

Report on Effective Participation by Developing countries in International Governance, Institutions and Negotiations

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Why developing countries need to participate in international negotiations

When should developing countries enter international negotiations? In which activities (and when) do the advantages of international institutions outweigh the disadvantages? And why are developing countries now participating more actively in more negotiations than in the period up to 1995?

The advantages of international negotiations are that they can deal with an international problem, offer a common regime for international transactions, give governments a common front against national companies or pressure groups, give developing countries protection from bilateral action and offer access to ‘advanced model’ agreements created by developed countries. A disadvantage is that the regulations and institutions that result restrict countries’ ability to choose their own policies to meet development objectives. An additional disadvantage for developing countries is that they are weaker in terms of international power (as well as any particular weaknesses in negotiating capacity), and therefore they may find it difficult or, some argue, impossible to achieve any objectives in international negotiations. The policy choice for developing countries, therefore, is how to balance the possible achievement of their own and international objectives against the disadvantages of accepting common standards and losing flexibility to respond to national interests, as well as against the costs of negotiation, given other demands on their countries’ resources.

The first and most important question for each country is: what are its policy objectives for development and for other national interests? The second is how each country expects economic development to contribute as a part of this. This must include how it chooses between development aims and others, including the environment. Each country needs to have a clear set of objectives and to know how they depend on each other in order to assess what value to place on any costs or gains in their negotiations, including points on which other countries are making demands. When the country has understood its own position clearly, it can make decisions about how and where to pursue its aims, whether unilaterally, or in bilateral, regional, or multilateral negotiations.

Extensive analysis of how international flows, whether from trade or environmental effects, affect income, its distribution, and countries’ potential for development has emerged only in the last few years (including the two studies, Page 2001 and McGuigan, Reynolds, Wiedmer 2002, which form part of this project, and which discuss the literature on this). But developing countries were already seeking international gains in the 1980s. In trade, developing countries now want the gains which have been identified from trade for development and poverty. In the 1950s and 1960s, there had been good reasons for developing countries not to participate in trade negotiations. Inward-orientated development strategies implied that there was little to gain from exports and little to lose (and possibly something to gain) from excluding imports. GATT excluded many of the products of most export interest to them (agriculture and textiles). Preferential arrangements, like those offered to the ACP countries by the EU, gave them better-than-GATT trading terms without negotiation. Concern about the international effects of environmental changes was not yet leading to international action. A country faced with this situation, of little to gain, and possibly much to lose, *should* put minimal resources into international negotiations. But in the 1980s and 1990s countries shifted to an export-orientated approach to development; concern about environmental effects spread; and they became themselves sufficiently large to be targets of international policy, in trade and environment, from developed countries.

Further, as international regulation and other countries' interventions affect an increasing share of international trade, developing countries now have no choice but to participate in trade negotiations. In climate change the move came later, in the 1980s, and some conditions remain less favourable. While the risks to developing countries are becoming clear, the potential gains from the current negotiations are less clear, so that the choice of how strongly to participate is more difficult. And there is less pressure from developed countries for developing to participate: wealthy countries have little to gain from an international regime, because they are geographically less vulnerable.

This study asked first what the general evidence is on the size and nature of the potential gains from international negotiations for developing countries, in particular from trade and climate change regulation. It also examined whether negotiation between weak and strong countries can produce gains. It then looked at examples of negotiations and countries, and finally drew conclusions from all the studies about how developing countries should organise to identify and present their positions, how they should negotiate, how negotiations could be made more suitable for them to participate in, and how countries can be helped to participate more effectively.

Trade and poverty (based on Page 2001)

The direct impact on poverty of particular changes in trade, which may be attributable to changes in trade policy, which in turn may be attributable to negotiating success or failure by a country's own government, can be traced, through price, employment, and fiscal effects on incomes, and then through household analysis, to the income and assets aspects of poverty. Therefore it is possible to analyse the potential income or longer term growth and development effects on an economy, as a whole, of changes in trade, with the same steps to policy, and on various assumptions about how both private actors and government policy respond to the new incentives and opportunities.

Trade policy which reduces barriers to trade increases some incomes (and normally reduces others), through changes in the composition of production and in relative prices, and perhaps through changes in government income (and therefore spending). This may have a direct effect on poverty (sectoral and household analyses are required). If policy (unlike normal trend changes in trade) creates abrupt changes (losses of a whole sector), the effects may be more severe. More opportunities in trade (through imports or access for exports) are likely to increase national income and may increase efficiency sufficiently to increase growth. This may have direct effects on poverty (the evidence is that it is likely, but not inevitable), and may have indirect effects, depending on government policy response.

For this to guide policy, countries (through government policy or through the interaction of private choices) need to have clear objectives and to understand the linkages from trade policy to trade, and from trade to their objectives, sufficiently well to formulate an appropriate trade policy. If these objectives are for poverty reduction, this may be over a specific time scale (cf the Millennium Development Goals), or more general. Some may instead focus on intermediate targets, such as for total income or for a pattern of income and production in the future. National trade policy can achieve some results directly; national policy combined through negotiation with policy changes by trading partners can increase some effects, but may prevent others (if this rules out unilateral liberalisation, for example).

Where there are market imperfections or administrative weaknesses that reduce transmission effects or the effectiveness of policy, all these effects may be reduced.

The multilateral negotiations on trade have an ultimate objective of increasing world income, but leave distributional objectives to national decisions and national interests. Preferential arrangements on trade, such as the ACP-EU negotiations analysed here, have may have development as an objective (as well as traditional national interests), but this reflects donor objectives, not necessarily those of the developing countries.¹ When individual countries do have clear national policies on poverty, or on development more generally, the effectiveness of trade policy can be judged against this but this is often uncertain. Trade in general, and even more so that part of trade that is likely to be altered by trade policy, may be (and should be) seen as part of a policy, not to be analysed out of the context of other policies. Some types of trade liberalisation may be themselves the result of a general change in approach to policy, rather than specifically part of trade policy or poverty policy. For this reason, while the country studies examine whether there is a clear policy, and if so, what trade policy (and in particular, negotiations) was trying to achieve, the analyses judge 'success' against what the country (or groups of developing countries) seems to have been trying to achieve in trade policy, not against a specific poverty objective.

Climate change and poverty (based on McGuigan, Reynolds Wiedmer, 2002; Richards 2003, Page 2001)

With climate change, the negotiations are more about adding policies than removing them, about regulations, as opposed to liberalisation, but again we need to ask about both the general effects of the present (or a potentially different) policy regime, and the direct poverty effects of particular changes. It is increasingly recognised that many of the most serious impacts of climate change will fall on poor people in developing countries. Raised sea levels wiping out national territory and therefore production are the most dramatic example, but reductions and increased variability of crop yields and vulnerability to disease and malnutrition are also potentially biased against many of the poorest countries, either because of their location or because of their relatively high dependence on primary production and on environmental resources. As in trade, weak administrative structures and poverty make mitigation of any effects problematic. Some proposed policy changes would have less (or no) restrictive effect on them: for example, cuts in permitted emissions; others might have a beneficial one on poor countries. Implementation of the Clean Development Mechanism provides a mechanism for transferring financial resources to developing countries, but not necessarily one with a direct impact on poverty within countries. In fact, without considerable aid support, it will be difficult to obtain poverty effects from the CDM (Richards 2003).

Climate change negotiations have the objective of protecting and improving the natural environment. This is one element of a broad definition of poverty, and objectives like preservation of biodiversity have income as well as scientific aims. The support of positions that emphasise a fair distribution (convergence) of energy use has a redistributive, and there poverty, focus. But there is a perceived potential, if not actual, conflict between conventional income-poverty objectives and environmental aims. If use of energy is to be restricted, a simple assumption of a correlation between energy and output would suggest that income

¹ The structure of preferences and special arrangements (mentioned in Page 2001) does not always indicate a strong influence from poverty (or environmental) objectives, for example the regimes for fish and agriculture.

must be restricted. Decoupling of growth and energy use in some countries has slightly mitigated this perceived conflict. Developing countries have not seen poverty as the direct objective in their climate change negotiation participation, so, as in trade, 'success' will be judged against their immediate objectives. For developing countries, this means reduction in developed country emission levels, because this will lower future negative climate change impacts. For a few, it now also means financial transfers.

The nature of negotiations (based on Page 2002 and Richards 2001)

An international regime is required in order to meet international common needs. Some come from growing awareness that natural resources are 'common': for example, climate. For common resources, absence of global government is a global policy failure with severe environmental consequences. Provision of a global public good, for example control of climate change, by some countries benefits every country, but if there is no way of ensuring that all share the costs, the costs may exceed the benefits for any single country, with the result that too little of the good will be provided, so a global regime is necessary. Some demands for an international regime come from growing international trade and other cross-border transactions. These make a predictable, common regime the same type of 'public good' as good national government. While economic theory also predicts that there are general gains to welfare from particular types of international policy (greater openness, lack of discrimination), for trade negotiations, in contrast to those for global common goods, there is a benefit from any rule (of predictability for private contracts), even one which may favour some countries over others.

Are negotiations between weak countries and strong possible? If 'power' is a single characteristic, determining a country's position in all international bargains, and based on characteristics difficult to change by policy (for example, economic size, which would be relevant in market-type bargaining; financial strength, relevant especially where some countries give assistance to others, raising the possibility of 'buying' agreement; military strength, which remains the ultimate international force), it would be difficult to suggest that there are ways in which weak countries can participate effectively in negotiations (see discussion in Page 2002 pp 10-11). There, are, however, constraints on the use of power. If a powerful country considers some international rule or trade regime beneficial and this requires action by another country, it must secure the agreement of the other, and the absence of an international government and the presence of states as well as markets means that there is no fixed, or computable, 'price' for that concession. Where the outcome is indeterminate, bargaining is possible.² And with international institutions facing questions about their legitimacy, ensuring effective participation by all members becomes a requirement for them as well as a need for their members.

