

Assistance for Trade Reform

Proposed Organizational Structure and Management System for the Central Department of World Trade Organization

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Government of Egypt/USAID Assistance for Trade Reform (ATR) Project
MINISTRY OF FOREIGN TRADE (MoFT)

PROPOSED ORGANIZATIONAL STRUCTURE AND MANAGEMENT SYSTEM FOR THE CENTRAL DEPARTMENT OF WORLD TRADE ORGANIZATION (CD/WTO)

1. GUIDING PRINCIPLES

In designing proposals for establishing an effective organizational and management framework for the CD/WTO, the following guiding principles have been observed.

- (a) **Prime Focus:** The primary objective of the management system and organizational structure will be to enable CD/WTO have an institutional framework which will enable it to effectively manage itself and carry out its mission of “providing leadership for coordination and integration of all issues related to Egypt’s full and effective participation in the WTO..”, efficiently and effectively. This objective has been the prime focus in these proposals.
- (b) **Mission, Objectives and Functions:** The long term mission and objectives of CD/WTO have been defined to reflect the current policies, strategies and priorities of the Ministry of Foreign Trade. The statement has been approved by the Minister (**Annex A**). The functions which CD/WTO must undertake to achieve its mission and objectives have also been defined and submitted to the Minister for approval (**Annex B**).
- (c) **Management Concepts and Socio-cultural Tenets:** The management system and organizational structure proposals are based on sound and pragmatic management and organizational principles and concepts, as well as recognition of appropriate Egyptian socio-cultural tenets and precepts.
- (f) **Accountability and Transparency:** In keeping with the GoE/MoFT objective to keep the overall government machinery transparent, accountable and efficient, the proposed organizational structure and related management systems and practices, aim to enable CD/WTO fully meet this objective.

2. VITAL CONSIDERATIONS

The proposals on establishing an effective CD/WTO within the MoFT with sound organizational and management capabilities, take into full account the following vital considerations.

(a) Responsibilities of the Ministry of Foreign Trade

Full recognition has been accorded to the responsibilities placed on the Ministry of Foreign Trade by the relevant statutes, decrees and regulations and a variety of international conventions and agreements in which GoE participates and is a member. The proposed CD/WTO will operate within the norms and standards of these international agreements and protocols.

(b) The WTO Expertise

Being a lead agency responsible for coordination and integration of all issues related to Egypt's full participation in the WTO, the CD/WTO must develop, maintain and constantly upgrade its expertise on all conceptual and operational aspects of the World Trade Organization and apply this expertise in efficiently carrying out its day to day functions. The proposed management and structure should bear this in mind and facilitate development and utilization of this expertise.

(c) Performance Effectiveness of CD/WTO

It is recognized that the overall performance efficiency of CD/WTO will greatly depend on (i) soundness of its management and organizational capabilities; (ii) professional expertise and policy directives at its disposal, and (iii) efficient logistical support services and resource made available to it. These proposals take into consideration these aspects and pay special attention to the management and organizational related needs

(d) Coordination of WTO related Matters

CD/WTO's primary objective is to ensure effective coordination on all WTO related matters with all the relevant agencies. These proposals take this into full consideration and various specific measures, such as establishment of an internal MoFT WTO Coordination Team as well as an inter-ministerial broad based forum for coordinating major WTO related issues, are designed to meet this requirement.

(e) Performance Monitoring and Evaluation

For CD/WTO to perform its functions within the framework of pre-planned various WTO program of meetings and negotiation forums, systematic work plans will have to be developed, performance criteria established to ensure that adequate preparation has been made to deal with issues to be discussed. The proposals take these needs into account.

(f) Gradual Evolution of Structure

It is recognized that CD/WTO is in its formative stage and that its optimal management and organizational structure will evolve over a period. It is also recognized that CD/WTO, as a vital institution within the MoFT, has a crucial role to play in the field of facilitation and development of foreign trade and in maintaining effective international trade relations. To enable it to play this role effectively CD/WTO must have a sound minimal management and organizational arrangement consisting of (i) clarity of its mission and functions; (ii) effective management practices and organizational framework; (iii) competent human resource skills and expertise; (iv) efficient administrative and information technology back-up; and (v) capable leadership and team-work approach. The proposals should take this into account.

(g) CD/WTO Management

The proposals pay particular attention to the need for strengthening management capabilities within CD/WTO in the fields of strategic planning, organization and management, management of resources and creating greater awareness regarding its role and functions. In this regard, it is proposed that the concept of CD/WTO Management be introduced. CD/WTO Management will be directly under the head of CD/WTO and will be responsible for strategic organizational and management planning, developing annual work plans, allocation of resources, establishing performance standards and targets and ensuring that high performance standards are achieved and maintained

3. PROPOSED GROUPING OF CD/WTO FUNCTIONS

As a preliminary to developing management system and organizational structure for CD/WTO it is necessary that the approved CD/WTO functions, thirty seven in number, (see **Annex B**) be grouped into homogeneous clusters. This will ensure that like functions are grouped together, there are no overlaps and effective coordination and coherence are achieved. Logical grouping of functions and assessment of their nature, scope and work load will also assist in determining their organizational nomenclature, such as department, general department, etc. The following five major groupings are proposed.

3.1 Current Arrangement:

Under the present arrangement CD/WTO functions are grouped into the following broad eight areas:

- (a) WTO Rules and Dispute Settlement
- (b) Competition Policy and Investment
- (c) SPS, TBT and Environment
- (d) Agriculture, Ministerial Conferences (WTO level), WTO General Council, Trade Negotiations Committee (WTO level)
- (e) Services, technical assistance and training
- (f) Non-agricultural market access, textiles, customs valuation
- (g) Intellectual Property Rights, Information Technology Agreement
- (h) Government Procurement, Trade Facilitation

3.2 Grouping by Type of Trades

- (i) Negotiations on Trade in Goods
- (j) Negotiations on Trade in Services
- (k) Trade Negotiations within Rounds
- (l) CD/WTO Management

3.3 Grouping by Objectives of CD/WTO

Under this group the functions of CD/WTO are arranged according to its key objectives and goals as follows:

