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(SEGIR)**

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PN-ACC - 900

**The Accession of Jordan
to the World Trade Organization**

Final Report

Submitted to

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ACRONYMS

ARD	Associates in Rural Development, Inc
BISD	Basic Instruments and Selected Documents
GATT	General Agreement on Tariffs and Trade (UN)
IPR	Intellectual Property Rights
MFN	Most Favored Nation
SPS	Sanitary and Phytosanitary
TBT	Technical Barriers to Trade
WCO	World Customs Organization
WP	Working Party
WTO	World Trade Organization

INTRODUCTION

The attached report responds to the questions raised in Contract No PCE-I-00-97-00038-00, Task Order #802, implemented by Associates in Rural Development, Inc (ARD) The information was developed during the period of February 21-25, 1998 in Washington, DC, and during the period of February 26-March 19, 1998 in Jordan During the period in Jordan, the study was conducted in an office provided by the Ministry of Industry and Trade, World Trade Organization (WTO) Accession Unit

Below please find "Conclusions and Recommendations" summarizing the answers to the questions posed Some of these proposals are under consideration or being acted upon by the Government of Jordan and USAID (Amman)

Conclusions and Recommendations

USAID should

- 1 Hire and brief a Jordanian lawyer to prepare the required service listings called for in ACC/5 He should also prepare a draft services offer The services offer should be submitted to the WTO concurrent with the tariff offer The tariff offer is now scheduled for submission in the first week in June
- 2 Provide, on a short-term basis, an agricultural (or subsidy code) expert to help with the preparation of the Squid agricultural submission (ACC/4)
- 3 Urge the Ministry of Industry and Trade to better institutionalize the WTO Office, and provide greater resources and a higher profile
- 4 Encourage the Jordanian government to establish a permanent structure for an interagency committee on WTO This committee would bring other agencies into the WTO process and provide, on a regular basis, necessary expertise
- 5 Suggest that while hiring additional staff, the office of the WTO bring in at least one person with sufficient experience to become Director of WTO in the unfortunate event that the current Director leaves
- 6 Provide funds for the establishment of a GATT/WTO library for the WTO Office A bibliography will be sent from Washington
- 7 Ensure that sufficient funding exists for additional computers, faster modems, copiers, and fax machines
- 8 Develop a reporting schedule for monitoring Jordanian implementation of WTO

- 9 Provide funding for the WTO training course for new WTO staff
- 10 Encourage the Jordanian government to designate a full-time officer in Geneva to monitor WTO activities during the accession negotiations and during implementation. After accession, this position would become the core of a permanent Jordanian WTO mission
- 11 Unless a candidate can be found who is a genuine WTO expert with WTO experience, drop plans for a long-term advisor in favor of short-term experts on various WTO subjects (Intellectual Property Rights [IPR], agriculture, dispute settlement, investment, etc) on an as-needed basis. Very few people are experts in all WTO areas, and a generalist with access to a library is not the sort of assistance that the Jordanian WTO Office needs
- 12 Establish an outreach program in cooperation with the WTO Office to educate the private sector about the WTO. Scant effort has been made to do this in the past and, as a result, there may be some unfortunate surprises if implementation is made in a comprehensive manner

I NEEDS ASSESSMENT FOR WTO ACCESSION BY JORDAN

A Jordanian Non-Compliance with the WTO

1.1 Determine what the state of GATT/WTO accession is (i.e., where are the gaps) Identify areas of non-compliance with the WTO and prioritize the areas Also determine key barriers for foreign and domestic investment in Jordan

The General Agreement on Tariffs and Trade (GATT) has been succeeded by the World Trade Organization (WTO)

The question/answer process in the Working Party (WP) will identify those areas where WTO members consider Jordanian practices to be inconsistent with WTO provisions This is a complex exercise that will eventually produce a Protocol of Accession This negotiation can proceed simultaneously with Access negotiations (tariffs, services, and agriculture) The objective of the Protocol is to bring Jordan into WTO conformance

Investment in Jordan is also a complex question WTO accession generally encourages investment by providing a stable trading environment However, political and cultural elements are often more significant considerations

B Time Line for WTO Accession

1.2 Determine how much time will be necessary to review the status of laws that pertain to WTO accession and provide a time line and work plan for such a review

The pace of the accession process is largely determined by the acceding country

- If the country (a) devotes adequate resources to the process and (b) is flexible in responding to interests of WTO members, the process can move quickly Lack of realization of either factor will inevitably slow the process
 - As can be seen from answers to the previous questions, at the moment, the Jordanian government is not devoting adequate resources to the accession process If resources are increased in the future, the pace can be increased
 - There is no adequate inter-departmental coordination mechanism in place to access resources available in other Ministries that have a stake in the negotiations (e.g., Agriculture, Industry, Foreign Affairs, Health, etc.)
 - Lack of inter-departmental coordination will inevitably slow Jordan's ability to respond when actual negotiations begin for goods and services market access commitments

