

Introducción - Introduction

Strengthening of Bolivia's Negotiation Capacity in the field of trade at global and regional level (2000-2001)*

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The Ministry of Foreign Trade and Investment (MCEI) requested support from the Swiss Government in 1999 in regard to capacity building in trade negotiations in the context of economic integration at international and regional level. What follows is a summary of the project inception analysis and project design, which served as the basis for this technical cooperation project.

1. Background and Rationale

Fourteen years of reform and restructuring resulted in impressive achievements such as continuous macroeconomic stability; increasing liberalization of goods, services, labour and capital markets; transforming the role of the public sector from being an economic actor to that of focusing on social and normative areas and finally of decentralizing its public administration while at the same time setting up a regulatory framework to oversee newly privatised natural monopolies.¹

With a GDP per capita of around US\$ 1,000, Bolivia however remains one of the poorest countries in Latin America.² Fast economic development is needed to alleviate poverty and to secure Bolivia's economic and social future. An important factor of economic development is trade and successful trade itself depends on the competitiveness of Bolivia's goods and services but also depends on Bolivia's success in negotiating favorable conditions of trade and sufficient access to foreign markets.

Addressing representatives of partner countries at the WTO subsequent to its last Trade Policy Review (TPR)³, the representatives of Bolivia raised concerns about the important difficulties Bolivia faced in regard to market access and at the same time expressed their belief that new negotiations should be opened with the goal of meeting the needs and expectations of all WTO member countries, including developing countries such as Bolivia. The Bolivian representative also confirmed Bolivia's priority given to regional integration (Andean Community, Mercosur, ALADI, and the Free Trade Area of the Americas).⁴ In conclusion, to negotiate successful trade agreements at universal, regional or bilateral levels is seen as a key strategy to alleviate Bolivia's future economic and social development.

2. Needs assessment and project design

In order to assess the current needs of the Bolivian government in regard to strengthening negotiation capacity in the field of trade, lengthy discussions were organised with Bolivian government officials and private sector representatives in La Paz and abroad. While it was agreed that Bolivia has had the good fortune of counting several excellent trade negotiators amongst its diplomats and government officials, shortcomings were also mentioned. The most frequently mentioned weaknesses are summarized below:

- a) Insufficient inter-ministerial cooperation regarding trade negotiations negatively affecting planning, organising, and implementing of trade negotiations.
- b) Concentration of negotiation know-how in the hands of a few experienced Bolivian officials and diplomats
- c) Lack of availability of a sufficiently large pool of negotiators due to the absence of long term succession planning and too frequent change of negotiation teams subsequent to changes of government.
- d) Unsatisfactory cooperation between public and private sector actors' negatively affecting implementation of trade agreements and seriously limiting development of national negotiation positions due to infrequent and ad-hoc consultations of private sector needs.

* As originally published in the book by Maidana, I., Saner, R. (Editors); "Trade Negotiation Cases, Analyses, Strategies at Bilateral, Regional and Multilateral Levels: Bolivia 2000". Los Amigos del Libro. Bolivia. 2002.

2. Target group, Implementing Agency and National Counterpart

Taking into account the considerations made above, a project was designed which could provide the greatest possible multiplier effects within the limited funds and time available. The target groups for this project were identified as consisting of the Ministries and their respective officials involved in trade negotiations at international and regional level, particularly the Ministry of Foreign Trade (MECI), the Ministry of Foreign Affairs (MRREE), the Ministry of Economic Development (MDE), the Ministry of Agriculture and Rural - Development (MAGGR), the Ministry of Sustainable Development (MDSP), the Ministry of Finance (MDH) and the Government's Chancellery. In addition to the concerned governmental ministries and organizations, target groups were identified which needed to be more included in future planning of national negotiation positions namely the chambers of commerce and other relevant professional organisations.

The implementing agency contracted to design and implement a technical cooperation project within the context of the above mentioned needs and requirements is the Centre for Socio-Eco-Nomic Development which acts as subcontractor to TULUM SA who is in charge of the bilateral technical cooperation programme⁵. CSEND has many years of experience in designing capacity building and institution development projects and has been active in training and coaching of trade negotiators since 1980.⁶

The Vice-ministry of Exports and Investment of the Ministry of Foreign Trade and Investment (MCEI) was identified as national counterpart institution for this project. At the same time, agreement was reached that other ministries and national institutions engaged or involved in trade negotiations should participate in this project by sending participants to the various training seminars and workshops. Subsequent to this understanding, a recruitment selection grid was established by CSEND in close cooperation with MCEI officials. The selection criteria formed the basis for the selection of trainees.

3. Objective, Outputs and Indicators

Taking into account the limited funding and time allowance available for this project, it was decided that government officials and representatives of private sector organizations involved in trade negotiations would be selected as participants of this pilot project. It was further assumed that after completion of the project, the trainees would be able to competently represent the trade interests of Bolivia during trade negotiations at international level (WTO) as well as at regional level (Mercosur, Andean Community, ALADI, FTAA) after completion of the project. It was also assumed that the trainees would assess their learning (acquisition of knowledge and skills) as adequate after successful completion of the project and be competent in the possible future execution of trade negotiations should they be assigned to such tasks by the Bolivian government.

Outputs

In order to accomplish these goals through such a time limited technical cooperation project, the following expected project objectives and outputs were agreed to be achieved in order to reach the above stated goals namely:

Objective 1: Core competencies of negotiation skills will be acquired by Bolivian trainees of cycle 1 (2000) & Cycle 2 (2001).

Output 1: 48 Bolivian trainees (36 trade officials and 12 private sector managers) will have completed the training modules with a minimum grade average of "good", (grade range: very good, good, insufficient).