Can countries be treated as single entities, seeking to achieve some national interest, or are they better considered as a collection of interests (see Page 2002 pp. 6-9). For negotiations to produce a welfare-maximising solution, the interests of all those who will be affected must be taken into account. If the interests are assumed to be complementary, that there are no significant conflicts to resolve (in a trade context: that a trade policy will be beneficial to all groups, if necessary after intervention to redistribute gains to losers), then it is appropriate to

²Any weakening of the assumption that even powerful states are bound by the rules of the institutions which they choose to join, however, will weaken this assumption.

think of government (or some other external agent) calculating the best national outcome, and then working with other governments to find the best world outcome. If there are different interests, and if the state sees its role as trying to satisfy these, rather than as imposing some politically determined national interest (beyond any advantages to those with particular trade or environmental interests), then a country needs to have mechanisms to identify the relevant interests, balance or reconcile them, and ensure that any outcome is satisfactory to them; the international negotiation is then a bargain among these. The assumption in climate change policy is that countries are trying to reach a single best solution and then that the international system is trying to maximise a common good, suggesting the former process of political policy formation. In trade policy, the assumption is that there are different interests within and among countries that need to be balanced and offset through negotiation. This suggests different ways of forming policy both nationally and internationally. Trade negotiations have a higher element of 'distributive bargaining' (see Richards 2001 pp. 13-14), and climate change of 'integrative bargaining' (where the different sides both expect gains from a common good), but there are elements of both in both: trade liberalisation may be recognised as good for all, while in practice national interests are strongly felt in climate change negotiations.

A problem for climate change negotiations, however, is that if the developing countries are assuming (or demanding) that the negotiations be on the basis of identifying common goods and negotiating on the basis of principles (in practice, of course, these correspond closely to their national interests, of slowing or mitigating climate change, and compensating losers), while the developed countries are more concerned with national interests, which for them means preserving current rights and minimising compliance costs, then there can be a disjuncture in bargaining, with the developing unwilling to make even costless concessions of principle. The fact that developed countries participate at all (for those who do) suggests that motives other than simple self interest are present, which may include for example commitment to principles or to the preservation of the international system of obligations (Mabey, et al, 1997 discusses this, p. 12), so that even here there is some negotiating power for developing countries. (An analogous problem arises in trade negotiations when developing countries demand special treatment as a right.) Another difference, however, gives developing countries an advantage in environmental negotiations. They are based more on legal rights than are trade negotiations and the concept of property (whether in the right to emit or the level of emissions) as a right pervades them. Acceptance of this gives even weaker countries a higher base from which to participate than does the negotiating framework of trade negotiations. The fact that climate change is perceived to be irreversible gives another reason for developed countries to want all countries, even weak countries, to remain committed to the negotiations.

The disparities of power and the different approaches means that developing countries may choose not to enter negotiations, even if they identify potential gains, and even if there are some reasons for developed countries to want to secure their participation, but the gain from 'rules', even if suboptimal, in areas where transactions benefit from predictability and certainty suggests that this choice should be less likely for trade negotiations than for climate change.

WTO negotiations (based on Page 2002)

Although some developing countries had participated in GATT negotiations before the beginning of the Uruguay Round in 1986 (leading to the formation of the WTO in 1995), this was on specific non-central issues (such as customs valuation). They were allowed to exclude themselves from being bound by most trade rules, and received better than GATT treatment under preferential agreements. In the Uruguay Round, some developing countries decided that they had policy interests in participating: to achieve better access and because developed countries were using the Round to ask them to take on new obligations, in trade and in new areas like intellectual property. During the Round, they secured concessions on their major exports, partly by working with developed countries (in agriculture: the Cairns group); partly by working in developing country groups (textiles and clothing). Some countries, still dependent on preferences, and too small to face pressure from trading partners, did not participate. They found that they had lost, at least in relative, and in some cases in absolute terms (new rules, erosion of preferences). This led both groups to the conclusion that participation worked, and not participating was hazardous.

In the period of implementation after the Uruguay Round, there was a growing awareness of what commitments had been made, particularly on the 'new' subjects like services and intellectual property, which increased interest within all countries. Many were also involved in other trade negotiations in regions, and were therefore becoming accustomed to taking trade initiatives. Before the Seattle ministerial meeting (1999), countries and groups of countries took positions. Participation by developing countries was a major issue, although there was no formal change in the procedures to accommodate larger numbers of active participants. The outcome of the meeting was deadlock, at least partly because developing countries did not accept that a settlement could be reached through a process in which they had not participated.

Pre-Doha, there was further progress towards developing country effective participation. The positions were different from most of those prepared pre-Seattle, or in previous negotiations, in including not only the traditional developing country issues (agriculture, non-tariff barriers, tariff discrimination and escalation), plus opposition to the new 'developed country issues' (inclusion of investment, competition policy, labour), but also new subjects for the agenda (infrastructure for trade, debt and commodity markets). They had moved from modifying results, first to blocking (at Seattle), and then to initiating.

At Doha, they were successful on their declared priorities (agriculture, special and differential treatment, other tariffs, intellectual property), achieved some of their own initiatives, on debt, and are not yet defeated on the developed country new issues. After Doha, developing countries did not express the same resentment and disillusionment as after Seattle or in the years after the Uruguay Round. Although they did not achieve all their aims, the presumption must be that they chose and achieved priorities.

The conclusions drawn in the study about the conditions for successful negotiations were:

- The countries which had gained were the countries which had participated in the negotiations.

- Countries need an effective way to coordinate policy at the national level as background for trade negotiations.
- Countries cannot remain outside any negotiation, however irrelevant or unimportant it might seem to their current interests, because open-ended commitments could become significant agreements and because others could reach agreements which would damage them.
- Alliances with developed countries were feasible and potentially high return; alliances among developing countries also worked, and could work better to protect developing countries.
- Advice and technical assistance and especially information could be useful, but developing countries had to develop their own resources to use external resources effectively.

Climate change (based on Richards 2001)

UNFCCC negotiations began in the 1990s, a period when developing country participation was assumed from the beginning; that developing countries should be treated separately was accepted in the Convention. The Framework for negotiations was adopted in 1992, and the secretariat established in 1995. There have been annual Conferences of the Parties (COPs). At these, although developing countries (notably Brazil) have begun to make proposals, they have not been satisfied with the outcomes. They have not been able to alter any outcome, and there remains a fundamental disagreement over what equity implies for the basis for any settlements (existing emissions or rights to equal emissions). On one occasion, Saudi Arabia was able to stall and prevent an agreement.

Developing countries have maintained a fairly consistent position. Most have continued to oppose joining in any actions ('meaningful participation' as defined by the US and other 'Umbrella Group' countries) to reduce emissions. They have not been willing to take on commitments (on the grounds of fairness). Most have argued that developed countries should reduce emissions, rather than achieving their targets through trading emissions permits and the other offset mechanisms in the Kyoto Protocol. Countries have thus tended to take 'defensive' strategies, and to focus more on issues and principles than interests. This has precluded active participation in the negotiations .

There is, however, now a division over the issue of the CDM mechanism: for some, it is a means of securing finance and contributing to a country's sustainable development, while others oppose it as an offset mechanism (or 'loophole'), and would prefer to demonstrate their 'meaningful participation' by securing technology transfer to improve energy efficiency and use. This is provided for in the Convention, but has not been effectively implemented.

A major watershed for developing countries was the publication of the Third Report of the Inter-Governmental Panel for Climate Change (IPCC) in 2001. This argues that climate change impacts are now irreversible given the time lag between mitigation actions and their effect on the atmospheric concentration of greenhouse gases, and will be most severe on poor people in poor countries, directly through effects on tropical agricultural productivity, health, and malnutrition, and most importantly because the capacity of poor countries to adapt to

climate change impacts is constrained by economic, institutional and technological weaknesses. More recent reports argue that climate change poverty impacts will reduce the poverty elasticity of growth and undermine the MDG poverty targets. Consequently, for developing countries, the climate change 'adaptation' agenda has become as important as the 'mitigation' agenda. The UNFCCC has to some extent recognised this through approval of three new 'Bonn-Marrakesh' funds, mainly for climate change adaptation. However, at present it is not clear how much new money will be available, as opposed to recycled old money.

An influential donor consortium project (African Development Bank et al. 2002) on climate change and poverty presented at the World Summit for Social Development in 2002 highlights the need to build on the synergies between the poverty reduction and climate change adaptation agendas. This report argues that the way to do this is to develop climate change expertise in Planning and Development oriented ministries, and build development/poverty expertise in the climate change and environmental ministries, since disciplinary and institutional divisions are preventing these synergies from developing.

Their commitment to not taking on obligations is more analogous to the 1970s developing country position in trade negotiations, of wanting a separate regime, than to the 1980s and 1990s participation in offering concessions in return for demands. Those developing countries which have most to gain from negotiations (or most to lose from inaction) are determined by geography and climate; they are not necessarily the most developed and ready to negotiate, while in trade it is (in general) the more advanced countries that have seen benefits from negotiations and have participated earliest and most extensively. Except in the countries most vulnerable (and not even in some of these), climate change has not risen in domestic policy priorities as trade has in the last 15 years.

The study concluded:

- Developed and developing countries interpret the principles (especially equity) and responsibilities of the UNFCCC in different ways.
- The EU position is closer to that of the developing countries than to that of other developed countries, so that in principle an alliance is possible.
- The developing countries' negotiating position has, however, generally been reactive, defensive, and negative.
- Developing countries have generally been losers, and see themselves as being cheated; even their own proposals (e.g. the CDM) have been turned against them by the negotiating strength of the developed countries, and they accuse the developed of 'divide and rule' tactics.

ACP-EU negotiations (based on Solignac-Lecomte 2001)

The ACP countries have had special trade regimes with their ex-colonial powers since their independence in the 1960s. The former French colonies had agreements from 1963-75 which were replaced by the series of four Lomé agreements from 1975 to 2000 which also included some former British colonies (and eventually some Portuguese colonies and Eritrea and

Ethiopia). Although called ‘agreements’ or ‘conventions’, they were unilateral preferences, combined with aid.

The first major negotiating effort (as opposed to receipt of preferences and aid) was in the 1970s when the African states reached agreement between the former British and former French colonies on the arrangement they would seek from the expanding EEC. They proposed, and secured, non-reciprocal preferences, reformed rules of origin and, joined by the Caribbean and Pacific countries, preservation of the special arrangements for sugar exports to the UK. Both the objectives and the decision to negotiate as a group came from the ACP side (a major contrast at the time to the lack of activity of these countries in the GATT). The preferential regime which resulted fit the policy environment of the time. UNCTAD, a separate trade and development organisation for developing countries, was being formed outside the GATT and the Generalised System of Preferences was being adopted.

From then until 1998, there were no negotiations, simply offers by the EC and acceptance by the ACP of preferences. In 1996, when the EU proposed to end the system, and change to free trade agreements, and to a regional, not ACP basis, the ACP countries did not participate in preparing the proposals. They opposed them, but were unsuccessful in stopping negotiations taking place on that basis. The shift corresponded to EU interests, in securing markets in the now-growing African countries (and in excluding the US from them), as well as to the growing scepticism about preferences. While they were united on wanting to preserve the existing position, their second choices were divided: some wanted to secure the special protocols, some were willing to negotiate as regions, some were opposed to any reciprocity and investigated alternatives. The negotiations for the free trade agreements began in 2002, but initially on an all-ACP basis; they should begin for regions in 2003, but only one region has a mandate to negotiate, and others are still trying to prepare the structures. The ACP countries’ lack of clear objects and defensive position was similar to that of developing countries in the climate change negotiations.