- If parliamentary ratification is required to join WTO, the applicant country's membership can be delayed indefinitely (i.e., membership will occur only 30 days after the WTO receives the instrument of ratification from the parliament)

The current WTO work agenda, both for accessions and for general work, is overcrowded

- This can slow the accession processes
 - There are currently 31 accession applicants, at least 20 of which are in active negotiations at the present time. WTO meetings are rationed and the time that the major negotiating countries can devote to each accession is limited.
 - This situation will only get worse for accession applicants as WTO work turns to the built-in negotiating agenda, completing Uruguay Round transitional periods, and possibly launching a new round of negotiations.
- Only those applicants that are organized to (a) respond efficiently with necessary documentation, (b) develop an overall strategy to make the necessary changes to domestic law/regulation, and (c) obtain the necessary internal approvals to implement the strategy will see their accession processes move forward. In this regard, the Trade Ministry's thin resource base and lack of authority to require participation of other Ministries in the work will inevitably damage its ability to conduct the negotiations at the pace they wish.

Jordan's Time Line: The Government of Jordan has set an objective of WTO entry before the end of 1998

- Given current resources devoted to the project in the Ministry of Trade, and in the absence of a political determination by the Executive to authorize the Trade Ministry to coordinate inter-departmental approvals and use resources, this timetable is unrealistic
 - A realistic timetable with specific dates can be developed only when the level of resources available within the Government of Jordan are specified, and the negotiating team has been authorized to coordinate inter-Ministerial approvals and to draw on inter-departmental resources.
 - Any time line is at the mercy of events, both within the WTO and with other accession negotiations, and with developments within the applicant country.
- However, any timetable developed will involve realization of the same objectives
 - The attached time line outlines a notional work program for completing WTO accession by the end of 1999 and achieving WTO membership soon thereafter.
 - Revised dates must be filled in by the Government of Jordan, based on their own assessment of how fast they can move on these factors.

TIME LINE FOR WTO ACCESSION NEGOTIATIONS 1998-1999

- April 1998** Use technical expert to develop data required by WT/ACC/4 for presentation to July WP
- May** Hire and brief Jordanian Lawyer to (a) prepare WT/ACC/5 information on services regime for presentation to July WP and (b) block out possible draft services market access offer based on current practices
- Complete responses to questions from September WP and circulate for inter-Ministerial approval
- Review and ensure that all provisions of the WTO Agreements on Customs Valuation and Safeguards are covered in the texts of the draft Customs Law and Safeguards Law, respectively, that are currently before parliament, or in some other aspect of Jordanian law or regulations. Make necessary revisions and additions
- Initiate one-on-one discussions at the highest appropriate level with Crown and key Ministries to secure (a) participation and dedication by other Ministries of staff resources to negotiation, and (b) agreement on priority handling of requests for clearance/approval of Jordan government materials and positions for negotiation
- Late May** Secure necessary approvals from Ministry of Agriculture for draft WT/ACC/4 information
- Institutionalize inter-Ministerial coordination in a staff-level committee to support WTO accession team
- Reorganize WTO Office based on new staff hires for WTO negotiating team and institutionalization of inter-Ministerial coordination and support, for example
- Reorganize staff portfolios/responsibilities
 - Send one staff member to WTO training course
 - Develop internal WTO orientation seminar for new staff and for staff from other Ministries working on negotiation
 - Order materials for WTO Library
- Draft goods market access offer based on requests and internal analysis, and circulate for inter-Ministerial approval. Secure necessary support for draft offer from Chambers
- Finalize (based on requests and internal analysis) and circulate draft WT/ACC/5 and draft services market access offer for inter-Ministerial approval. Secure necessary private sector input and support

Early June Submit WT/ACC/4, WT/ACC/5, and responses to the questions to WTO Secretariat for translation and circulation to WTO members, both in hard copy and electronic format

Submit initial tariff and service offers to WTO Secretariat for translation and circulation to WTO members, both in hard copy and electronic format

June Develop and initiate plans for regular contact with Chambers to brief and discuss status and content of WTO accession negotiations and, later, WTO participation by Jordan

Initiate consultations with Chambers and Council of Ministers on need for new legislation

See Annexes A and B that list Work Programs for development of revised legislation implementing WTO provisions