- (a) Coordination of all WTO related matters for Egypt: Create wide awareness regarding mission, role and functions of CD/WTO (1.1); Introduce machinery for effective coordination and integration (1.2); Liaison with all relevant agencies and CD/WTO website (1.3); Serve as Secretariat of National Committee on WTO (1.4); Introduce and carry out annual work plans for CD/WTO (1.5); Coordinate Egypt's participation in the WTO (1.6); Serve as focal point for Dissemination of WTO Information (1.7); Coordinate development of Egyptian positions and participation in WTO (1.8); Provide liaison with trade and economic research institutions (1.9); Coordinate WTO matters under specific groups (1.10)
- (b) WTO Negotiations related matters:
Promote Egypt's full participation in WTO (2.1); Make national interest top priority of CD/WTO operational philosophy (2.2); Strengthen research capabilities within CD/WTO (2.3); Generate accurate statistical and documentary information (2.4); Provide economic, sectoral and trade issue analysis (2.5); Secure inter-ministerial and external inputs for WTO participation (2.6); Assist MoFT in negotiating specialized areas (2.7); Provide advisory consultations on WTO to non-governmental sectors (2.8)

- (c) Facilitate WTO Compliance:
Develop strategy for systematic compliance with WTO obligations (3.1); Provide WTO related briefings to Minister and Senior Officials (3.2); Secure cooperation and support of the agencies on National Committee (3.3); Secure inputs from private sector and non-governmental interest groups (3.4); Develop strategies for removing trade barriers and promote exports (3.5)
- (d) CD/WTO Management:
Undertake reorientation of staff to create awareness of CD/WTO mission and role (4.1); Develop management capabilities within CD/WTO for team work and operational efficiency (4.2); Introduce effective organizational and management practices (4.3); Introduce efficient administrative systems and procedures and information technology to improve CD/WTO performance (4.4); Organize and provide effective legal services for WTO related activities (4.5); Introduce effective economic and trade research activities and expertise (4.6); Introduce effective public sector liaison on all WTO related matters (4.7); Provide effective technical/logistical support services within CD/WTO (4.8); Manage CD/WTO financial and human resource budget (4.9); Evaluate overall performance of CD/WTO to maintain high performance (4.10)

3.4 Grouping by Trade Regions

- (a) Trade with Americas and Pacific Region
- (b) Trade with Europe and EC
- (c) Trade with Arab World
- (d) Trade with Other Regions
- (e) CD/WTO Management

3.5 Grouping based on Primary Functions and Support Functions

- (a) World Trade Organization Affairs:
 - National High Committee; Coordination with Geneva Mission; Liaison with NGOs; Negotiations; Notifications; Compliance; Accession; Dissemination; Trade Policy Review; Liaison with International Entities, etc.
 - Market Access: Agriculture and SPS; Textile and clothing; Customs Valuation; TBT; Environment; Government Procurement; State Trading; Pre-ship Inspection; Rules of Origin; Import Licensing; Tariff Schedule and Commitments, etc.
 - Trade Remedies and Dispute Settlement: Anti-dumping; Subsidy and Countervailing; Safeguard; Dispute Settlement; WTO Rules; WTO related technical assistance and training, etc.
 - Trade In Services: Trade in services; Telecommunication; Financial Services (banks, securities, insurance, etc.); Balance of Payment, etc.
 - Trade Related Intellectual Property: Trade related to Intellectual Property Rights; Agreement on IT; Trade related to Investment Measures; etc.
 - New Issues: Competition Policy; Investment; Transparency in Government Procurement; Trade Facilitation; E-commerce; etc.
- (b) CD/WTO Technical Support:
 - Information and Database regarding Egyptian Economy, International Economic Trends, Egyptian and Foreign Trade Policies; Foreign Trade laws, decrees and regulations; etc.
 - Liaison with International Database of organizations such as WB, IMF, UN, etc.
 - Economic and Trade Research

- (c) CD/WTO Management:
- Staff reorientation and awareness of mission and functions;
 - Management capabilities, team work and operational efficiency;
 - Administrative systems and procedures;
 - Introduction of Information technologies;
 - Legal Services;
 - Financial and Human Resource Budget;
 - CD/WTO Annual Work Plans and Performance Evaluation.

4. PROPOSED ORGANIZATIONAL STRUCTURE AND MANAGEMENT SYSTEM FOR CD/WTO

4.1. Management System :

- Management practices (planning, direction, leadership, team work, etc.) to focus on achieving primary objectives of CD-WTO i.e. (i) coordination of all WTO related matters; (ii) derive maximum benefits and safeguard national interests; (iii) facilitate compliance with WTO membership obligations; (iv) develop institutional capabilities within CD-WTO.
- Establish an enduring and effective mechanism for liaison and coordination with all agencies within the MoFT, relevant government ministries, departments and non-governmental and business organizations as well as with relevant international agencies, etc.
- Enable heads of sections and departments to develop expertise and specialization in their areas of responsibilities, operate independently on their specific assignments and produce high quality desk work.
- Introduce system of work planning based on forth-coming WTO events and need for preparation of Egypt's position on all the relevant matters; establish targets and ensure these are timely achieved.
- Provide effective leadership and direction that would create team work approach and accountability for results.

4.2 Operational Efficiency within CD-WTO:

- Introduce operational systems and norms which are compatible with general international standards and matches with the practices of relevant international organizations.
- Introduce system of annual work plans based on the needs and priorities outlined by TAS and MoFT and ensure that these plans are timely and fully implemented.
- Provide clear and concise job descriptions to all staff specifying broad areas of duties and responsibilities and level of decision making delegated; provide flexibility for creative and professional discretion.
- Introduce system of periodic performance evaluation of each operating unit as well as of the entire CD-WTO and take corrective measures as appropriate.
- Introduce appropriate information technologies, data banks and research capabilities to enable professional staff produce best analysis and proposals on all matters referred to them.
- Establishing a well stocked reference library and data bank accessible to all analysts.
- Establishment of appropriate administrative and technical support services (secretarial, record/filing system, copying and report production, transport, meeting delegates, travel arrangements, inter-net/fax/video conferencing, etc.), to enable CD/WTO to respond to all needs promptly and effectively.

4.3 Organizational Arrangement for CD-WTO:

- Flexible arrangement through which best use can be made of professional expertise and technical facilities to achieve the objectives of CD-WTO.
- “Functional Desks” approach in which a desk can take care of all aspects connected with a subject or a case such as an agreement, a proposal, a negotiation, a region, etc.
- Effective coordination and liaison on all WTO related matters would be the core objective to be achieved through organizational arrangement.
- Establish an inter-ministerial committee under the Chairmanship of MoFT to coordinate all WTO related matters; CD-WTO to play proactive role in ensuring that this committee functions effectively and achieves its objective.
- Internal mechanism with CD-WTO to ensure that all desk officers are kept fully aware of matters affecting their area of work and there is free flow of communication vertically and horizontally within CD-WTO.