Before the negotiations began, the EU offered non-reciprocal complete freedom of entry to Least Developed countries (about half the ACP), further dividing the ACP. As in the climate change negotiations, the ACP countries feel disadvantaged and unable to bargain effectively.

The study concluded:

- The ACP were able to change European policy in the 1970s.
- Since then, the agreements have been largely the result of Europe’s proposals.
- The EU massively dominates the ACP countries.
- The negotiators are weakened by the ACP institutions’ financial dependence on EU aid.
- ACP countries have accepted the EU’s proposals because of ‘fatalistic pragmatism’.

Bolivia (based on Bojanic 2001 trade and Bojanic 2001 climate change)

Bolivia has an almost uniform tariff, at 10%, and exports are about 13% of GDP, suggesting that trade has not been a major part of its economic development or policy, and is unlikely to have a primary role in poverty reduction policy. It has identified the products where trade would have the most direct effects on poverty, but not targeted them in policy. It appears to have an active trade policy because it is a member of two customs unions, as well as the WTO, and is negotiating for the Free Trade Area of the Americas. Its local regional negotiations, however, are seen as a way of increasing efficient use of infrastructure, while the FTAA is seen as a way of promoting exports. It has preferential access to both the US and the EU, under the better-than-average-preference schemes in place for Andean (i.e. drug producing) countries.

It joined GATT late, in 1990, half way through the Uruguay Round, and did not establish a clear position there. Before Seattle, however, it became more active, and joined the Cairns Group, supporting freer trade in agriculture (in this, it followed the position of its major regional partners).

Forestry is of major importance to Bolivia, and it sees the UNFCCC in terms of what it can gain through use of forests. The CDM could provide a significant source of funds (at the highest estimates, equivalent to up to 50% of current export revenue). Climate change negotiations seem therefore a higher policy priority than trade negotiations, and Bolivia has been active since the beginnings of the UNFCCC, and signed the main agreements. Although not satisfied with the outcome of the most recent negotiations, it has performed well in the annual meetings.

The relative priority and effort which Bolivia has given to climate change negotiations compared to trade negotiation seems to correspond to its perceived interests and economic plans. Bolivia has set up consultative groups with the private sector for both trade and climate change negotiators, although intra-governmental groups remain more important. The Bolivian experience (especially its performance in climate change) suggests that a strongly felt national interest can help to overcome the disadvantages of limited resources and inexperience.

The studies' conclusions about the conditions for successful negotiations were:

- a high level of commitment by government officials involved; a clear and well defined agenda; ability to draw external support; the need to have a large number of skillful negotiators in addition to scientists; the need for negotiation skills; the need to have a broad base of social actors actively involved in the process; the need to develop expertise in the different fields that this type of negotiation demands; the importance of building up leadership with like-minded countries and conducting wise lobbying with potential partners.

Guyana (based on Durrant 2002 and Durrant 2003)

Guyana is heavily dependent on sugar, which constitutes a sixth of its GDP, a quarter of its exports, and which is almost entirely exported to the EU under preferential arrangements. Its second export, rice, is a sixth of exports, and also under EU preferences. In spite of this high vulnerability to trade negotiations, it has not been active in them. It is a member of the Caribbean regional group, CARICOM, but its trade with the region has grown less than that of other members, CARICOM has arrangements with some other South American countries, and the Caribbean has special preferences to the US and Canada, as well as the EU under the ACP-EU arrangements; these preferences have been less important than the EU preferences for sugar and rice. It is now negotiating for the FTAA, but this is entirely through CARICOM. It joined GATT in 1966, but has no representation in Geneva.

In negotiations with the EU to preserve its rice access, it was not able to avoid dilution of the benefits through concessions to other rice exporters, and the new access offered to Least Developed countries will eventually lead to competition from them in the EU market. It characterises its trade policy position as basically defensive, concerned to keep its preferences. Even in CARICOM, it feels that it has done less well than the economies more based on manufactures, and has failed to increase its exports of sugar and rice to them. There is clear public interest and debate on trade issues, but this has not been translated into effective mechanisms. The low profile in public policy is due to the lack of an apparent link to more immediate socio-economic needs.

Forestry is even more important to Guyana than to Bolivia (in share of GDP), and 90% of the population lives below the sea level at high tide. Its national development strategy stresses the role of environmental pressures, but these considerations have not led it to take the same interest in climate change negotiations. In these, it works with the other Caribbean countries in an alliance of small island and low-lying states (AOSIS), so with more emphasis on the risks to it of climate change than on the opportunities from forestry. Unlike in Bolivia, there is no perception that climate change mechanisms can lead to significant increases in financial assistance.

Guyana has given little priority to any international negotiations. Its national interests would suggest that its relations with the EU and its potential gains from agreements under the Climate Change negotiations are most significant. The study concluded that:

- Despite the fact that Guyana's physical and economic circumstances dictate that it engages itself significantly in international trade and climate change negotiations, it needs to develop a more coherent and on-going approach.
- The capacity that exists within the public, private, NGO and academic sectors must be more evenly and consistently applied.
- National capacity building continues to be of great importance, despite the existence of regional negotiating organisations.
- Participation in climate change negotiations has been technically driven, and national policies are unclear.

- Lack of public awareness and education means that climate change issues have a low political priority.

Zimbabwe (based on Hess 2001 and Frost 2001)

(The Zimbabwe reports were based on the situation in Zimbabwe up to 2000.)

Among the smaller developing countries Zimbabwe has been relatively prominent in both trade and climate change negotiations. Although Zimbabwe like Guyana complains that there is lack of political will and appreciation of the importance of trade issues by Government Ministers and that there are still no clear policy goals in climate change, it has been able to secure the injection of funds, know-how and opportunities for developing local capacity in various fields. Its perception that its institutions are inadequate may be because it is judging itself by the standards of the more advanced developing countries (South Africa, India, Brazil, etc.).

Although still mainly dependent on agriculture (for 40% of its exports), Zimbabwe has a more diversified economy and trade structure than the other two countries, with high mining exports, an important manufacturing sector and high actual and potential services exports. From an inward-looking trade strategy, of necessity while it was under sanctions in the 1970s, by choice in the 1980s, it adopted a new trade strategy from 1990, emphasising trade liberalisation to promote growth. This was not, however, based on an industrial policy or on a view of the appropriate structure of trade, thus it did not imply an active negotiation policy. This and its successor policies to 1999 were essentially seen as national initiatives, with some attention to regional and EU negotiations, but not multilateral.

It was a founder member of GATT in 1947, but only established representation in Geneva in 1986. It hardly participated in the Uruguay Round, but by the end it was using its acquired knowledge and experience to improve participation, and had increasingly clarified national interests. After the Uruguay Round, Zimbabwe established various consultative mechanisms, a Standing Committee on Trade Policy as well as *ad hoc* committees and consultations. There has been an improvement in the availability and distribution of information.

It is also a member of two African regions, SADC and COMESA, with some additional bilateral agreements, and is a member of the ACP-EU arrangements. In both its regional arrangements it was originally the largest member and thus behaved as a leader. South Africa, in SADC, and Egypt, in COMESA, are now the largest countries, but Zimbabwe remains a major participant. (Neither Bolivia nor Guyana has been a large member in regions.)

Zimbabwe has a long history of government concern for and legislation on environmental issues, and its natural resources are considered a major part of the country's assets. It has participated regularly in the Climate Change meetings, and there is extensive national research on climate issues. Although most of these activities have been initiated externally, rather than being planned from inside the country in response to national priorities, and many have been one-offs, Zimbabwe may have developed a sustainable system for policy. There is, however, no formal stated policy on climate change, and almost no domestic or external pressures to formulate a policy. It has not identified any possible gains. The poverty impact

of potential adverse changes in climate could be severe, given Zimbabwe's dependence on agriculture and other primary production. Zimbabwe has succeeded in attracting one of the pilot CDM projects, and another is being planned.

The conclusions from the studies are:

- During the last few years the appreciation and understanding within Zimbabwe on issues related to the WTO has grown significantly, but the government does not sufficiently appreciate the importance of trade issues.
- Zimbabwe's trade participation suffers from poor understanding, inadequate preparation, and shortage of trained negotiators.
- There has been little thought to seeking partners and alliances.
- There is inadequate consultation with the private sector, and lack of adequate information within the business community to provide relevant information.
- It is not possible to judge how effective Zimbabwe has been in climate change negotiations because of the absence of clearly and formally defined policy goals.
- The positions taken by the groups of which it is a member have corresponded to its interests and its officials have been active.
- There are opportunities to use this to reduce poverty, but this has not yet been achieved.
- There is a need to develop locally-relevant information and analysis on climate-change issues.

Government ability to negotiate

Organisation

Identifying how countries, particularly ones with limited resources, can identify the issues and interests relevant to them and prepare negotiating positions was one of the aims of this research. Countries need, for trade and climate change negotiation as for other aspects of development, an effective way to coordinate policy at the national level. A precondition for effective trade or climate change policy is a clear means of setting overall national policy. Countries which face national political instability, or even civil war, as was true of many African countries in the 1990s, and in varying degrees applies to the three case study countries now, have more important priorities for government action than trade or climate change. Bolivia did establish clear climate change objectives based on its national characteristics, but its trade policy is based on general acceptance that trade is good for efficiency and development, not on in depth studies of how the country could benefit from different regimes. Zimbabwe did not establish clear objectives for the Uruguay Round; for current negotiations, it has established mechanisms to consult among governments departments and with the private sector, but there are still inadequate preparations. There, as in Bolivia, it is suggested that, particularly for multilateral negotiations, the government

relies on 'sweeping' or political bases for negotiating positions, although a few were backed by economic analysis and arguments. Guyana does not have national policies in any of its negotiations.

Mechanisms are needed in each country to ensure that all government departments involved in any of the areas now or potentially under international negotiation are aware of the issues, and that there is a coordinating mechanism (committee; centralised information) which will not only achieve the initial task of coordination, but provide a continuing process of adapting national positions and responses to new issues. For both trade and climate change, the list of potentially interested ministries is now long: not only trade, foreign affairs, and environment but, for both, finance, agriculture and industry, energy, transport, law, and health and safety regulations, plus others for particular questions, e.g. forestry, meteorology, ports and customs. Depending on the structure of national government, the group may include levels below the national if regulation, economic policy or decisions are at state or local level. In preparing positions on climate change, there can be differences in objective between environment ministries favouring global objectives and economic ministries more interested in national development objectives.