**Early-
Mid-July**

Develop presentation for July 22 WP based on anticipated administrative and legislative changes reflecting consultations with the private sector/Ministries for future action, outlining Jordan's plan to bring its regime into WTO compliance

Schedule bilateral meetings with other delegations on the margins of the July 22 WP for initial discussion of goods and services market access offers, and on agricultural supports, based on WT/ACC/4 information

July 22

Third Meeting of the WTO Working Party for the Accession of Jordan

- Make presentation on protocol and market access issues, reporting on measures taken to date to address issues raised at September 1997 WP meeting. Receive additional questions and comments, respond as much as possible in meeting and promise written follow-up to any questions submitted in writing
- Offer to initiate bilateral discussions on market access and protocol issues during bilateral meetings, and seek specific and general views on Jordan positions tabled to date
- Ask WTO Secretariat to begin development of factual summary for circulation in advance of next WP meeting. Seek written questions to Secretariat prior to summer break or at latest by August 31. Seek next WP meeting in early 1999 (e.g., late January or early February)

- Late July** Brief other Ministries and private sector on results of July WP meeting and bilaterals, emphasizing comments and statements by WTO Members on (a) market access offers and (b) changes needed to achieve WTO consistency
Receive comments and recommendations
- August** Review/assess administrative and legislative strategy based on Work Programs outlined in Annexes A and B for implementation of WTO reforms in light of July 22 Third WP meeting results and Ministerial and private sector consultations
- Draft revised market access offers based on results/comments in July bilateral meetings and consultations with Ministries and private sector
- Prepare/transmit report to Crown on what will be required from the government and politically to (a) table revised offers and (b) implement administrative and legislative strategy, seeking renewed authority and support
- September** Secure inter-Ministerial and private sector commitment to address (a) reforms that require changes in current government policies and practices, and (b) additional legislation to implement necessary WTO-consistent mechanisms, per Work Programs in Annexes A and B, as revised, based on comments and statements of WTO Members at the July 22 meeting, on Ministerial and Private Sector Guidance received in July, and on Crown comments
- Secure inter-Ministerial and (as necessary) private sector approval/support for revised market access offers
- September-December** Develop responses to questions and other information requests received after July WP meeting, transmit to WTO Secretariat
- Translate existing laws and regulations requested by Working Party members at July 22 WP meeting and previously for transmittal to WTO Secretariat for circulation to WTO delegations
- Initiate Administrative and Legislative Work Programs as outlined in Annexes A and B, as revised based on level of support received
- See Annexes A and B that list Work Programs for development of revised legislation implementing WTO provisions*
- Send next WTO team staff to WTO training course

October/

November Transmit revised goods and services offers bilaterally to U S and other interested WTO members, meet bilaterally, as appropriate, with interested delegations on market access and protocol issues, possibly in capitals Revise goods and services market access offers based on bilateral meetings

November/

December Transmit written responses to questions and information requests, translated laws, and revised goods and services offers to WTO Secretariat for translation and circulation to WTO members

Brief Ministers and private sector on progress and preparations for next Working Party, based on bilaterals and status of implementation of Administrative and Legislative Work Programs

Assess progress towards completion of Administrative and Legislative Work Program

January/

February 1999 Fourth Meeting of the WTO Working Party for the Accession of Jordan

- Report on implementation of Administrative and Legislative Work Programs
- Conduct further bilateral market access negotiations on margins
- WTO Secretariat circulates “elements” of a draft WP report, seeks comments and additional questions within 30 days, and schedules next meeting for May

February

Consultations with other Ministries, Parliament, Chambers, and any other key government or private sector representatives on status/results of negotiations after Fourth Working Party (protocol and market access) and on status and next steps for Administrative and Legislative Work Programs

Based on consultations, seek renewed mandate for completion of Administrative and Legislative Work Program and additional scope for market access negotiations from government

Develop responses to questions and other information requests received after the Fourth WP meeting, transmit to WTO Secretariat

**February-
June 1999**

Continue implementation of Administrative and Legislative Work Programs as outlined in Annexes A and B, based on renewed mandates

See Annexes A and B that list Work Programs for development of revised legislation implementing WTO provisions

Send next WTO team staff to WTO training course

March

Review Secretariat draft of WP report, forward comments and responses to questions and other information requests received at the Fourth WP meeting to WTO Secretariat

Transmit revised market access offers bilaterally to remaining negotiating countries and to WTO Secretariat for circulation, schedule bilaterals

April

Secretariat circulates draft WP report based on WP comments by Jordan and WP members, revised offers, and responses to additional written questions