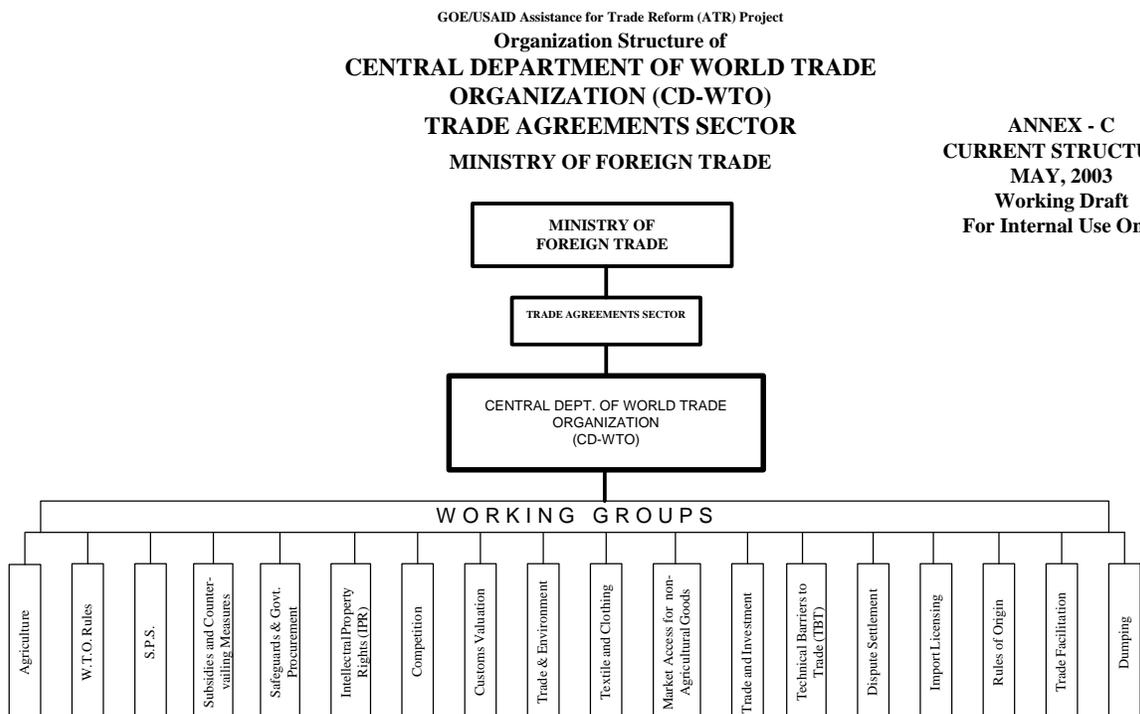
5. PROPOSED ORGANIZATIONAL ARRANGEMENT FOR CD-WTO

5.1 The Current Arrangement

(a) Grouping of Functions

As of now CD-WTO is operating on the basis of functional groups. There are seventeen or so functional groups as follows: Technical and Administrative Support Group, Public Affairs, Private Sector and NGO Group, Economic Analysis Group, Legal Services Group, New Issues Group, Intellectual Property Rights Group, Textiles Group, Services and Investment Group, Trade Facilitation Group, Technical Barriers to Trade Group, Market Access Group, Trade Remedies Group, Agriculture Group, etc.

(b) The Structure – The current organizational arrangement (see Annex C)



Ref: CD-WTO Current Structure May 2003 - RPJ - May 4 2003

(c) Merits and Demerits of the current arrangement:

(i) Merits:

- There is some arrangement through which CD-WTO remains operational and is able to produce work.
- Head of the CD knows the work arrangement and his staff and is able to assign and coordinate work.
- On the whole professional staff within the CD-WTO have their assignments and are able to utilize their expertise and experience to produce work.

(ii) Demerits:

- This is an interim arrangement just to enable CD-WTO deal with the current situation. It is not based on well defined long term mission and functions, and logical grouping of regular activities.
- The arrangement does not allow effective coordination; it is difficult to closely inter-action with seventeen independent groups. Span of control of seventeen is too wide.
- There is no provision for management related functions of CD-WTO.
- Staff is too thinly spread to be able to focus sharply and deeply into any specific area. Arrangement does not foster team work approach.
- There is no effective arrangement regarding linkages with other sectors within MoFT, or with other relevant ministries and external agencies.
- There is no provision regarding research and technical support services.

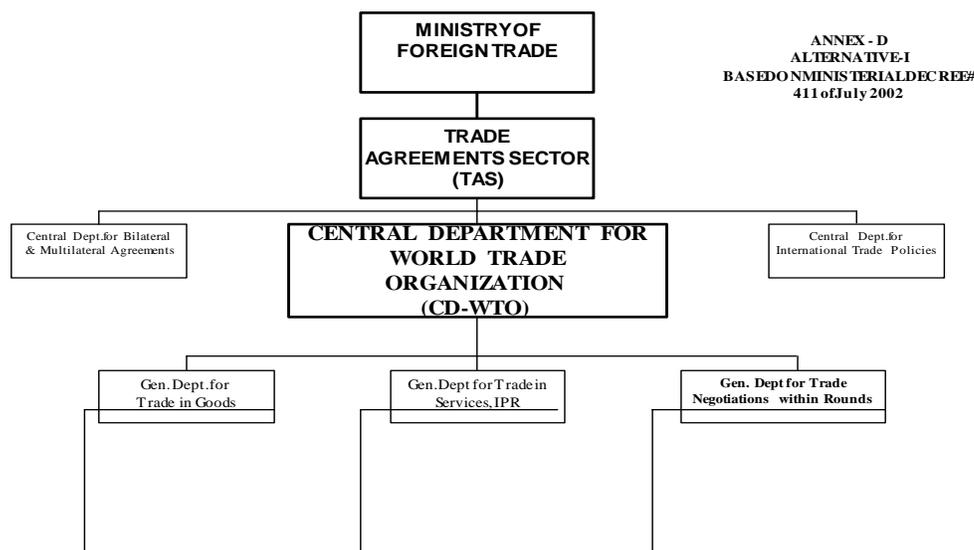
5.2 Structure Alternative – 1 Ministerial Decree # 411 of July 2002

(a) Grouping of Functions

Ministerial Decree # 411 promulgated in July 2002 has created three general departments within the CD-WTO: (i) General Department of Trade in Goods, (ii) General Department of Trade in Services and Intellectual Property Rights (IPR), and (iii) General Department of Trade Negotiations within Rounds. In practice these general departments are not yet established nor heads of these general departments formally appointed.