There is some debate about what the most effective way of forming national government positions across ministries is, with some countries concentrating the trade function, for example, in a single strong ministry, while the traditional developed country model has been inter-departmental coordination (although this is a spectrum, not a sharp division). One problem with negotiations between the ACP and the EU has been that they are about both aid and trade, and with the aid side given more importance, negotiations are sometimes lodged in the finance ministry, while other trade negotiations are in trade or foreign affairs. Climate change has been seen as a forestry question by Bolivia, under the Ministry of Sustainable Development and Planning, but as a purely climate one by Guyana (with negotiations by the meteorological office). In Zimbabwe, although it is under the Ministry of Environment and Tourism, it has fallen outside the main environmental debate because this focuses on national parks. In Guyana and Zimbabwe, there has been failure to see the broader implications for development (including financing) from the climate change negotiations because the negotiations were left to technical officials. In Bolivia, negotiators as well as scientists were involved in the negotiations, and the issues were identified.

In Bolivia, all trade is under the Ministry of Foreign Relations (not Foreign Trade, which is responsible for implementation), but there is effective coordination. Following the Uruguay Round, some countries started to set up systems to provide better information and consultation on trade. Zimbabwe set up a standing committee on the WTO in 1998, among government departments.

Effective preparation and clear identification of interests are clearly behind the successful examples of negotiation here, but they are most worthwhile where countries have a strong influence on the outcome. Zimbabwe had this in regional trade negotiations, and Bolivia was able to work with allies to acquire this in climate change negotiations. Guyana, a small country with little national capacity, did not have either of these pre-conditions.

Experience and capacity

In addition to good current arrangements, countries need long term experience and expertise in the subject and in the process of international negotiations. Long-term commitment to participation is therefore required. Developing country trade negotiating capacity has clearly benefited from the experience of successive trade rounds. In 1986, at the beginning of the last trade negotiations, developing countries did not realise that the open-ended or vague commitments in the agenda could become significant agreements. Services, TRIPS (patents and copyright), and the single undertaking were all in the negotiating mandate, but their implications were not clear. In contrast, at Seattle and Doha, countries used national and international resources to understand the implications of the agendas (and rejected the one proposed at Seattle). Experience has meant that developing countries have been able to develop more sophisticated positions, for example, on the issue of services. In the Uruguay Round they began with little information about their own interests. By the time of the Doha meeting there was greater confidence and precision in offers and positions. At the beginning of the Uruguay Round, Brazil and India were almost the only countries to be effective: they had been active in the previous Round, although on side-issues, and in the efforts outside GATT to gain special treatment for developing countries. During the Uruguay Round, Argentina, Bangladesh, and other Asian and Latin American countries started to be active. At the Seattle conference and between then and the Doha conference (2001), some countries like Zimbabwe which had participated with little experience in the Uruguay Round started to be more active, and even the smaller African countries started to present positions (more than half the position papers before Seattle and Doha were from developing countries). The countries which had participated without experience and with little success in the Uruguay Round were now seeing their second Round, and started to share the advantages of the 'old' developing country activists. Some who had not were trying, but lacked experience.

Negotiating capacity was also acquired in the regional trade negotiations in which most Latin American, Caribbean, and African countries had participated by 1999. This provided experience in identifying negotiating issues and allies, and in negotiation itself. These negotiations also generated analysis and data, on trade rules, trade patterns and interests, useful in the multilateral negotiations.³

Before and after the Doha meeting, the WTO developed the custom of 'mini-ministerial' meetings to discuss particular issues on which progress was not emerging from the formal negotiations. These were unofficial, so host countries could 'invite' whom they wanted: in addition to the major countries, the countries invited have been those most active in negotiations, such as the traditional developing country leaders, Brazil, Egypt, Hong Kong, India, South Africa, but also some of the newly active ones, such as South Africa: this sometimes included Zimbabwe.

In climate change, the process of annual negotiations may make the build-up of experience more uniform across those countries which take an interest in this negotiation (all can send delegates to a conference once a year, even if not all countries can maintain a large Geneva delegation to the WTO). Although Zimbabwe considers itself relatively under-resourced, it does have a range of experts with experience in climate change. Both Bolivian and Zimbabwean delegations attend the Subsidiary Meetings, tied to the Climate Change negotiations, as well as the main conferences. That they do so reflects the priority which the

³ South Africa's negotiator cited the experience it gained from negotiating an FTA with the EU as relevant to other negotiations: Links in Bertelsmann-Scott, et al., 2000).

countries give to the negotiations and in turn increases their capacity to influence outcomes. They are acquiring some of the same advantages that participation in regional trade negotiations gives to trade negotiators.

As there were no negotiations for 25 years in ACP-EU relations, no countries have experience in formulating positions here, and the problem, of how to liberalise with effectively no gains to request on the other side (because the EU already offers access) is not the same as in other trade negotiations. They are also different from other regional trade negotiations or the climate change negotiations in that they rely more on ministerial meetings, and less on 'technocrats'. This means that the experience which countries have acquired in other negotiations cannot be directly transferred.

All the developing country examples (with the possible exceptions of Brazil and India) fall short of the institutional capacity available to the developed countries. The US, for example, has delegates to trade conferences corresponding to all the departments involved and had established systems for exchanging information and proposals between GATT negotiators and the capital by the 1970s. It is also important to remember the practical constraints on developing country delegations: small size means that each member must cover more subjects than in developed countries, and probably must cover more negotiations, making less adequate preparation and failure to attend all meetings inevitable. Financial constraints reduce access to information and services at the negotiations. The concentration of climate change negotiations into a short period of the year means that simultaneous meetings favour large delegations, and those that can rely on support from their home ministries. For some (Bolivia in this group), language is a barrier. These seem equally important in both trade and climate change negotiations.

Size disadvantages, however, are reinforced by inexperience. With an unlimited number of potential WTO meetings to attend (official, official-informal, bilateral contacts), and a large range of other organisations with their own meetings in Geneva, all countries have to choose their priorities, so that the view that there are too many meetings for a small delegation to manage is simplistic: there are 'too many' for any delegation to cover. The experienced developing country delegations, like those of developed countries, recognise the need to choose priorities, to identify key meetings, and to coordinate their members, and direct them at individual negotiators, whether in multilateral meetings or bilateral consultations. The inexperienced may not do this.

The size of delegations from developing countries has grown in the major negotiations (in some cases, from zero). For climate change, most developing countries are now represented at the annual meetings. This is also true of the WTO biennial ministerial meetings. Particularly in 2001, the small African countries had larger delegations for their size than many Latin American and Caribbean countries. Many of their regions (COMESA, ECOWAS, SADC, OAU) also sent observers. In climate change, the African countries, although they have not taken initiatives in the negotiations, were among the first to ratify the Convention, and have been fully involved in the meetings. This suggests that in all negotiations they have realised the importance of participation and are trying to acquire experience.

The importance of experience also applies to individual representatives. In negotiations, where votes are rare and delegates (particularly those with limited home support) must themselves

make decisions about how to weight different objectives and what trade-offs are acceptable, the individuals matter. In some countries, this professionalisation of the negotiators has not yet been accomplished, and there are still pressures to distribute access to foreign meetings according to seniority, rather than to build up experience. Others are making the transition. Although they had only established a delegation in Geneva during the Uruguay Round, and had a new ambassador immediately before Seattle, Zimbabwe delegates, some of whom remained the same, were active in the preparations for the Doha Round and after.

This is following the example of the early developing country successes: the Brazilian delegation has been led by experienced ambassadors, who move not only to other related trade posts, but to more senior ones: one is now Director General of UNCTAD; others in the cabinet. India has sent back the same people, in rotation, gaining experience. Of the newer participants, Mauritius follows a similar strategy. But the lack of long-term commitment means that although countries like Zimbabwe can acquire influence during a single tenure, with Zimbabwe delegates securing posts in both trade and climate change negotiations (and Zimbabwe retains an expert on trade, even though it has changed ambassadors), there is not yet a corps of replacements available. Bolivia is represented by understaffed delegations, and Guyana not at all in trade. Low wages and the resulting high turnover in the public sectors of many developing countries also reduce the effectiveness of trade negotiators.

Nevertheless, Zimbabwe participated effectively, although not as strongly as more experienced developing countries, in both WTO and climate change negotiations, and also in regional and in subsidiary climate negotiations, but not in ACP negotiations; Bolivia has been effective in climate change; Guyana, in neither. The countries have been able to increase their effectiveness in those negotiations which they consider important, suggesting that countries' effectiveness can be influenced by national choices and action.

Regional negotiation as a substitute for national

In the Caribbean the Caribbean Regional Negotiating Machinery (RNM) is intended to supplement national (and CARICOM) background work by providing a source of information on negotiating issues, in all the negotiations in which the Caribbean countries are engaged (WTO, EU, FTAA), but not internal Caribbean ones. By separating external from internal negotiations, this loses the advantage of familiarity with negotiating on regional issues, although there is increasing consultation and coordination with the CARICOM staff who manage these, but it has been a route to additional resources from donors. The RNM was formed before there was formal authority for CARICOM to negotiate externally, so it is not clear how the relationship between the RNM and CARICOM will develop, now that CARICOM has that authority. The Guyana study found that the existence of the RNM did not encourage development of national competence.

Other constraints

It would be unrealistic to assume that developing countries have complete control of their policies, including those for trade and climate change. Those that are subject to formal or informal requirements by the international financial institutions and by bilateral donors will have to include these in their coordination of policy. Where these constraints are strong, they can prevent countries from following the trade strategy that they would otherwise choose. They may encourage countries to treat trade as simply a part of macroeconomic policy (as in the Zimbabwe example) or (as with the low priority to trade in many Poverty Reduction Strategy Papers) they may lead the country to give little attention to trade policy. Any such

constraints can also mean that there is little pressure to develop national institutions to make trade policy and manage trade negotiations. The countries which have been active in trade and climate change negotiations have generally been those that have not been particularly compliant to donor or international financial institution policies, but it is unclear which (if either) direction is causal. Relatively advanced developing countries have more freedom, and participate more. Relatively weak and small countries do not. But the important roles of Brazil (in spite of economic difficulties) and Bangladesh (in spite of poverty and donor dependence) suggest that countries retain some choice in whether to be active. The contrast between the effectiveness of the ACP in the 1970s and their weakness now illustrates how dependence can reduce capacity to negotiate.