Conduct bilateral consultations, as necessary

May

Fifth WP convenes to go over draft WP report, hear Jordan's report on legislative implementation, and assess remaining issues. Comprehensive bilateral market access negotiations are held on goods, services, and agriculture on margins of the WP meeting with view to closing out

WTO Secretariat circulates revised WP report and schedules informal WP meeting in early July to finalize text

Internal government approves draft accession package emerging from Fifth WP and bilateral meetings. Parliament enacts remaining legislative elements

July

Informal WP meets to complete protocol package. WTO Secretariat prepares formal documents for circulation to WP

U S and EU conduct internal consultations/approvals of the accession package

September/October

Formal WP convened to approve draft WP report and protocol. Jordan reports on status of legislative and administrative implementation of WTO-consistent trade regime. Approved WP report and schedules forwarded for approval by the Ministerial Conference

December General Council approves Accession Protocol Package in name of the Ministerial Conference, consisting of (a) Protocol, (b) draft WP report, (c) schedule of commitments for services market access, and (d) schedule of commitments for goods market access including agricultural country schedule

Jordan signs its protocol and prepares required notifications due on date of accession

**December and
into 2000**

Jordan parliament ratifies the accession package Instrument of ratification transmitted to WTO Secretariat Thirty days after receipt of the instrument of ratification, Jordan becomes a member of the WTO

ANNEXES

(Note This list of recommended administrative and legislative changes is based on documentation supplied to the WP by Jordan to date, and may not be exhaustive Final determination of deficiencies in Jordan trade regime vis-a-vis WTO provisions will be determined through discussion with the Working Party)

Annex A Administrative Work Program *(Note To the extent that these changes do not require additional legislation, they should be enacted and implemented as soon as possible, and in no case later than a month prior to the final Working Party meeting where the accession package is approved)*

- 1 Ensure incorporation of the provisions of the WTO Customs Valuation Agreement into the customs facilitation program
 - Secure technical assistance, as necessary, to match WTO Agreement to Jordan regulations
 - Develop training program for Customs officials for full implementation by January 1, 2000
- 2 Identify and revise, as part of the customs facilitation program, any remaining taxes, charges, fees on importation that cannot be justified as fees for service and that are not applied at a rate that approximates the cost of the service provided, for example revise the fee of 0 10 percent levied on exchange permits for imports to cover the expense of receiving the permit, and not relate it to the value of the import, and revise current fees/taxes on (a) re-exported goods, (b) overtime wages for re-exported and imported goods, and (c) certification of invoices and certificates of origin to ensure that they are related to cost of service, not value of traded goods
 - Secure technical assistance as necessary
- 3 Identify and revise any current Jordanian import license requirements that do not conform to the operational requirements of the Import Licensing Procedures Agreement, and schedule revision to meet these requirements
 - Secure technical assistance, as necessary, to match WTO Agreement to Jordan regulations
 - Develop information outreach program to ensure that Ministries responsible for issuing licenses are aware of new procedures, with goal for full implementation by January 1, 2000
- 4 Develop a schedule for the elimination or replacement with WTO consistent alternatives any current quantitative import restrictions (or any measures of equivalent effect, like the ban on imports of salt and used cars) that are inconsistent with WTO provisions

(alternative measures might include legitimate safety or sanitary standards, non-discriminatory domestic taxes, revised tariffs or tariff-rate quotas, green box domestic supports, etc)

- Technical assistance to be requested of WTO Secretariat and WTO members as necessary
- 5 Identify necessary changes in Jordanian government procurement rules to permit accession to the WTO Agreement on Government Procurement, and initiate in-house assessment of which government departments could be offered for open procurement under the Agreement
- Send experts to meet with WTO member government procurement experts on margins of meeting of Government Procurement Committee to discuss how to prepare for negotiations (e g , review of regulations/legislation to identify needed revisions and entity list development)
 - Seek appropriate technical assistance for drafting
 - Have initial entity offer list and revised internal regulations in place by December 1999, and any draft legislation ready for submission
- 6 Initiate government-wide, in-house assessment of official support/subsidy programs for consistency with WTO Agreements on Agriculture and Subsidies and Countervailing Measures and develop a specific schedule for revision/elimination of those that are incompatible with WTO
- Work with interested WTO delegations based on initial information supplied for review by Second (agriculture) and Third (industrial) Working Parties
- 7 In the context of conversion of Jordan's agricultural import regulation to WTO-consistent measures, identify aspects of measures administered by the Agricultural Marketing Organization that operate to restrain imports, and develop plan for a revised program (e g , for seasonal restrictions on regional produce, develop seasonal tariff/tariff-rate quota program, administered on a Most Favored Nation [MFN] basis)
- Technical assistance to be requested of WTO Secretariat and WTO members as necessary