(b) The Structure: as prescribed in the Ministerial Decree is as follows see **Annex D**

**PROPOSED ORGANIZATIONAL STRUCTURE FOR
CENTRAL DEPARTMENT OF WORLD TRADE ORGANIZATION
TRADE AGREEMENTS SECTOR
MINISTRY OF FOREIGN TRADE**



ANNEX - D
ALTERNATIVE-I
BASED ON MINISTERIAL DECREE #
411 of July 2002

Ref: Structure of Cent. Dept. of WTO Alt. 1-Annex IV Based on MD411-Rasik Joshi; v. 20. 2003. Cairo

Source Extracted from MoFT New Structure Ministerial Decree #411 of 2002 of July 4, 2002

Merits and Demerits of Alternative 1:

(i) Merits:

- A structure is provided; functions of CD-WTO are grouped into three broad areas: Trade in goods; Trade in services; and Trade Negotiations within Rounds.
- Each group is treated as a General Department, thus the structure enables CD-WTO to appoint heads of three general departments who will be responsible for carrying out functions assigned to each group.
- It is a manageable structure; span of control of three general departments enables the head of CD-WTO to effectively coordinate the functions assigned.
- In the light of the formative stag of CD-WTO this arrangement may be simple and pragmatic and allows for further refinement as the activities expand.

(ii) Demerits:

- The structure is not based on well defined long term mission and functions of CD-WTO and may be too simplistic to meet the heavy demand made on it.
- There is no provision for management related functions of CD-WTO.
- The structure is silent on the specific functions that fall under the broad headings of Trade in Goods and Trade in Services and does not allow for functions which are common to all e.g. market access, IPR, new issues, trade remedies, etc.
- There is no provision for linkages with other agencies within MoFT, within other relevant ministries and government agencies as well as with external and international organizations.
- Functions pertaining to research and analysis and related technical support services – information technologies, etc. are not catered for.

5.3 Structure Alternative 2 - Desk Office Composite Approach

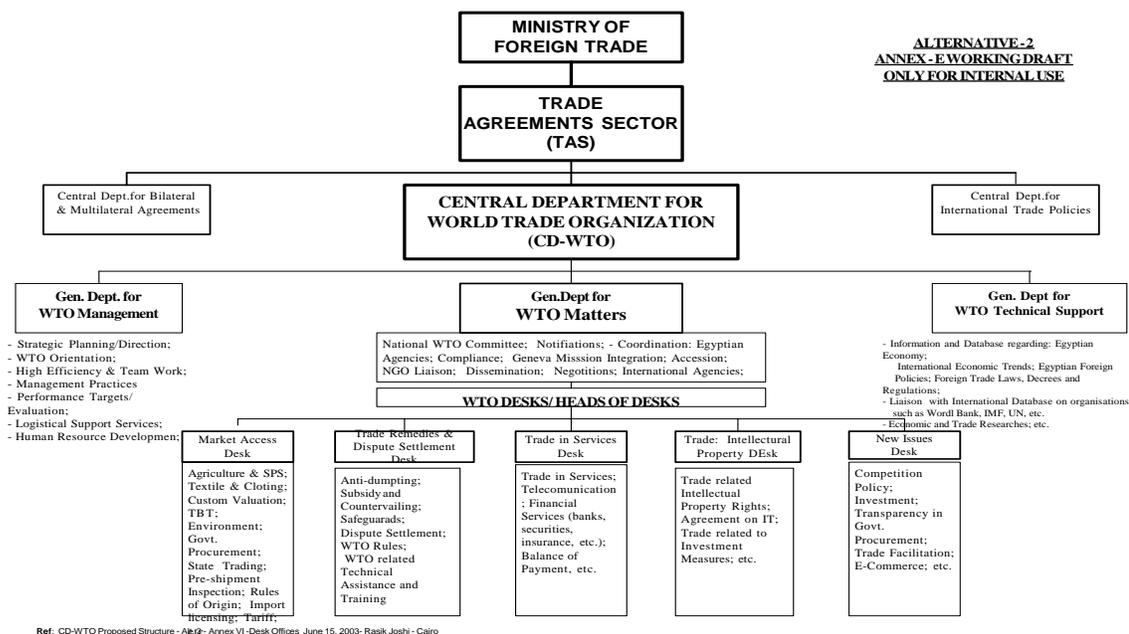
(a) Grouping of Functions

Under this alternative activities of CD-WTO are also grouped into three broad areas: (i) WTO related matters (the primary focus of CD-WTO), (ii) CD-WTO management related matters; and (iii) CD-WTO technical support related functions. The functions under WTO Matters are then further divided into five WTO Desks: Market Access Desk; Trade Remedies and Dispute Settlement Desk; Trade in Services Desk; Trade related to Intellectual Property Desk; New Issues Desk.

(b) The Structure

The organizational arrangement under this alternative is as follows (see **Annex E**)

**PROPOSED ORGANIZATIONAL STRUCTURE FOR
CENTRAL DEPARTMENT OF WORLD TRADE ORGANIZATION
TRADE AGREEMENTS SECTOR
MINISTRY OF FOREIGN TRADE**



(c) Merits and Demerits of Alternative 2

(i) Merits:

- This is a composite structure: it caters for immediate as well as long term needs and also provides for both the primary WTO related functions as well as for management and technical support needs of the CD-WTO.
- The Desk Office approach is a unique merit of this alternative; each desk caters for all related matters in a composite fashion: dealing with the specific issue in the context of its wider scope; dealing with an issue in its entirety at one desk.
- The alternative meets the critical need of developing management capabilities with CD-WTO; all aspects of sound management: strategic planning, staff orientation on WTO, setting high efficiency criteria and team work approach, setting performance targets, performance monitoring and evaluation, etc.
- The proposal provides a focal point for developing technical support for research and analytic work and introduction of appropriate modern information data base and communication facilities.
- The arrangement will result in optimal deployment of professional staff and provide them opportunity to develop specialization and utilize their expertise and experience in a productive manner.