Involvement of the private sector

Business

In developed countries, governments can also draw on (and are forced to take note of) information, analysis, and policies from business, NGOs, and researchers. This became particularly prominent in the new areas of the Uruguay Round, services and intellectual property. These sectors were driving the US and EU policy positions (Sally 2003), but traditional negotiators did not have the same familiarity with such issues that they had with tariffs. But as well as pressure to secure a new intellectual property regime and to include services in the Round, private organisations supplied information and support for official delegations. This example convinced some developing countries that the advantages of informed and participating private sectors could outweigh any disadvantages from opposition or interference. Climate change was a new issue for all countries and external advisers were prominent from the beginning, although developing country private sector interest was initially weak. In the Uruguay Round, the lack not only of the industry groups, but also any formal mechanisms for their participation meant that there was neither support nor commitment to the results.

Governments wanted to avoid this in the future, but many lacked existing organisations to turn to. In the more experienced developing countries, there are economic interest groups, and in some cases large individual companies with their own resources to identify where their interests may be affected, and lobby. Normally, however, business organisations with a trade interest are less developed in developing countries, partly because, as in the government sector, interest in international negotiations may be relatively new, but also because of the normal financial and human capital constraints. When the Uruguay Round was implemented, however, non-governmental actors, business and NGOs in developing countries became aware that this 'trade' negotiation had spread to a wide range of new areas. This realisation was stimulated by the efforts by international organisations and donors to inform countries about the implications of the settlement, launching public awareness programmes. Some countries developed committees of government, business, agriculture, labour, and NGOs to provide support in regional negotiations or to respond to WTO Trade Policy Reviews. India and Brazil had long had industrial organisations and government coordination.⁴

⁴ It is not yet true, as an ex-negotiator for a more advanced Latin America country has written that 'Consultations with the private sector...prior to the definition of a national policy are a routine procedure in all countries' (Tortora 2000), and that this is assumed in such countries indicates the gap which still remains in support of most developing country negotiations.

In multilateral and ACP-EU negotiations up to the late 1990s, there was little active involvement of the private sector in Zimbabwe. In SADC, there is, however, explicit provision for private sector involvement in detailed trade negotiations, and there and in COMESA, there were regional and sectoral studies on the impact of proposed policy changes. The result was that business was relatively satisfied with the outcomes, (helped by the fact that Zimbabwe was the best prepared and among the most powerful). Even here, however, there was lack of analysis of the implications of some of the sectoral issues like textiles and the motor industry.

The private sector, business and NGO, reacted negatively to the outcomes of the Uruguay Round and demanded to be consulted in future negotiations. Zimbabwe extended its WTO standing committee to the private sector in 1999. Other SADC and COMESA countries like Malawi and Zambia which had established committees to direct regional negotiations extended their responsibilities to the WTO. In Guyana, where there was no government activity, but a strong sectoral interest, there has been active involvement in ACP-EU negotiations by representatives of the sugar sector, and Caribbean industry associations have been important for sugar, rice and rum. In these cases, there are risks that the private sector can replace government action, securing its interests but not necessarily coordinating them with national (or regional) strategies.

Regular channels of communication with the private sector need to be established and maintained to ensure that sectoral views inform the negotiations. They also need, particularly in technical areas like climate change, to acquire the scientific support which helps governments in developed countries. This must now be a permanent, not *ad hoc* process. Countries need to find ways of identifying the groups whose interests are affected by and (much more difficult) potentially affected by trade or climate change, or other international issues. It is probably best to rely where possible on existing organisations (industrial federations or exporters' groups, for example) because these should already have the means for gathering opinions from their members and transmitting information back to them. The problem (as was seen in developed countries when they first entered into services negotiations in the Uruguay Round) is that those sectors which have not previously been able to trade may have much to gain, but are least likely to realise the need to join a 'trade forum'. Partly for this reason, but also because the regulatory and services side of the WTO now affects almost all parts of the economy, any such group must actively seek all major sectors in the country.

NGOs

The question of whether NGOs should be among the interests to be involved has no general answer. The broadening of the WTO agenda has increased the scope for non-business actors to have a role and they have strong interests in climate change subjects. In countries with longer traditions of participation (including the developed), acceptance of NGOs was more hesitant, because it required a change in procedure. Again, strong national organisations are not always available. In some developing countries they are important participants in policy formation and in the economy (Bangladesh, for example), with significant national legitimacy. In some, however, there was no active NGO sector to involve. In the last 10 years, donors have encouraged them to emerge. International NGOs were also spreading the perception that involvement was desirable. In some cases, national NGOs remain largely financed by donors and countries need to decide whether they can contribute to the formation of a national position. In countries with no tradition of any non-government involvement (and

little government experience), the move to include NGOs is accepted as part of the general process of civil society participation in policy development.

One indication of the growing involvement of both types of non-governmental actors is the composition of delegations to the trade and climate change negotiations. The small size of the largely official delegations was a problem in UNFCCC negotiations. This limited their range of skills (as opposed to the large and multiple-skilled delegations of developed countries). Bolivia and Guyana had small, purely official delegations to climate change and to the WTO ministerial meetings. Zimbabwe also depended on officials for climate change, but for trade included representatives of farmers (at both Seattle and Doha), and had a relatively large delegation (11 compared to an average 6 for African delegations), reflecting its placing itself among the leaders of developing countries. Most countries' trade delegations include some delegates not in the central government, but the most common additions were parliamentarians and business representatives (12 developed delegations and 14 developing). At least 7 developed and 6 developing countries had identifiable NGO representation, of which 4 were African countries, evidence that new participants were more open to external delegates. In climate change, the average African delegation at the sixth COP had 5 members, and Latin American (excluding Mexico and Brazil) 8, while some developed countries had more than 70, including economists and lawyers, as well as the scientists and diplomats found in developing country delegations.

How to negotiate: initiatives or responses

The history of developing country participation in GATT negotiations suggests that, as a group, they entered for two reasons: to press their own (growing) interests in access for their exports and to respond to developed country pressure to liberalise their markets (for the most developed) and to accept new international rules such as TRIPS and regulation of services (this affected all countries). The discussion of negotiations indicates the risk that countries with only a defensive interest (and with the additional factors of lack of information and support) will not participate effectively because they will not be willing to bargain. The choice of a defensive position was reinforced by the history of developing country policy outside GATT, notably in securing special and differential treatment and (effectively) an alternative organisation where trade could be considered part of development policy, UNCTAD. This had been achieved by asserting that different trade policies were suitable for (and towards) developing countries. Similarly, in climate change, the assertion that countries should have equal rights to emissions implied that developing countries (who are well below any negotiated target) not only need not but should not offer 'meaningful participation' (commitments to targets). These approaches discouraged those countries without interests of their own (in market access or in funds under the CDM) from participating.

At the beginning of the Uruguay Round, there was still an identifiable 'developing country' position in favour of the old, defensive, strategy particularly as it became clear that the developed countries would press for developing countries to participate in all aspects of the agreement. Traditional leaders like India still considered that they could speak for the majority of developing country members. 'Developing country' positions were formulated in non-GATT fora like UNCTAD, principally by the secretariats, with some input from the leading countries, notably India and Brazil.

But it became clear during the Round that there were differences in interests among developing countries and that some of them had positive agendas. There were differences in the importance of countries' markets to developed countries. Only the rich or large developing countries (in Asia) were really pressed to liberalise markets to developed country exports, so only they needed to emphasise defensiveness in trade in goods. There were also differences on issues: the opening by south east Asia was also welcomed, if not actually sought, by other Asian developing countries. The negotiations over the central 'developing country' issues, the Multi-Fibre Arrangement (the imposition of quotas by developed countries on major exporters of textiles and clothing) and agriculture, had to take account of important divisions: between the MFA quota-bound countries which wanted reform, and thought it finally possible, and the non-quota-bound; between exporters of food who also now saw the possibilities of including agriculture in the negotiations for the first time and importers benefiting from subsidised developed country food. It became clear in the round that if countries were to obtain any of the concessions which they wanted, they (particularly those which were desirable markets) would now be expected to make offers.

Some countries, without positive interests, thought that they could continue to be uninvolved (most of the developing countries, including Bolivia and Guyana), but they lost because they had to accept new rules. Some started to identify new interests, as the agricultural and clothing exporters had done from the beginning of the Uruguay Round. Zimbabwe, for example, initially accepted the leadership of India and Brazil, and took the defensive route of non-participation, but as the round continued over seven years, its negotiators 'used their acquired knowledge and experience of this process to improve their participation in the negotiations, by increasingly clarifying their national interest. By 1988, the country had identified...specific areas as key issues of interest' (Hess 2001). In the absence of such identification of issues and interests at the national level, other delegations (including Bolivia) continued to respond to those pressed by the active countries in the negotiations, and as a result their country positions were defined by the delegations and in response to international stimuli, rather than by national governments in response to national pressures. This would no longer be acceptable once private interests in countries were mobilised. Bolivia has taken the first step towards developing a position, choosing to join the Cairns Group, but still relies on that for research and policy. It is also a member of the Latin American Group. Guyana had not had clear objectives or preparation.

In the case of ACP-EU negotiations, a responsive, defensive strategy is effectively the only option (because it is the EU which is the 'demandeur', asking for access, while offering only to continue to offer present levels of access). This would change if countries could move the negotiations into new areas, such as services, but this conflicts with the defensiveness, from lack of preparedness as well as from conviction, about new areas. There has been no ACP initiative in the new areas yet, probably because of the overwhelming importance of defensive positions (for example on access at protected prices for sugar and other commodities) to some of the normally active countries (Mauritius, the Caribbean).

The climate change negotiations are perhaps the only one of the three negotiations where countries can still take the minimal participation option without direct risks (they may lose in relative terms, if they do not acquire funds under the new schemes, but not in absolute; they are too small to affect the outcome for world climate). There is less interest by developed countries in securing developing country participation. Most do take a defensive strategy there, more on the basis of historical equity principles and the north-south divide than on

national interests. It has arguably proved more in the interests of the larger countries than of the smaller and more vulnerable, suggesting that the position is not purely defensive, but may also be influenced by the greater capacity to form policy in those countries. In the absence of informed in-country debate, a defensive position may be easier for a government to defend.

There are also more countries without the information and policy backing now starting to emerge for some countries in trade negotiations, who are therefore dependent for analysis on the larger developing countries (as Zimbabwe was in the Uruguay Round), if they do not trust advice from developed countries or the international institutions. In the WTO, they can choose whether to participate actively (and this is therefore the one negotiation where they have a chance of significant gains) or defensively, depending on how important the gains and losses of each seem. In the ACP negotiations, they are virtually required to take the most difficult option.