Annex B Legislative Work Program

- 1 Draft AD/CVD and Safeguard laws that incorporate the provisions of WTO Agreements on Safeguards, Antidumping, and Subsidies and Countervailing Measures
 - Technical assistance to be requested of WTO Secretariat and WTO members as necessary
- 2 Review legislation authorizing support and subsidies for domestic output, and draft appropriate remedial legislation to eliminate prohibited subsidies
 - As necessary, seek from WP specific transitional provisions to cover current programs and permit phased elimination for current recipients
- 3 Draft legislation/regulations that implement the institutional/procedural requirements of Agreements on Technical Barriers to Trade (TBT)/Sanitary and Phytosanitary (SPS) Measures, for example establishment of enquiry points, elimination of MFN/national treatment discrimination, development of draft legislation for prior publication for comment, notification of measures to WTO, risk assessment, recognition of equivalent standards, and use of sound science in development of measures
 - Technical assistance to be requested of WTO Secretariat and WTO members as necessary
 - Send experts on TBT/SPS with official responsibilities in Jordan to meet with WTO member experts on margins of meetings of the TBT and SPS Committees Seek assistance of appropriate WTO members' Official Standards offices
 - Review operation of application of TBT and SPS requirements to domestic and imported products to ensure MFN and national treatment is provided for imports Make necessary legislative and administrative changes to come on-line at the same time basic legislation comes into force
- 4 Draft legislation/regulations that implement customs requirements for preferential and nonpreferential rules of origin consistent with the Agreement
 - Technical assistance to be requested of WTO Secretariat and WTO members as necessary
- 5 Initiate conversion of import and export nomenclature to HS 96 customs classification system
 - Revised goods market access tariff offer should be issued in HS 96 nomenclature no later than prior to the Fourth WP meeting

- Technical assistance for full legal conversion of domestic tariff schedule to be requested of the WTO Secretariat and World Customs Organization (WCO), as necessary
- 6 Draft new laws/regulations to address requirements of the WTO TRIPS Agreement, and time line for implementation, based on bilateral work
- Jordan should present this proposal to the July 1998 WP, noting that change will be initiated during the accession process with a view to achieving a maximum level of compliance prior to completion of the negotiations
 - Technical assistance and advice to be requested from major interested trading partners to review current enforcement protocols to ensure that new requirements will be applied

C Inter-Ministerial Coordination

- 1.3 Examine the interrelationship between the various line ministries in Jordan as it pertains to WTO accession and recommend ways to improve the lines of communication between the concerned ministries on matters relating to WTO accession*

The attached summaries of interviews (see Appendix 3) with various concerned line ministries reflect a genuine interest in WTO accession and a desire to participate and contribute to the process

There is a significant need for some version of an interagency committee process to bring all interested ministries into the accession process. Such a system could provide important expertise and resources that are necessary for a successful accession. Communication between ministries currently appears to be minimal at best.

D Consensus Building

- 1.4 Determine how to work with other key Jordanian policy makers to explain why the GATT/WTO accession is important and to build a consensus for the effort*

An interagency committee system should involve policy makers within the government. When such individuals are personally active in WTO decision-making, they should begin to appreciate the significance of the organization for Jordan.

Outside of the government, the private sector decision-makers should also be engaged. This can be done by regular meetings with the Chambers and other private sector organizations. Briefings and involvement in the decision-making process not only expose the private sector to the WTO policy evolution, but also provide the Jordanian government with an extremely important information source on how WTO effects actual trade interests.

E Capability to Fulfill WTO Obligations

- 1.5 Determine what is needed to reinforce the Jordanian government's overall capability to fulfill obligations of membership in the WTO*

The actual obligations that Jordan must undertake will depend upon the outcome of the Protocol negotiations. If the decision-makers in the government, private sector, and parliament are involved in the process of developing the obligations, they are more likely to accept the outcome of the negotiations. This argues for an interagency committee system and regular consultation with the private sector and parliament.

The final outcome of the protocol and access negotiations will be implemented through laws and regulations. Those bodies that make these laws and regulations must be involved in the accession process through the suggestions described above.