(ii) Demerits

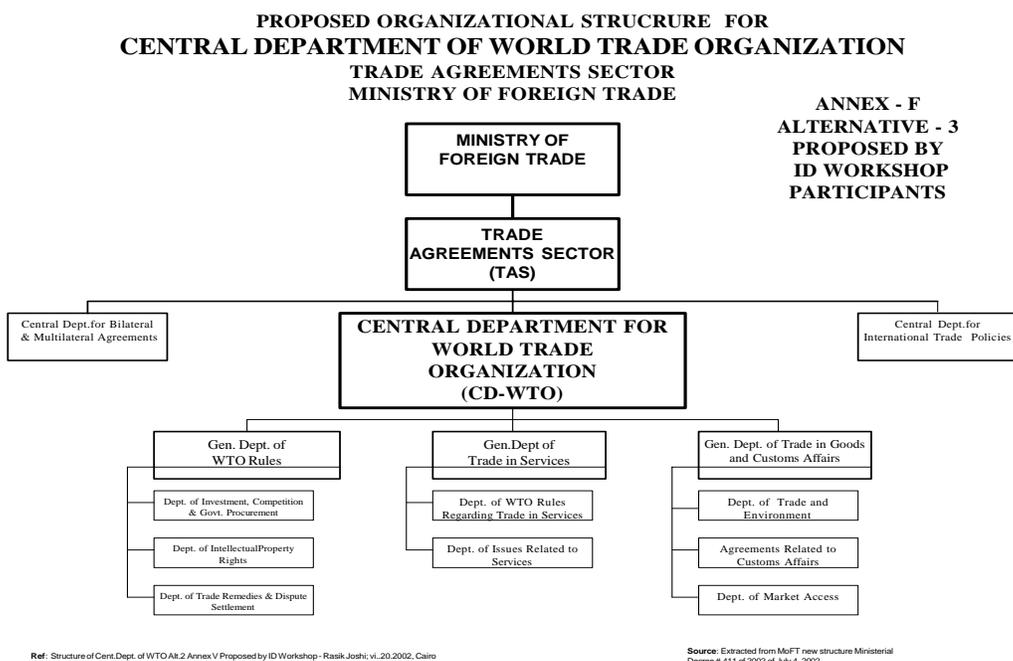
- Introduction of this alternative will need some preparation. CD-WTO will need strong technical support to introduce this composite approach.
- The implementation of this alternative would mean dedication to step by step introduction of relevant systems, procedures and technical facilities and strong commitment of the Head of CD-WTO and full involvement of all levels of staff.

5.4 Structure Alternative – 3 Alternative Proposed by Participants of ID Workshop

(a) Grouping of Functions:

Under this alternative functions of CD-WTO are grouped into three general departments: (i) Gen. Dept. of WTO Rules, covering: Investment, Competition, and Government Procurement; (ii) Gen. Dept. of Trade in Services covering: WTO Rules regarding Trade in Services, and Issues related to Services; and (iii) Gen. Dept. of Trade in Goods and Customs Affairs, covering: Trade and Environment, Agreements related to Customs Affairs, and Market Access.

(b) The Structure: The organizational arrangement under this alternative is as follows: (see Annex F)



(c) Merits and Demerits of Alternative 3

Merits:

- This is a proposal developed by staff of CD-WTO; it reflects thinking of staff presently working within the organization.
- It is refinement on the structure proposed by Ministerial Decree 411 of 2002.
- It contains details of specific functions falling under each general department.

Demerits:

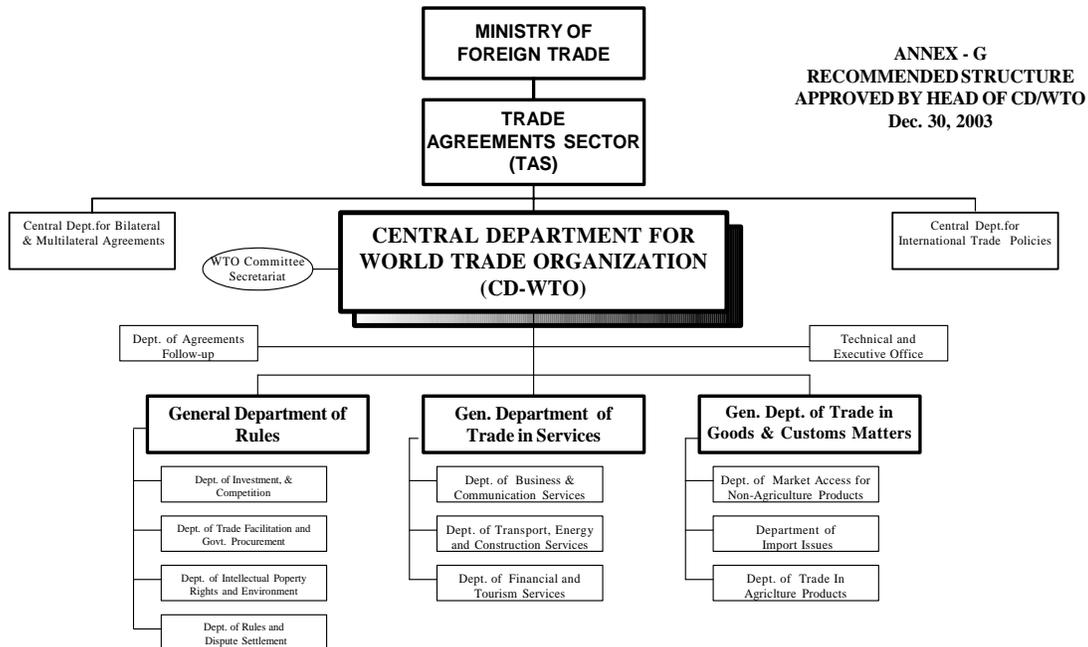
- It does not provide for CD-WTO management related functions.
- Linkages with other sectors within MoFT and with other ministerial and external agencies are not clearly specified.
- Functions pertaining research and analysis as well as technical support services are not covered.

5.5 Recommended Structure:

The organizational Alternative 3 proposed by the participants of the FT/PS/TAS Workshop held during June 6-7 was further considered by the Head of CD/WTO. After a great deal of internal discussion the Head of CD/WTO made refinements and approved the structure as shown at **Annex G**. On the basis of the foregoing details, as well as systematic analysis of merits and demerits of each alternative proposed, it is recommended that:

- (a) The structure approved by the Head of CD/WTO (see **Annex G**) be adopted for immediate implementation.
- (b) Resources be mobilized to enable the head of CD/WTO put into effect this structure into practice without undue delay.
- (c) The distribution of CD/WTO functions to the key General Departments and Departments be as recommended in the matrix at **Annex H**.
- (d) The statement of duties and responsibilities (job description) of the Head of CD/WTO is appended at **Annex I**.