Although there were some possibilities of identifying interests during the course of the Uruguay Round, the structure of WTO negotiations, dependent on an agenda defined in advance, means that it is particularly important to have a clear view from the beginning, of what should be included and excluded. One problem for developing countries in the Uruguay Round was their failure to understand the full implications of the inclusion of services, intellectual property, and the 'single undertaking' at the beginning. This puts heavy demands on initial preparation. The alternative is a defensive approach (the decision by developing countries to block agreement on an agenda at Seattle was in part the result of reaction to what had been included on the previous Round's agenda). In climate change negotiations, the annual meetings provide more scope for adding new positions.

In regional negotiations, as seen in the Zimbabwe example, countries find it more necessary to participate (there are no developed country leaders), but also easier (Zimbabwe is the largest or second largest country) to take initiatives. Some of the other active countries in the WTO (Brazil, South Africa; even Jamaica in the Caribbean) are also accustomed to taking initiatives at the regional level. But this is by no means a necessary condition for effective participation in the WTO (India and Mauritius are counter examples).

Beyond direct calculation of gains and losses, having an objective gives countries the opportunity to negotiate; remaining purely defensive has the implication that they will feel powerless and defeated if there is any change in their position. As well as the actual achievements of developing countries in terms of the agenda agreed for the Doha round, there was a consensus among developing countries that the process had worked, and that they were satisfied with the result. This was not the case of the outcome of the Uruguay Round or at the Seattle meeting, and has not been achieved in any climate change negotiations. If countries are not participating actively, they feel at the mercy of decisions being made for them.

In trade negotiations, virtually all countries now accept that they are mainly about national or sectoral interests, and that countries must therefore negotiate to achieve their objectives; development objectives are part of the official rhetoric, but do not have a direct impact. In climate change, the common good objectives have a more central role, defining the frameworks proposed for a settlement (in contrast to the bargaining framework of the WTO).

Environmental negotiations could take place on the same basis as trade negotiations. While in both a 'rational external observer' could argue that the best solution can be identified (limitation of emissions plus compensation to losers; free trade) and would benefit all parties, in both cases countries, even if they accepted this, could argue that others do not accept the rational argument so that they must negotiate as if they did not want the optimal solution, but instead wanted special interests. In terms of framework, trade negotiations, like climate change could start from the principle that all are seeking the same goal, and organise the negotiations around the transition period. But there is a mismatch in environmental negotiations because the developing country position continues to assume that common good arguments have weight and should determine the structure of a settlement, while developed countries are arguing for self interest (either as an end, or as a necessary tool if they take the first position). When developing countries did not participate in trade negotiations, and demanded a special regime, they found themselves in the same position. As long as the developed countries, in either negotiation, are arguing for their own interests, whether as an end or as a means of getting agreement on a common goal, for the developing not to follow the same procedure puts them at disadvantage.

Forming alliances

In any negotiation alliances are essential for all members. This may be more true in trade negotiations than in the climate change, because of the greater emphasis on interests rather than principles, but some of the same results hold.

Once the developing country bloc approach broke down in the Uruguay Round, countries started to form alliances. Some, such as that among major exporters of textiles and clothing, were sub-sets of the developing countries, and followed the old model, of securing developing country agreement and then negotiating with developed countries. The final settlement removed quotas, but allowed time for non-quota holders to adjust. There were efforts by some developed country importers to mobilise opposition to reform from the potential losers, but these failed.

On agriculture, the Cairns Group influenced the final outcome (and blocked the first EU-US deal). Although Australia and Canada led, Argentina and Brazil were important participants. This form of participation was therefore very different from in the clothing and textile negotiations, or in all previous negotiations about 'special and differential treatment': developing countries were no longer operating as a group. The major exporters (or potential exporters) joined with the developed exporters in the Cairns Group, and the food importers, unlike the non-quota textile producers, allied themselves to the anti-reform developed countries.

Why was there this difference? In agriculture, the food importing countries were directly tied to the developed country exporters of subsidised food through dependence on the imports. They were also dependent on general aid from these countries. The food importers were smaller, weaker negotiators. The Cairns Group was not, principally, a developing country group, while the leaders of the textile and clothing negotiations were not only developing countries, but included India which still regarded itself as speaking for all developing countries, not simply protecting its own interests; this may have made a compromise position easier.

On services, there was a move during the Round from a united developing country position to interest-based differences. The developing countries as a group initially opposed all inclusion of services in GATT (corresponding to the Indian and Brazilian interests of highly protected domestic sectors and to a defensive position by the unprepared), but the long duration of the Round gave time for some countries to identify advantages, of cheap labour and no existing, inefficient sectors to preserve.

Since the end of the Uruguay Round, there remain two conflicting influences on how developing countries act. International organisations like UNCTAD and some NGOs continue to argue that there are 'developing country' interests and that developing countries should work together, for strength in numbers (the G77 model⁵). Against this is increasing pressure at national levels, especially in those countries where private sectors and NGOs are starting to mobilise, for countries to identify their specific interests, accepting that developed countries may sometimes be more appropriate allies. Pre-Seattle the former prevailed: the traditional groups like the G77 met, and issued agreed positions, based on UNCTAD research and analysis. While there were differences in priorities, there were no obvious conflicts among developing countries. Pre-Doha, developing countries again had meetings: in formal regions; in broader areas, e.g. Africa; and in other types of common characteristic group: e.g. all developing countries, the Least Developed, AOSIS (small islands). But, while on many subjects, the resulting positions showed similar priorities (and identical wording), on some policies they differ, indicating that in 2001 there was greater informed consideration than in 1999. The positions presented by individual countries further modified regional or interest group positions. The first significant break in developing country solidarity since the Uruguay Round came with opposition to the EU's proposal, in September 2000, to offer duty and quota free access for all products from Least Developed countries (EBA, Everything But Arms), and thus to discriminate against other developing countries.

Since the Uruguay Round, the growing importance of regional trading groups among developing countries has led to an interest in using these as negotiating blocs, and some of the negotiating positions have been defined by region. But only the EU negotiates as a bloc. CARICOM did not negotiate jointly in the Uruguay Round, although it agreed jointly on the tariff that was eventually bound. It intends to negotiate jointly in the current round; in 2003 it adopted a common approach on services, and is switching from country to regional offers and requests. (It also negotiates jointly in the FTAA.) For this it should use joint action of the CARICOM and Regional Negotiating Machinery secretariats, but has depended mainly on CARICOM. The other three customs unions (MERCOSUR, SACU, COMESA) need to negotiate jointly in tariff negotiations (they do not need joint positions on services or rules), but have not developed a plan or institutions to do this. The FTAs, far more numerous, from NAFTA to SADC, have not shown any interest in joint negotiation, even when (as with SADC and some other ACP regions) there are proposals to transform them eventually into customs unions. This suggests that most of the regions are seen more as a way of integrating their members, with the need to have a common external position accepted as a (perhaps inconvenient) consequence, not as negotiating blocs, formed to strengthen their position in the world economy. It means that the ACP regions (except, to a limited degree, CARICOM) have no policy basis or institutional structure for the negotiations which they are expected to undertake with the EU under the new ACP-EU proposals for free trade areas between regions and the EU.

⁵ Effectively all developing countries.

Common characteristic groups as well as exporters of particular commodities have in practice been more important in formulating positions than the regions, and at Doha, the common characteristic groups seem to have been more active and more effective than the regions: the Least Developed secured a range of special mentions, and avoided any expressions of opposition to special treatment for them; the small economies got a 'work programme to examine issues'. There was little evidence and no symbolic achievement suggesting active work by a formally established regional group among developing countries, although the (umbrella) Africa Group was effective in mobilising support for the developing countries' own initiative issues, notably debt. This group, which includes the various regional trade groups, and which is more like the common characteristic groups than the formal regions, started to meet in the run-up to the Seattle meeting, and has become increasingly important in coordinating positions. It began as an informal network to provide support through common information (and to plan allocation of attendance at meetings) for the small delegations; the Least Developed countries are a similar group.

Common characteristic groups are in some ways the natural successors of the developing country group, and of the textiles rather than the agriculture model in the Uruguay Round. They come together for a general agenda, not just a single negotiating topic (Narlikar, 2002, distinguishes blocs and alliances), and therefore have to negotiate and settle differences of interests among themselves. They may be less likely than are exporter-groups to survive detailed national assessment of interests, except for interests which are not of vital importance for a country. Sugar and the CDM for Guyana and the CDM for Bolivia led these countries to join specific interest groups, rather than rely on coalitions like AOSIS (for small island and low-lying states) or GRULA (a Latin American coalition). It should be noted that in the climate change negotiations common interest groups are less clear and weaker than in trade negotiations.

Bolivia has systematically chosen allies (Cairns Group in trade, as well as its interlocking regional agreements outside the WTO; the group favouring carbon sinks in the climate change negotiations). Guyana has allied itself with those in favour of carbon sinks in the climate change negotiations, but with less national analysis. Zimbabwe has on the whole relied on nationally identified positions.

Another group which started to emerge in Seattle is a much more fluid group of leaders: extending the old India-Brazil leadership, to include Egypt, Nigeria, and South Africa. All are among the middle-sized developing countries with diversified exports (except Nigeria) which would be expected to have trading interests and the strength to pursue them. All have a common interest in continuing liberalisation in the WTO context, although with very different (and potentially opposed) interests in particular elements of the negotiation. Their interests are also in some respects very different from those of the smaller economies (where trade is a much more important part of the economy) so that they are not seen as (although they may see themselves as) leaders of the old developing country alignment. All could be seen as leaders of regional groups: MERCOSUR, Northern Africa, SAARC, ECOWAS, and SADC. Brazil and South Africa, at least, have acted informally as reporters-back to their groups in the WTO negotiations but it is not clear whether the smaller members of the groups accept their leadership. Other smaller or poorer countries have also emerged as frequent leaders in taking positions, chairing committees, etc.: Jamaica, Mauritius, Bangladesh. Where there are general developed-developing country issues (special and differential treatment, the inclusion of the new issues like investment and competition policy), agreement

from all these can constitute a developing country position; on more specialised questions, they are not representative.