F Technical Assistance Needs

1 6 Examine and analyze any previous technical assistance Jordan has received concerning GATT/WTO issues and any anticipated future technical assistance

Technical assistance to date has been modest, but little has been happening in the Jordanian government that required immediate attention Financing visits to Washington by the Ministry of Industry and Trade is a useful means of focusing attention on the WTO and should be continued Other key Ministries and agencies such as Agriculture, Customs and Foreign Affairs should also be considered for more exposure to the operations of the WTO in Washington and Geneva

Financing WTO training in Geneva is also an excellent long-term investment If the WTO staff does expand, a mixed program of Geneva training and training in Amman should be developed to bring along the new staff as quickly as possible Experts on various WTO issues could be brought to Amman to train several staff at a time to limit disruption of the WTO accession tasks

G Time Line and Work Plan

1 7 Develop a comprehensive time line and work plan covering what steps should be taken and when they should be taken in order for Jordan to fully accede to the WTO

See answer to question 1 2

II NEEDS ASSESSMENT FOR WTO OFFICE STRENGTHENING

2 0 *Assess institutional strengthening needs of the WTO Office relating to staffing, technical assistance, information resources, and management*

As stated previously, the WTO Office now has only two people—one experienced, one only beginning. Without an interagency system, this is insufficient to manage an early, or even moderately timely, accession. Training in the Geneva WTO program is planned for the recently hired officer, but is not certain. Technical assistance, reorganization of the decision-making process, and institutional strengthening will be necessary for accession to occur in a reasonably timely and efficient manner. These needs are reflected in the introduction of the report, under “Conclusions and Recommendations.”

A **WTO Office Staff**

2 1 *Ascertain the level of expertise of those who have been designated to work on WTO accession. Have they attended training seminars? How many times? What subject matters were covered? How many years has the core staff worked on GATT? What is their background? What is the turnover at the Ministry of Industry and Trade of the GATT-designated people? Is any additional staff recommended, either short-term or long-term?*

There are only two people in the WTO staff in the Ministry of Industry and Trade, neither of whom has had specific WTO training. However, the newly hired official is scheduled to go to Geneva for the WTO class. The last person on the WTO staff who attended WTO Geneva training left the staff shortly thereafter, but may be interested in returning.

In both the short and long term, the WTO staff should consist of at least four professionals, one of whom is trained in computers to be responsible for tariff and other work involving data manipulation. It should be kept in mind that WTO work will not end with accession. The day-to-day operation of the organization must also be monitored.

In addition to the staff in Amman and a functional interagency and private sector advisory structure, there should also be a full-time officer in Geneva designated to follow WTO activities. This likely would be less expensive than sending officials to Geneva for routine WTO meetings.

B **Staff Training Needs**

2 2 *Determine what training is needed for the WTO Office and who should provide it*

Training should fall into several categories. First, the training courses offered by the WTO in Geneva provide a useful introduction to the operation of the WTO system and should be utilized on the basis of available funds and the availability of suitable candidates.

Second, seminars offered in Amman, organized jointly by USAID and the WTO Office, should be considered. These sessions could be focused on introduction to the WTO, or on specific issues such as agriculture supports or Intellectual Property Rights (IPR). These sessions would not only expose a broader interagency group to WTO, but could be more cost efficient than Geneva training.

Finally, the interaction with the private sector could also be used as a teaching tool for the Jordanian government to engage the private sector in more informed discussion of WTO issues. This could be done in relatively short sessions focusing on specific issues that are particularly timely in terms of WTO activities.

C Types of Short-Term Technical Assistance

2.3 *Provide recommendations as to the types of short-term technical assistance needed and for how long.*

This question should be left up strictly to the Jordanians. If they have a technical problem that requires assistance and if funds are available, then that assistance should be provided. An important point here, however, is that assistance should only be provided by a real expert. If the problem could be solved by a gifted amateur, the Jordanians wouldn't need an expert.

D Long-Term Advisor

2.4 *Determine what type of long-term advisor would be needed, i.e., What background and skills should the advisor have? What are the basic tasks for the advisor? Where should the advisor be located?*

The concept of a long-term advisor is severely flawed by reality. The Jordanians will need expert assistance, not general advice. There are few, if any, real WTO experts on all of the subjects covered by this organization. For example, the current immediate problems facing Jordan's accession efforts cover tariffs, services, agriculture, and protocol negotiations. It is unlikely that an expert in all of these fields exists, yet a true expert is what is needed. The concept of the long-term expert should be dropped in favor of short-term experts, as needed by the Jordanians.

E WTO Information Needs

2.5 *Assess needs related to information resources. Analyze the quality and quantity of information on file in the WTO Office concerning WTO issues, especially any materials that concern other countries' WTO accession efforts. Are there any other information resource needs such as access to automated databases, computer hardware and software, the Internet, etc.?*

The WTO files have only recently been started and do not have a full institutional memory. This can be partially corrected by two improvements: a full set of Basic Instruments and Selected Documents (BISD), and a basic library of GATT reference books.