PROPOSED ORGANIZATIONAL STRUCTURE FOR CENTRAL DEPARTMENT OF WORLD TRADE ORGANIZATION TRADE AGREEMENTS SECTOR - MINISTRY OF FOREIGN TRADE



Ref: Structure of Cent.Dept. of WTO Alt 2 (A) Proposed by Head of CD/WTO - Rasik Joshi - .xii.30.2003, Cairo

Source: Letter from Head of CD/WTO dated December 30, 2003

6. IMPLEMENTATION: KEY TO SOUND ESTABLISHMENT OF CD/WTO

Introducing an organizational arrangement that will firmly establish CD/WTO as the leading TAS/MoFT agency coordinating all aspects of WTO related matters, and enable it to effectively carry out all the functions assigned, is a formidable task. It will require highest level commitment and systematic implementation approach.

6.1. Prerequisites for systematic implementation and managing the change process.

- (a) CD/WTO management leadership and commitment.
- (b) A well conceived implementation action plan based on priorities.
- (c) Securing adequate resources (staff and other) to systematically put into effect the changes.
- (d) Technical support to assist Head of CD/WTO during the implementation period.

6.2. Implementation Action Plan

A well conceived implementation plan should be developed. Key elements of the plan should include:

- (a) An implementation Task Force under the leadership of the Head of CD/WTO
- (b) Identify the key tasks, activities, duration, completion dates.
- (c) Responsibility for action assigned to specific individuals..
- (d) Implementation progress should be closely monitored.

6.3 Priority Implementation areas:

- (a) Detailed orientation of staff on objectives, functions and organizational arrangement of CD/WTO and their active participation in implementing the O&M proposals
- (b) Prepare job descriptions of Heads of General Departments and Departments
- (c) Appoint staff to take charge of general departments and departments
- (d) Establish an Executive Office of the Head of CD/WTO and introduce administrative system of correspondence and records keeping, public enquiries, meeting delegations, internal communication, etc.
- (e) Enable Heads of General Departments to prepare their initial work plans based on priorities established by the Head of CD/WTO
- (f) Arrange special courses/seminars to develop management/supervisory capabilities
- (g) Develop and introduce work processes related to major functions of CD/WTO

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ATR Team
Wednesday January 7, 2004

Ref: CD-WTO Org. and Management Proposals – RPJ – i.7.20043 Cairo, Egypt

Approved by Hon. Minister, MoFT – Feb. 22, 2003- Updated May 19, 2003

Government of Egypt/USAID Assistance for Trade Reform (ATR) Project
 MINISTRY OF FOREIGN TRADE (MOFT)
 TASK 3 – INSTITUTIONAL DEVELOPMENT OF PARTICIPATING DIVISIONS

STATEMENT OF MISSION AND OBJECTIVES OF CENTRAL DEPARTMENT OF WORLD TRADE ORGANIZATION (CD/WTO)

(Based on Ministerial Decree # 411 of 2002 and WTO reference material and previous reports)

1. Contextual Relevance

In developing a statement of mission and objectives of Central Department of WTO within the Trade Agreements Sector (TAS) of Ministry of Foreign Trade, the following context has been kept in mind:

- (a) The World Trade Organization (WTO) offers a unique opportunity to Egypt to augment its role in global trade and in the process enhance its rate and pace of economic development for the benefit of all Egyptians..
- (b) Egypt is well positioned economically, geographically and politically to be able to effectively participate in the ongoing WTO negotiations in order to expand its foreign trade and promote its economic growth. MoFT/TAS is attempting to develop appropriate capabilities (institutional, systems and facilities) to achieve this objective.
- (c) Membership of WTO implies rights and obligations; Egypt has right to fully enjoy the benefits of trade without discrimination and the obligation to comply with the WTO agreements and rules. These two aspects are inter-related and should work concurrently.
- (d) The CD/WTO should have a vision, professional capabilities and an institutional framework to carry out its functions efficiently and earn prominence for Egypt as a capable and responsible member of the WTO. This mission statement should reflect this context and needs.

2. Ministerial Decree # 411/2002 promulgated on July 4 2002 has the following provisions regarding WTO:

- (a) Creates a new sector within the Ministry titled Trade Agreements Sector (TAS) with two ¹central departments: Central Department for Bilateral and Multilateral Agreements and Central Department for World Trade Organization.
- (b) The Central Department for Bilateral and Multilateral Agreements will have three general departments: General Department for Bilateral Agreements; General Department for Regional Agreements; and General Department for Rules of Origin & Follow Up. The Central Department for World Trade Organization will have three general departments: General Department for Trade in Goods, General Department for Trade in Services and IPR, and General Department for Trade Negotiations within Rounds.
- (c) The former Foreign Trade Sector is recasted and renamed as Foreign Trade Policies Sector (FTPS) which will be responsible, among other matters, for all foreign trade policy matters including WTO policy and WTO compliance matters. The sector will have four ² central departments: Central Department for Import and Export Policies, Central Department for Foreign Trade Policies, Central Department for Commodity Councils and Small and Medium Enterprises and Central Department for Foreign Trade Field Offices

3. THE MISSION OF CD OF WTO

The long term mission of the Central Department of World Trade Organization (CD/WTO) is to provide leadership for coordination and integration of all issues related to Egypt's full and effective articpation in the WTO, and in the process derive maximum economic and social benefits for Egyptians.

¹ Became three Central Departments according to Ministerial Decree 226 dated 19 May 2003 - adding Central Department of International Trade Policies

² Became three central departments according to Ministerial Decree 226 dated 19 May 2003 moving Central Department of Foreign Trade Polices to Trade Agreements Sector

4. THE KEY OBJECTIVES OF CENTRAL DEPARTMENT OF WTO

In pursuance of the above stated Mission, the Central Department of WTO will strive to achieve the following major objectives.

(a) Coordinate all WTO related Matters for Egypt

Ensure that leadership (planning, direction, coordination, etc.) is provided for carrying out all the responsibilities assigned to the Central Department. In this regard develop institutional capabilities through which institutional linkages are established and conduct public awareness regarding Egypt's position. Serve as Secretariat to the High National Committee on WTO.

(b) Integrate Egypt Fully into WTO to Derive Maximum Benefits and Safeguard National Economic, Security and Social Interests

Ensure participation in the WTO (negotiations, conferences, position papers, etc.) in order to derive maximum economic and social benefits for Egypt. In this regard contribute in analysis, evaluation and initiation of Egypt's negotiating positions, in coordination with relevant bodies.

(c) Facilitate Compliance with WTO Membership Related Obligations.

