce in drafting the negotiating proposals based on the research recommendations.

50. The examples above show that there have been successful cases of research-based policymaking and illustrate some of the determinants. At the same time, the cases presented suggest that research from and on developing countries is very often supported or driven by international organizations and/or donor agencies. Experts may therefore wish to address the questions if, and how, developing country governments base their policy formulation on local research:

- which factors obstruct effective local research-policy linkages, both with regard to locally-available research capacity and dissemination and communication strategies; and
- what role can researchers, policymakers and civil society in member States, as well as international agencies and the donor community, play in strengthening local research capacity and facilitating research-based policymaking in the future.

## V. FUTURE PERSPECTIVES

51. Referring back to the scheme presented in the figure at the beginning of this paper, capacity-building should be conceived as a holistic strategy by individual countries and the international community at large, who are in part responsible for providing capacity-building inputs. The review of factors affecting the building of trade-related skills and knowledge highlights several areas that should be considered by countries attempting to build and strengthen their capacities in this area. In particular, **five points** stand out:

1. How is training for individuals institutionalized within countries and how do you ensure that local institutions, as well as individuals receive adequate capacity-building inputs? In short, to what extent is training and research on trade issues **sustainable**, both in terms of financial and human resources?
2. On the **financial** side, how can the building of trade-related skills be given the high priority it deserves in national policies and strategies, as well as in requests to international donors for financial support? And to what extent can donors better respond to such requests through existing financial channels or new initiatives: for example, how can current recommendations in the Aid for Trade initiative be used to mobilize sustainable financial support for human resource and institutional development?
3. How is support for short-term needs consistent with, and complementary to, **longer term** requirements for capacity development: how is the effectiveness of short-term training extended and embedded in national, regional and international networks? Knowledge and skills tend to become obsolete over time: what systems do countries have for identifying and upgrading skill and knowledge needs?
4. Is the **quality** of training and research, either provided locally or by international agencies and other institutions, adequate? What can be done to make the material more locally relevant, and effectively differentiated for the appropriate level and target group?
5. What role can **ICT and networks** play in facilitating and improving training and research programmes? How does the use of ICT and networking have a positive impact on developing high-quality training and research, which is sustainable at a local level?

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