Many WTO documents are available on the Internet through the WTO homepage. Unfortunately, the modems now in use in the WTO Office are so slow that they render this useful reference source unusable. Faster modems are required.

F Recommendations

2.6 *Provide any recommendations on how to strengthen management structure and organization of the WTO Office.*

All recommendations are included in the answers to prior questions.

APPENDICES

Appendix 1 – Statement of Work

Appendix 2 – Outline for an Initial Tariff Proposal

Appendix 3 – The World Trade Organization Bibliography

Appendix 4 – Summaries of Interviews with Government Officials

APPENDIX 1

Statement of Work

1 Assess and report on requirements for Jordan to achieve accession to the WTO in a most effective and timely manner

The political will appears to be strong for WTO accession among high-level officials of all Ministries of the Jordanian government interviewed for this study. Unfortunately, the necessary resources have not been committed at the working level to facilitate a timely accession. At the moment, the Ministry of Industry and Trade, the lead agency for WTO accession, has only two officials working on the accession process on a full-time basis and one of these two is an entry-level official. This situation results in the government "putting all of its eggs in one basket." If the one experienced official did not continue to work on accession, the Jordanian government's efforts to join the WTO would be severely curtailed.

At the time of the initiation of the study, work had not begun on a Jordanian tariff offer. Although a database existed to produce raw information necessary for the preparation of an offer, the focus of work in the WTO Office centered almost exclusively on producing answers to questions raised in the Working Party (WP) process. While this exercise is important, offers on tariffs, services, and agricultural supports are necessary to move the accession process forward.

During the course of this study, a draft tariff offer (attached) was produced and the first steps for developing a services and agriculture proposal were suggested. Follow-up efforts by USAID will be necessary.

In addition to the extremely limited resources currently applied to the accession process, the institutional status of the WTO Office is inadequate for a timely accession. The WTO Office is new to the Ministry of Industry and Trade and appears to be treated as such. The WTO Office must be better integrated into the Ministry and have better access to the resources available in that Ministry. Further, most of the interagency input necessary for the accession process is achieved on an informal basis. The lack of a formal interagency structure is another detriment to the accession process.

The WTO Office does not have access to basic reference material relating to GATT/WTO. Without such a library, the lack of institutional knowledge is exacerbated. The development of such a library would be a force multiplier for the limited resources currently available. A bibliography is attached.

Current plans call for the hiring of additional personnel in the near future. While this is essential, training will be necessary before these new resources will be in a position to provide a useful contribution. Given the situation of only one experienced professional working on WTO accession, consideration should be given to hiring at least one middle-level official.

APPENDIX 2

Outline for an Initial Tariff Proposal

Problem Revenue and protection requirements as opposed to the requirement for a tariff proposal and the desire for a relatively rapid accession negotiation

A Proposal is necessary by the first week in June in order to be available six weeks before the July 22 Working Party Six weeks are required for study of the proposal by WTO members The proposal should be submitted in computer-readable form

	Current tariff
Imports	2,641,044,327
Exports	979,497,693
Weighted Average	16.47%
Revenue	435,011,715

CURRENT STATUS AND PROJECTIONS – SECTOR INITIATIVES

Zero for zero sectors established in the Uruguay Round

Trade Average for 1995, 1996, and 1997

Pharmaceuticals

Imports	83,741,686
Exports	102,256,588
Current Revenue	4,059,049
Weighted Average W/40%	4.85%
Weighted Average W/30%	4.85%
Revenue W/30%	4,059,049
Change in Revenue	0

Agricultural Equipment

Imports	3,952,419
Exports	26,280
Current Revenue	4,831
Weighted Average W/40%	12%
Weighted Average W/30%	12%
Revenue W/30%	4,831

Medical Equipment

Imports	32,226,397
Exports	439,792
Current Revenue	623,466
Weighted Average W/40%	1.93%
Weighted Average W/30%	1.70%
Revenue W/30%	547,717
Change in Revenue	(75,749)

Construction Equipment

Imports	23,520,822
Exports	1,238,711
Current Revenue	2,156,543
Weighted Average W/40%	9.17%
Weighted Average W/30%	8.91%
Revenue W/30%	2,096,669
Change in Revenue	(59,874)

Steel

Imports	151,386,789
Exports	5,200,084
Current Revenue	26,948,760
Weighted Average W/40%	17.80%
Weighted Average W/30%	16.12%
Revenue W/30%	24,398,945
Change in Revenue	(2,546,815)

Paper

Imports	79,551,297
Exports	25,850,689
Current Revenue	10,891,960
Weighted Average W/40%	13.69%
Weighted Average W/30%	12.61%
Revenue W/30%	10,031,692
Change in Revenue	(860,268)