Based on the policies and priorities set by the MoFT, facilitate compliance with the WTO obligations. In this regard the CD/WTO will liaise with competent agencies and follow up, as directed, implementation of Egypt's obligations and rights.

(d) Develop Institutional Capabilities Within CD/WTO

Develop organizational capabilities, management practices and operational systems so as to ensure that overall management and operational performance of CD/WTO remains efficient at all times and responsibilities assigned to the CD/WTO are efficiently carried out and its mission and objectives fully achieved.

5. GOALS OF CENTRAL DEPARTMENT OF WTO

CD/WTO will strive to achieve the following goals in the next two/three years:

- (i) Establish mechanisms for coordination, through the National Committee and other means, with ministries, private sector, NGOs, and other external agencies involved in WTO related activities.
- (ii) Create awareness among exporters, importers, manufacturers, producers, and general business community, regarding Egypt's rights and obligations under the WTO agreements and functioning of the Central Department of WTO.
- (iii) Establish CD/WTO institutional framework (structure, management practices, staffing, systems, logistics, etc.) to ensure long term effective performance compatible with objectives outlined above.
- (iv) Develop and implement work plans to enable staff to participate in presenting and following up Egypt's participation in ongoing WTO negotiations.

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Prepared in collaboration with ATR Team, CD/WTO and FTFS
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June 1, 2003

CD -WTO Draft Statement of Mission and Objectives; RPJ – ATR Cairo, Egypt, June 1, 2003

Government of Egypt/USAID Assistance for Trade Reform (ATR) Project
MINISTRY OF FOREIGN TRADE (MOFT)
TASK 3 – INSTITUTIONAL DEVELOPMENT OF PARTICIPATING DIVISIONS

STATEMENT OF FUNCTIONS OF THE CENTRAL DEPARTMENT OF WORLD TRADE ORGANIZATION (CD/WTO)

In order to fulfill its mission and achieve its objectives and goals, the Central Department of World Trade Organization will undertake the following set of functions.

1. Coordination of all WTO related Matters for Egypt

In order to achieve the objective pertaining to: “Ensure that leadership (planning, direction, coordination, etc.) is provided for carrying out all the responsibilities assigned to the Central Department. In this regard develop institutional capabilities through which institutional linkages are established and conduct public awareness regarding Egypt’s position. Serve as Secretariat to the High National Committee on WTO.” CD/WTO will carry out the following functions.

- 1.1 **Define clearly the coordination and integration role and functions** of CD/WTO and bring this to the notice of all staff working within the CD/WTO; create wide awareness regarding mission, role and functions of CD/WTO among all the organizations with which it interacts as well as with general public.
- 1.2 **Provide organizational leadership** (planning, direction, coordination, etc.), develop institutional capabilities, and introduce machinery for effective coordination and integration of WTO related matters.
- 1.3 **Develop and maintain a machinery through which CD/WTO effectively liaises** with all internal and external agencies dealing with WTO; in this regard develop an appropriate website through which external organizations can communicate with the CD and share their needs, views and concerns.
- 1.4 **Serve as Secretariat for National Committee on WTO** and its sub-committees; in this regard establish an appropriate WTO National Secretariat and provide leadership and logistical support for its effective functioning.
- 1.5 **Prepare annual work plans of CD/WTO** in close consultation with all MoFT Sectors and other government and non-governmental agencies connected with WTO; in this regard ensure that MoFT policies and priorities are reflected in the work plan and that it is based on WTO schedule of meetings and conferences; develop performance criteria for evaluating outcome of work plans and ensure that work plans are systematically and timely implemented.
- 1.6 **Coordinate Egypt’s participation in the WTO**, in close liaison with all relevant agencies; in this regard ensure that all relevant documents are timely circulated and views of the agencies concerned are analyzed, discussed and integrated.
- 1.7 **Be the focal point for dissemination of information** regarding:
 - (a) Records of Egyptian and foreign government positions (in electronic and hard copy form).
 - (b) Notifications due and compliance status.

- (c) Developments in the WTO, including in the dispute settlement body and in various negotiations, etc.
- (d) Developments in other countries' trade policies.

1.8 Coordinate development of Egyptian positions and participation in WTO meetings including who will attend what meetings (both from Egypt and Geneva) and ensure that positions are communicated. In this regard prepare briefing material and decision memoranda for the Minister and other senior officials that include viable options and all relevant supporting information.

1.9 Provide liaison with private sector and outside research institutions. The current tradition of using independent research institutions to develop information and options should be continued and strengthened. In this regard establish a good decision support system for National Committee and sub-committees and institutionalize the system for ensuring Egypt's continued effective participation in the WTO.

1.10 Coordinate WTO matters by grouping them under the following broad areas:

- (a) **Agriculture** and sanitary and phytosanitary measures SPS: agriculture tariffs, subsidies, standards and technical regulations, etc.; Ministry of Agriculture.
- (b) **Industrial market access:** tariff and non-tariff goods, standards, custom valuation, rules of origin, import licensing and government procurement issues, technical barriers to trade (TBT), import licensing, state trading enterprises, pre-shipment inspections, transparency in government procurement, civil aircraft and information technology, etc. Ministry of Industry, customs department.
- (c) **WTO affairs:** general coordination, coordination of preparation and positions for Ministerial Conferences and meetings of General Council, Council on Trade in Goods and Trade Policy Review Body, Committee on Trade and Development, Regional Trade Arrangements, Balance of Payments Restrictions and Budget, Finance and Admin, multi-sectoral negotiations, etc.
- (d) **Services and Electronic Commerce:** services trade, General Agreement on Trade and Services (GATS), GATS Council, Committees on Trade in Financial Services and Specifications Commitments, movement of natural persons, professional, maritime and telecommunications services, new issues and electronic commerce, etc.
- (e) **Trade Remedies:** agreements on anti-dumping, subsidies and countervailing, safeguards, etc.
- (f) **TRIPS:** agreement on trade related intellectual property rights (TRIPS) and intellectual property rights (IPR) and TRIPS Council, etc.
- (g) **Textiles:** clothing trade in the WTO, agreement on textiles and clothing (ACT) and meetings of the Textile Monitoring Body.
- (h) **Investment:** all investment matters of WTO, Working Group on Trade and Investment and Committee on Trade-related Investment Measures (TRIMs), compliance with TRIMs agreement, etc.
- (i) **New Issues:** environment, competition policy, labor standards, etc.