Output 2: 48 Trainees will have written a paper analysing a past trade negotiation (trade or commercial negotiation) or will have developed a well-researched analysis of a trade issue with important current and future implication for Bolivia. A list of topics was established by the Bolivian mission in Geneva in close cooperation with CSND experts and MCEI officials.(see annex 2). The final selection of the topics was to be approved jointly by the Swiss CSEND expert and National counterpart of the MCEI.

Objective 2: Newly acquired negotiation competencies will be appropriately and adequately used during trade negotiations at WTO and Regional Trade Organisations.

Output 1: 12 Bolivian trainees (trade officials from different ministries) will have attended trade negotiations as members of a Bolivian delegation.

Output 2: Insights gained from training module 1,2, and 3 will be used to improve the Bolivian government's trade negotiation competence and institutional negotiation effectiveness.

Output 3: 36 Bolivian trainees will have written policy papers identifying the potential for improvement of the existing institutional framework of trade policy making and the current practices of trade negotiations (e.g. regarding inter-ministerial coordination, relations to government and parliament, involvement of actors of private sector, managing media, coordinating strategy and lobbying at home and abroad, efficient methodology for policy analysis etc.)

4. Activities and Organization of Project

The project's key activities consisted of a) training in negotiators techniques, b) coaching of negotiation delegations, c) support for institutional decision making regarding trade policy and trade negotiations and d) transfer of know-how to Bolivian trainers/consultants. This transfer of know-how was expected to be achieved through the selection of Bolivian officials who will be expected to act as co-trainers in the second cycle (2001) in close cooperation with the CSEND experts.

The whole capacity building process was organised around four Modules. The Modules should be seen as building blocks. The first two Modules focus on skills training and knowledge acquisition in the field of international negotiations, the third Module focuses on application and coaching of delegations and the fourth Module offers an opportunity to make suggestions for improvements of Bolivia's institutional set up in regard to trade policy and trade negotiation.

Each year represents one full cycle consisting of four Modules. Cycle 1 is scheduled for the year 2000, Cycle 2 for the year 2001. For each year or cycle, 18 trade officials and 6 private sector representatives will be selected to benefit from the whole learning process. It was further suggested that trade officials should be selected in cohorts to ensure that each ministry has at least two participants. It was expected that the building of learning cohorts would support the learning process and the transfer of new knowledge -and skills to the respective ministries. It was further stipulated that trainees selected from the private sector should also be at least two from the same sector for the same reasons as mentioned above.

Implementation of the technical transfer design:

The implementation of the technical transfer design consists of different Modules. All training and coaching activities will be evaluated by the participants of cycle 1 (2000) and cycle 2 (2001).

The key components of each cycle are summarized below:

Training

Module 1 & 2 focus on the acquisition of negotiation skills and techniques.

Coaching

The coaching component consists of application of Module 1 & 2 to a real negotiation situation. In addition, experts knowledgeable about the respective negotiation will provide specific inputs.

Institutional Development

The last Module is expected to offer opportunities to integrate knowledge and skills gained from previous Modules and to make relevant suggestions for improvements in regard to institutional arrangement of Bolivia's trade policy and trade negotiation approaches.

The objective here is to support the institutionalisation of lessons "learnt" and to help create institutional memory in the form of written documents and through the practice of alumni meetings. Participants are asked to write papers focusing on trade issues relevant for Bolivia.

Train-of-Trainers

In order to build capacity on a sustainable level, knowledge needs to be transferred not only to individual negotiators but also to people who could replicate the project's key component. Hence, cycle 2 (2001) will, be co-taught by Bolivian trainers in Spanish under supervision of the leading CSEND expert.

In order to ensure transfer of know-how, a special TOT seminar was organised at the end of 2000 and a CSEND expert organised and conducted this TOT seminar.

6. Assumption, Benefits and Outlook for 2001

The project's success is based on continuous support by the Bolivian authorities without whose support the two-year project cannot be successfully completed. Completion of the pilot project phase within agreed time frames depends on political and institutional continuity as well.

In addition, cooperation of respective ministries will be vital. Trainees should be allowed to attend training seminars and devote sufficient time for their various assignments. It would be detrimental to their learning if the trainees would be asked to make up for time spent on the project through overtime or work over the weekends.

This pilot project offers immediate benefits in regard to the objectives mentioned above. In addition, this project should provide an impetus for the Bolivian government to further strengthen the trade policy process.

After completion of the pilot project, 48 trade officials and private sector representatives will help increase the already existing pool of 10 known negotiators thereby creating a "core capacity" for strategic analysis, preparation of negotiation positions and strategies and analysis of negotiation options regarding multilateral trade treaties and multilateral and regional trade organisations.

After completion of this pilot project, an opportunity may arise to create a thinktank in Bolivia focusing on trade policy and trade negotiations either in the form of a government attached institute or agency (similar to UDAPE) or like a university based institute (e.g. Georgetown University) or like a central government school (e.g. ENA of France). Such a think-tank might not only offer valuable advice for future negotiations but also might also attract attention from abroad and provide opportunities of influence within the Southamerican region.

¹ Trade Policy Review of Bolivia, Opening Statement by Bolivian Representative, Minutes of Meeting, WTO, 19-21 July 1999, page 5

² Bolivia : Implementing the Comprehensive Development Framework, World Bank Report No. 19326-130, May 21, 1999, page 1.

³ See footnote Nr. 1

⁴ Footnote 1, page 19

⁵ For more information on the bilateral cooperation programme, see Markus Reichmuth and Ernst Schaltegger introduction.

⁶ For an overview of CSEND's activities, see www.csend.org