In the climate change negotiations, although the G77 plus China Group remains the most important developing country coalition, different positions are also present. OPEC countries have not wanted strong mitigation of climate change; the small islands (AOSIS) want strong action; countries like Bolivia, with serious climate change concerns, but with a possibility of obtaining payments in the Clean Development Mechanism Market (CDM-CER), have mixed interests. The all-developing country position may remain stronger because there are fewer sectoral interests of the type found in trade negotiations and perhaps also because of the stronger commitment by most developing countries to the principles and the defensive position. Groups like AOSIS and OPEC reluctantly set aside narrow interests to reach a common G77 position.⁶ AOSIS, the small islands, is emerging there as well as in trade as one of the best organised groups. Its members' smallness, however, is reflected in small delegations – only 3-5 at COP 6. Regional coalitions are generally weak. In general developing country interests are more dependent on common characteristics such as whether they are an oil producer or vulnerable to sea level rises than on region, and there is no structure of regional agreements similar to the regional trading arrangements to provide a focus. (Guyana, however, has probably used its Caribbean identity to act with the other island states in AOSIS.) Bolivia has moved from supporting the Brazilian position (opposed to the CDM) to joining with countries like the US to support it, and helped to stimulate the formation of a group of other Latin American countries in this position. There are occasional developing-developed country alliances, but some criticise these as 'divide and rule' tactics by the developed countries.

Groups like the Least Developed, AOSIS, and the Africa Group have also been important in other negotiations, and are now more than *ad hoc* alliances for particular negotiations.

The exception to this emergence of alliances is the ACP-EU negotiations. The ACP are all small countries, and almost all among the inexperienced, so there are no leaders like India and Brazil to lead coalitions and provide research and support. The EU decided that the appropriate division would be by regional group, not by common characteristic, and divides the Africa Group into four to five regions. Although it subsequently offered a different trading arrangement to the Least Developed, it has not accepted this as an appropriate division among ACP countries for the negotiations (there are Least Developed in all the chosen regions, so all have to deal with the different interests). Some sectoral interests are trying to coordinate (notably sugar exporters). This can be considered an explanation for weak ACP effectiveness in negotiation (they do not have the normal alliances available), but it is also an example of it (they have not resisted the EU's division effectively).

⁶ Interestingly, some OPEC members have been G77 coordinators, recalling the position of India as leader of both the G77 and one textile interest in the Uruguay Round.

How international institutions can make participation more effective

The nature of the organisations and the negotiations explains some of the failures in effective participation. Making the WTO and the UNFCCC more accessible to developing country participation is therefore a relevant policy. This does not necessarily risk ‘circularity’: the argument that because developing countries cannot be effective, they cannot achieve the reforms that could make them effective. Developed countries also have an interest in the stability and legitimacy of the system. This requires that all members accept that decisions are made in an appropriate way.

Both the WTO and the climate change negotiations depend heavily on informal meetings, with formal meetings largely confined to defining problems and ratifying agreements. In contrast the ACP-EU negotiations (like many regional negotiations and the FTAA process) defines a range of meetings, sectoral as well as general, as part of the formal process.

In both trade and climate change negotiations, ‘informal’ has two meanings. Non-statutory meetings, set up by the chair of a session or committee and with a membership defined *ad hoc*, and expected to report back to the formal meetings have become virtually part of the system. These have virtually no rules of procedure or specification of who should attend. In addition, there are the normal informal meetings of any organisations: arranged or casual encounters among delegates. It is the former which all the authors in this study found difficult for developing countries to deal with (although the latter are also less available to inexperienced and small delegations). They do not have the automatic invitation that the developed countries expect, and only countries known to be interested in a topic (plus balancing members of other groups) are invited. They are not minuted and therefore cannot be followed without actual presence. The guiding role of the chair (effectively often in turn guided by the Director General of the WTO) risks compromising institutional neutrality.⁷ It becomes difficult for new countries to gain access or experience, and it is more difficult to learn unwritten rules and custom and practice. They often rely on the new group of developing country leaders to represent developing country interests, which risks overlooking the interest of smaller, less advanced economies.

The problem is that while what is agreed in the WTO (or GATT) has formal status, as an international agreement, and there are committees and meetings with responsibility for examining reports on implementation, there is no procedure, except the ministerial meetings, for proposing changes or additions, and no formal procedure for discussing these (only for agreeing them once they have been negotiated).⁸

In GATT negotiations before the Uruguay Round, there were no formal procedures, and *de facto*, in the early ones, the US dominated; by the 1970s, US-EU bilateral meetings were the norm. While the Uruguay Round had seen some increase in formal negotiations, supplementing, if not replacing the EU-US bilateral meetings of previous Rounds, there was still a heavy emphasis on ‘informal’ meetings.

⁷ When some members oppose discussion of a topic, as is the case with some new areas at the WTO, or when they opposed starting a new negotiating round, creating consensus around a possible way forward is taking a position.

⁸ The WTO has a page and half of rules of procedure for negotiations; the UNFCCC has not yet approved its rules. That a proposal that meetings be announced ‘at least a few hours in advance’ (Bridges, 2002) needed to be made indicates the problems.

In the final months before the Seattle meeting, there were procedures for including all countries at least occasionally in the consultations on the agenda for negotiations. This followed what had been established as the normal 'informal' procedure in negotiations in the Uruguay Round, of small committees (Green Room meetings) which were effectively open to anyone who was known to have an interest. It had the usual risks, but it avoided official discrimination among countries, and was accessible to the active countries, which were those who might challenge exclusion.

Pre- and post-Doha, the WTO and its major members still supported informal consultations, although some developing countries continued to question their legitimacy. There are only a few formal meetings on each topic each year, and detailed discussion is discouraged at them (Moore, 2002). More frequent 'informal' meetings in Geneva have been supplemented by 'mini-ministerial' meetings every few months, effectively called by the major countries, and designed to bring together the countries who could break a particular deadlock (for example on medicines); those invited usually include some of the active developing countries, but they are more exclusive than the old 'Green Room' meetings because only invited ministers may attend. And they are further removed from the formal system than the Geneva 'informal' meetings because the participants are different (ministers, not regular delegates).

Their proliferation increases the number of topics that small delegations must cover (and the number of 'places' where they must be, as unlike formal meetings there are no limits on simultaneous meetings. The expansion of the scope of WTO business had intensified this process. While the 'really' informal meetings will always have a place, the formal 'informal' meetings may no longer be useful if they are treated as a substitute for formal consultation, but do not provide a mechanism that guarantees that all interests are consulted. There have been proposals for changing the procedures at ministerial conferences and in negotiations by providing for participation in selecting chairs of groups and meetings open to all. The system has worked since 2001 because of good chairs and a general will to avoid a repeat of the Seattle failure, but it remains weak. It is not yet clear whether the system can work in the face of major divides. But it effectively depends on a combination of determination to reach an outcome (participants agree that it is unsatisfactory but argue that it is the only way to negotiate in the absence of formal procedures) and trusted officials. Even participants in the meetings can subsequently block what was thought to be settled and non-participants could decide not to cooperate.

The climate change negotiations, although more regular in their timing (with annual two week meetings instead of slightly irregular biennial one week ministerial meetings) also rely heavily on informal meetings during these negotiations, creating the same problems for developing countries.

The increasing involvement of non-governmental interests in influencing government policies also affects the way in which countries participate, and weakens the case for 'informal' meetings. Delegations without national support or interest have considerable freedom to act, to form alliances, and to accept exclusion from decisions (as long as this is not excessively publicised). Delegations with a clear mandate and accountability may have much less flexibility. They must have much greater formal participation, to allow them to demonstrate that they participated actively, and therefore that any decisions, even if against them, are legitimate.

The ACP-EU negotiations have been dependent on more frequent ministerial meetings, supplemented by meetings between the Trade directorate (effectively the EU ministry) and ACP ambassadors in Brussels (putting the ACP at a disadvantage in terms of expertise and direct support). In these relations there is an additional problem that the formal agreements are not fully complied with, and (unlike the WTO) there is no enforcement or disputes mechanism. The Lomé and Cotonou agreements have contained commitments to consult before either side takes policies that would affect the other's interests under the agreement. The EU has signed a series of free trade agreements which reduce the effective preferences given to the ACP countries, and changed the conditions for least developed countries only three months after agreeing to discuss least developed access under Cotonou. The formal procedures thus have some of the same disadvantages of informal procedures in the other agreements.

The example of complex free trade areas (with multiple members and subjects, like the FTAA or some of the Latin American and African regions) suggests that it is possible to establish regular working groups, with defined membership and agendas.

The increasing use of commodity – (or service – or subject –) specific negotiations has brought an increased direct input from specialists, from other branches of government and from the private sector. In developing countries as well as developed, even well-prepared officials feel less confident in negotiating on these than on conventional trade measures like tariffs. Some regional negotiations (SADC and FTAA, for example) have provision for private participation in sectoral sessions or working groups. Environmental negotiations have gone further both in using specialists from other government departments and in accepting private participation (see Richards 2001).

The pressure for limited duration Rounds may not be in the interests of developing countries, because they curtail opportunities both for developing positions and for learning how to advocate these.

Risks and benefits of assistance in negotiations

Some of the weaknesses in developing country capacity in negotiations can only be tackled by time (e.g. lack of experience) or require national changes (appreciation that international interactions matter). But some can be remedied by financial or training resources: on the issues, in negotiating procedures, even in languages. Compared to the delegations of leading industrialised countries, developing negotiating teams have fewer delegates, are underpaid, and have inferior technical support before and during meetings. The analysis of what countries need in order to negotiate effectively suggests that assistance could be helpful both at the final stage, of negotiating and applying decisions, and at the more basic one of formulating and understanding the role of trade policy in economic strategy. Both require resources, expertise, and information. Developing the institutions necessary for effective policy formulation, however, implies developing all actors in the economy, i.e. a complete programme of development, so it is understandable that much effort has been targeted at the most visible point, of negotiations.

For trade, assistance began in the international institutions: notably by UNCTAD from the 1970s and by the World Bank during the Uruguay Round. Both, however, produced their analyses of the effects of the Round after it was completed (so not in time to be useful to

negotiators: Zimbabwe cites one completed in 1994, and some studies of East Africa were not begun until 1999). This implicitly reflected the pre-Uruguay Round view that the developing countries would simply note and adjust to the results. Both used methods and assumptions that did not correspond to countries' own positions and effective choices. Both have their own (albeit different) views of what developing country interests are and thus what trade policies, by them and by developed countries, should be in order to promote these. They have not, therefore, been primarily directed at helping countries formulate and achieve their own positions (although UNCTAD is now moving into this). The World Bank is repeating in the current negotiations both the information compilation and the analysis of effects which it did for the Uruguay Round, but at an earlier stage. It remains an assessment by 'international experts', against Bank objectives, not an attempt to look at from the point of view of individual developing countries' goals. As well as preparing position papers, UNCTAD can respond to specific requests for technical studies, and in 1996 introduced a programme to build capacity in developing countries to develop 'their own viable negotiating proposals' (Tortora 2000).