2. Integrate Egypt Fully into WTO to Derive Maximum Benefits and Safeguard National Economic, Security and Social Interests

In order to achieve its objective pertaining to: "Ensure participation in the WTO (negotiations, conferences, position papers, etc.) in order to derive maximum economic and social benefits for Egypt. In this regard contribute in analysis, evaluation and initiation of Egypt's negotiating positions, in coordination with relevant bodies." The CD/WTO will carry out the following set of functions:

2.1 Promote Egypt's full participation in WTO by providing active leadership on all matters pertaining to WTO meetings and conferences, including encouragement of active involvement of all relevant agencies in preparation of position papers and providing effective coordination and integration on all aspects of trade related policies, priorities and positions as well as sharing of all information regarding WTO agreements and rules.

- 2.2 **Make national interest the top priority of CD/WTO operational philosophy;** in this regard ensure that maximum benefits are derived from WTO agreements and rules and Egypt's economic, security and social interest are fully safeguarded.
- 2.3 **Strengthen research capabilities within CD/WTO** through introduction of an appropriate data ware house facility, data processing technology as well as research and analytic skills; in this regard also introduce and maintain effective liaison with the private sector, NGOs and outside research institutions.
- 2.4 **Generate accurate statistical data and documentary information** required to inform those involved as to the concerns, positions, viewpoints, negotiating goals and strategy for addressing issues that arise in many venues of the WTO.
- 2.5 Develop and provide cogent, persuasive, economic, sectoral and **trade issue analysis**.
- 2.6 **Coordinate with the various other ministries and agencies of GoE** having authorities and responsibilities in areas of WTO and secure their input into WTO's participation on various matters.
- 2.7 **Assist MoFT in negotiating** in substantive areas of specialized competency and expertise such as IPR, financial services, investment, etc.
- 2.8 Serve as a **channel for advisory consultation** with Egyptian private sector associations and business groups with regard to issues addressed in WTO affecting domestic productive and exporting sectors.

3. Facilitate Compliance with WTO Membership Related Obligations.

In order to achieve its objective pertaining to: "Based on the policies and priorities set by the MoFT, facilitate compliance with the WTO obligations. In this regard the CD/WTO will liaise with competent agencies and follow up, as directed by FTPS, implementation of Egypt's obligations and rights." the CD/WTO will carry out the following set of functions:

- 3.1 **Follow up implementation of FTPS strategy for systematic compliance with WTO related obligations and notification to WTO.** In this regard ensure that MoFT policies and priorities are fully observed and maintain close coordination with FTPS and liaison with all agencies responsible for compliance at operational level.
- 3.2 Ensure that the **Minister and other senior officials are well briefed** and can make sound decisions based on a viable range of options and complete information.
- 3.3 **Secure cooperation and support** from each of the agencies on National Committee.
- 3.4 Provide for **input from the private sector and other non-governmental interest groups**.
- 3.5 Coordinate, in consultation with FTPS, strategies for using WTO mechanism to **remove foreign trade barriers and promote Egyptian exports**.

4. Develop Institutional Capabilities Within CD/WTO

In order to achieve its objective of : "Develop organizational capabilities, management practices and operational systems so as to ensure that overall management and operational performance of CD/WTO remains efficient at all times and responsibilities assigned to the CD/WTO are efficiently carried out and its mission and objectives fully achieved." the CD/WTO will carry out the following set of functions:

- 4.1 Undertake a **reorientation program** through which staff working in CD/WTO are made aware of the mission, objectives, goals and functions of the CD, and the critical role staff has to play to achieve the objectives. In this regard spell out the management style that will be practiced, the international professional standards to be applied in regular work and importance placed on staff initiative and concept of “complete-task” responsibility and reward.
- 4.2 Develop and maintain high level **management capabilities within the CD** and ensure that management practices and operational systems foster team work, operational efficiency and optimal utilization of all resources allocated to the CD.
- 4.3 Introduce sound **organizational arrangement and management practices** within the CD/WTO to ensure that activities of the CD are properly planned, directed and coordinated, that there is sound team work approach and objectives are fully and timely achieved.
- 4.4 Introduce effective **operational systems and procedures** using appropriate information technology to ensure that all activities of the CD/WTO (research, negotiations, position analysis, presentations, etc.) are efficiency performed
- 4.5 **Legal Services:** Coordinate with FTSP requirements for legal services for CD/WTO, National Committee and other WTO related legal matters.
- 4.6 **Economic Analysis:** economic analysis on developments in Egyptian and international economy and their implications for Egyptian trade policies, maintain and update international economic databases, interface with other economic research institutes and economists in other agencies.
- 4.7 **Public Sector Liaison:** establishing and maintaining private sector/NGO advisory committee system and ensuring two way communication, briefing media on developments in Egypt’s trade policies, etc.
- 4.8 **Technical and Administrative Support:** providing support to CD/WTO in areas such as: information management, communications, interpretation/ translation, reference library, trade policy intra-net system, computer and communications equipment, document filing system, etc.
- 4.9 On the basis of annual work plan, develop **resource budget** (for personnel, financial, material, transport, facilities, supplies, etc.) and ensure that the resources are optimally utilized and fully accounted for as required by regulations.
- 4.10 On the basis of well prepared performance criteria and guidelines, **evaluate overall corporate performance of CD/WTO** and institute measures to ensure that overall performance of the CD/WTO continuously remain at the highest level.

5. Short Term Goals of CD/WTO

In order to achieve its short term goals and targets CD/WTO will undertake the following set of functions:

- 5.1 Initiate priority action on developing and implementing an **effective mechanisms for coordination**, through the National Committee and other means, with ministries, private sector, NGOs, and other external agencies involved in WTO related activities. In this regard CD/WTO will work closely with ATR team to set up an internal task force to examine the current situation and propose specific recommendations.
- 5.2 Take priority action, in cooperation with FTSP, to **develop a system through which awareness is created** among exporters, importers, manufacturers, producers, and general business community, regarding Egypt’s rights and obligations under the WTO agreements and functioning of the Central Department of WTO.

- 5.3 **Implement the approved proposals regarding establishment of CD/WTO institutional framework** (structure, management practices, staffing, administrative systems, logistics, etc.) to ensure long term performance effectiveness of CD/WTO, compatible with objectives outlined above.
- 5.4 As a matter of priority, develop and introduce a **system of preparing annual work plan** for CD/WTO and introduce performance criteria for major activities of CD/WTO against which the outcome of work plans and overall performance of CD/WTO are periodically evaluated

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Source: ATR Team Discussions, Discussion with Mr. Waleed and Mr. FAwzy, Previous Reports and WTO Documents

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