The WTO has only recently started to acquire a significant capacity to offer support, and remains bound by its legal position to concentrate on legal and technical issues, rather than offering negotiating assistance. It provides secretariat support for the Africa and Least Developed Groups and newsletters for home governments on both the negotiations and normal activities, so that it is filling some of the functions of the better staffed missions. (Other international institutions also offer technical information and training.)

There are some 'neutral' (but poorly resourced) agencies. The Commonwealth Secretariat, working for governments, but without negotiating roles or interests of its own, provides both general advice and an adviser in Geneva. Academic institutions and NGOs especially in Geneva provide some information (although some also take positions).

The main growth in assistance is by bilateral donors, but, as is increasingly recognised, this is a sensitive area, where the commercial interests of countries (which are themselves major participants in trade negotiations) may be in conflict with the development objective of building up the negotiating strength of 'the opposition', while developing countries are very conscious of the potential relation between aid and support in negotiations. Some donors also press their own views on general policy, such as priority to poverty reduction, as part of their trade support. The record of negotiations where developing countries receive assistance from their trading partners is not encouraging. In agricultural negotiations in the Uruguay Round, the food importing countries were tied to the developed country exporters of subsidised food directly through food aid and also by aid dependence. They were unable to obtain any compensation for their losses when subsidies were restricted. In the direct negotiations between the EU and the ACP, the identity between the trader with whom they are negotiating and their major source of aid money is not only more obvious, but deliberately emphasised by the legal association of aid and trade in the Lomé and Cotonou agreements. This reinforces the already serious imbalance in power.

The EU has established a special fund specifically to support the ACP-EU negotiations, and is organising and participating in preparatory meetings for these. Other donors, like DFID, recognise the problem, and provide funding for independent assistance, monitored by the aid agency but not fully available to it.

Some distance or buffer between helpers who are also traders and donors and their clients seems useful. Under the arrangements for negotiating the Free Trade Area of the Americas, the Organization of American States, InterAmerican Development Bank and UN Economic Commission for Latin America and the Caribbean were given the responsibility of building up a data bank and also providing technical support in negotiations for all countries, but particularly for the smaller without their own resources. The OAU has collaborated with the UN Economic Commission for Africa, UNCTAD and the ACP Secretariat to commission research and discussion of agricultural issues in the negotiations with the EU, and provides assistance, workshops, and information for the Africa group.

Some donors have focused attention on building the capacity of regional secretariats (the ACP, most of the African regional secretariats and CARICOM and the RNM are all heavily dependent on donor funds for their activities). As these are not, as has been seen, usually the principal negotiating groups, this is not necessarily of direct assistance to negotiations, it risks imposing the donors' assumptions about the importance of regional groups, and it ignores regions' dependence on national institutions to identify the interests which will be aggregated at regional level. DFID is moving from short term to longer term capacity building, at national level, but still with support for regional organisations.

Technology transfer and capacity building have been more central parts of the climate change Convention than of WTO activities, and there is much more emphasis on building national capacity, including secretariats to implement climate change plans, not only negotiating capacity and capacity to implement agreements, as in the trade arrangements. The Global Environmental Fund continues with this but other agencies have increased their ability to address climate change issues. This has included building up institutions and also assisting with coordination and communication among them (Lafontaine 2000). Funding from aid could also help countries use the CDM mechanism, by offsetting the disadvantages of weak institutions and small areas of suitable resources. Assistance in building up the institutions which will then be able to develop a country's own programme and policy removes some of the direct conflicts of interest caused by developed country support for negotiations. There is direct support for participating in the negotiations, by funding a minimum number of delegates to the meetings. This is through a trust fund, not directly from other countries.

Some of the programmes of assistance require countries to develop their own needs assessments (as proposed for the new climate change funds, for example). They need to assess what technology is required if they are to make the requests for technology transfer which the Convention allows for to enable them to meet their commitments. While this could help avoid the problem in trade assistance where donors identify the need (in accordance with their own priorities), the countries which most need the programmes are those which require assistance in drawing up the programmes, so that this may not be a solution.

The roles of the regional banks and UN agencies and the use of trust funds and organisations like the Commonwealth Secretariat to distance donors from recipients suggest that distance between donors and recipients is not impractical. Concentrating assistance on institution-building also avoids direct links between funding and trade positions. Bilateral donors do not need to use direct interventions; they choose to do so.

Where countries do not have clear objectives of their own, they are at risk of being pressured to support the views developed by their advisers, whether well-intentioned or not. In contrast, where they have programmes of their own, the availability of expert legal, economic, or specialised advice can help them to develop capacity at home, choose which assistance will be useful, and participate more equally in international negotiations. But this should not imply that external assistance cannot help with the problems identified as most basic: the lack of experience and understanding of the way in which the international institutions and negotiations work and the lack of national capacity to acquire information, make policy, and coordinate among interest groups. The examples of good or at least more effective participation which countries observe have led to reforms. More information about the range of ways in which other countries have solved the problem could shorten the process of recognition of the problem and implementation of a solution. There are lessons from the way in which each of the negotiations examined is organised (and from some others with which the countries were involved) which could be transferred to the others to make them more 'participation-friendly'. The other national institutions required could develop more rapidly if they have assistance from information about other examples if they have negotiation models and funding of the costs of adjustment.

Conclusions

Some developing countries now believe that they have clear interests in the results of international negotiations. Many have become convinced that trade can have significant effects on their total income and on their development. Most believe that the effects of climate change will be particularly damaging to poor countries, while some of the measures proposed to mitigate it could provide significant financial benefits. Although trade policy and climate change policies may not be the most important or direct policy instruments against poverty, for countries with limited administrative and fiscal capacity, the outcomes of trade and climate change negotiations matter to poverty.

Having identified interests in the negotiations, they have attempted to participate. By participating, they have learned some lessons which are making them more effective. In trade, they have already been able to modify the outcome of detailed negotiations (in the WTO and Climate Change), to block unacceptable outcomes (in the WTO ministerial meetings), and to initiate new issues (in the WTO). Most developing countries expressed some satisfaction on the Doha agenda. On climate change, they are described as feeling 'cheated'. On ACP negotiations, they feel 'helpless'.

But even on climate change Bolivia felt that it 'did manage to make a mark', developing a clear national agenda, finding allies, and attracting funds. Its conclusion on trade is less optimistic, but the country still seems to have identified a strategy. Zimbabwe was satisfied with the positions taken on climate change and with the shift from dependence on other developing countries to taking its own position in WTO negotiations. Only Guyana of the countries and only the ACP-EU negotiations show no evidence of effective participation. The lessons from their participation suggest some explanations.

Countries need domestic capacity to coordinate official and private objectives in the negotiations, to be able to prepare an informed position, and to be able to negotiate and justify the outcome to national interests. Only local institutions can provide the continuing interaction among policy makers, economic actors, and experts that appears to characterise

successful countries. The systems and skilled officials that this requires imply long-term national commitment to participation, and that in turn requires a clear possibility of gain. In the multilateral trade negotiations, the countries that have been successful have had clear objectives that could be met by trade concessions by others, and a feasible path towards them. The feasibility depended in part on the nature of the negotiations: other countries had an interest in securing concession from them, and partly on their ability and willingness to seek alliances and to bargain.

In climate change and ACP-EU negotiations, they have had more defensive positions: to preserve freedom from controls or current trade access, and avoid concessions. They have not had strong national interests in the negotiations and lacked identifiable objectives. There were few obvious alliances for small countries with larger or more experienced (except, in climate change, on the CDM). Their opponents did not have strong interests that could lead to a bargain.

Some characteristics of the international institutions and the negotiating structures make participation more difficult. Informal or unclear procedures make identifying when and how to participate difficult. Compressed negotiating periods or wide agendas require a higher input of resources at the national level, which may tilt the balance between gains and costs of negotiating. Intermittent or irregular meetings increase the financial costs of participating. Countries with very limited national capacity to participate may need to depend entirely on allies. Guyana has chosen to do this, depending on the Caribbean plus its own sugar companies for trade and on the groups of small islands and of countries interested in CDM for climate change negotiations. (The Guyana author has joined the Caribbean Regional Negotiating Machinery.)

Where countries are highly dependent on the countries with which they are negotiating, because of either trade dependence or aid relationships, they have not able to protect their interests through participation in negotiations.

These conclusions suggest some areas where assistance can help: in national policy capacity and institutions, in information about how others negotiate effectively, and in reform of some procedures of the international institutions which work against weak or inexperienced countries. Experience and long-term changes in national priorities, to recognise the potential role of international negotiation, are also essential.

Countries can benefit from access to external expertise and funding, but there are risks in assistance that increases or highlights the dependence that weakens negotiating capacity. For this reason and because of the need for national institutions and capacity, assistance to building government networks that can use existing information effectively and to external organisations that can provide additional information and analysis, combined with information about 'best practice' elsewhere are among the most effective forms of assistance. Particularly for the new areas, where countries may have little national experience or private sector capacity to take positions, research capacity is seen as an important need in all the country studies. Raising awareness of the issues outside government contributes to better-informed policy. Some of these lessons are being applied in current donor funding (two of the participants in the project are involved in the DFID Africa Trade and Poverty Programme which attempts to offer long-term, rather than current, support to negotiations). This will test whether the conclusion that funding, information about other countries' experiences and

about negotiations, and capacity building in local organisations can improve the effectiveness of participation in negotiations. The greater interest in negotiations now means that the other condition for long-term effectiveness, national commitment, can be more readily assumed.

During the 1990s, in trade negotiations there was the first evidence of successful negotiation by some countries in the Uruguay Round, followed by institutional attempts to make developing countries participate more actively in the WTO. The negotiations on Climate Change started, with initial enthusiasm. The EU asked the ACP to negotiate with it for the first time. Countries are responding to these initiatives by putting more resources and raised expectations into the negotiations. If they can perceive some results, even if these are limited because small and weak countries will never be the major winners, they are likely to respond (as Bolivia has) by putting more in resources and continuing their commitment to negotiations. Some will lose, as some countries did in the Uruguay Round and as, it can be argued, most developing countries have up to now in the climate change negotiations. If the reasons for failure can be plausibly identified as coming from weaknesses which they can correct, they may respond, as countries did after the Uruguay Round, by trying to become more effective. If the failure seems to be because of the way in which the negotiations take place or because of lack of interest in bargaining by the developed countries (or, in the case of climate change, in a global environmental interest), they are more likely to return to a defensive, uncooperative approach. This could also happen if the demands placed on them by the way in which the negotiations take place are too great for them to be able to keep pace: too many subjects to analyse and prepare positions on in too little time, with procedures that are too difficult or exclusive to follow. The supporting national institutions which countries require need time and resources to develop.

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