Furniture

Imports	4,844,676
Exports	2,017,679
Current Revenue	1,937,871
Weighted Average W/40%	40%
Weighted Average W/30%	30%
Revenue W/30%	1,453,403
Change in Revenue	(484,468)

Toys

Imports	3,419,918
Exports	68,640
Current Revenue	1,367,967
Weighted Average W/40%	40%
Weighted Average W/30%	30%
Revenue Weighted W/30%	1,025,975
Change in Revenue	(341,992)

Other Sectoral Initiatives

Chemical Harmonization

Imports	310,295,672
Exports	16,180,865
Current Revenue	41,266,133
Weighted Average W/40%	13.30%
Weighted Average W/30%	12.14%
Revenue W/30%	37,655,770
Change in Revenue	(3,610~363)

Brown spirits and beer are not included for cultural reasons

Total Results of Tariff Reductions in above sectors

Current Revenues	89,449,354
Projected Revenues	81,466,825
Reduction	<u>7,982,529</u>

Current Weighted Average in Sectors	12.91%
Projected Weighted Average in Sectors	11.75%

The following is a description of a possible initial offer for WTO accession

- All of the above sectoral items with tariffs of 40% will be reduced to 30%
- All of the above sectoral items will be bound at current rates, including the 40% to 30% items (at the 30% rate)
- All other items will be subject to a 30% ceiling binding
- Textile items will be considered at a later date taking into account measures taken by other countries on items in this sector
- Jordan is considering the Information Technology Agreement
- Requests from individual countries will be considered on a case-by-case basis

APPENDIX 3

The World Trade Organization Bibliography

Two Centuries of Tariffs The Background and Emergence of the United States Trade Commission

John M Dobson

U S Government Printing Office Stock Number 049-000 00043-0

Trade Warriors USTR and the American Crusade for Free Trade

Steve Dryden, Oxford University Press, 1995

Reshaping the World Trading System A History of the Uruguay Round

John Croome, World Trade Organization

Publications Services, WTO

ISBN 92-870-1149-4

154, Rue de Lausanne, CH-1211 Geneva 21

E-mail publications@wto.org

The Results of the Uruguay Round A Guide

John Croome - Coming soon

Agreements in the Tokyo Round of the Multinational Trade Negotiations

Message from the President of the United States

96 Congress, 1st Session House Document No 96-153

The Results of the Uruguay Round of Multilateral Trade Negotiations the Legal Texts

GATT/WTO publication ISBN 92-870-1121-4

World Trade and the Law of the GATT (A Legal Analysis of the General Agreement on Tariffs and Trade)

John H Jackson, University of Michigan, Ann Arbor

1969 by the Bobbs-Merrill Company, Inc

Library of Congress Catalog Number 75-104048

Guide to GATT Law and Practice (Analytical Index)

6th Edition Geneva 1994

IV-1994-1300

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ISBN 92-870-1117-6

Strengthening the Global Trading System from GATT to WTO

Kym Anderson (Ed)

Centre for International Economic Studies, University of Adelaide, 1996

The Political Economy of the World Trading System from GATT to WTO
Berenard Hoekman and Michel Kostecki
Oxford University Press, Great Clarendon Street, Oxford, 1996

*The World Trade Organization Multilateral Trade Framework for the 21st
Century and U S Implementing Legislation*
Terence P Stewart (Ed)
American Bar Association, Section of International Law and Practice, 1996

*The World Trading System Law and Policy of International Economic Relations,
Second Edition*
John H Jackson
The MIT Press, Cambridge Massachusetts, 1997

International Trade Regulation
Edmond McGovern
Globefield Press
Exeter EX3 OHA, England

The complete set of Basic Instruments and Selected Documents Available from the WTO
Secretariat

APPENDIX 4

Summary of Interviews

1 Ambassador Nabil Talhouni, Director of Economic Affairs, Ministry of Foreign Affairs

He made the following points

- His Ministry is strongly behind WTO accession
- Foreign Affairs was once the lead agency on this issue, but over time has become less involved
- Now that activities appear to be increasing, he would like to see his Ministry become a (the) lead agency
- Jordan should have full-time representation in the WTO as soon as possible
- The WTO will become the most important specialized international organization in the future
- The WTO policy process should be opened to include more and different interests

1 Nathme Al Abdalla, Director General of Customs, Department of Finance

He made the following points

- The Government of Jordan depends heavily on tariffs for revenue (40%-60% depending on with whom one speaks) Any tariff reductions must be replaced with revenue from other sources (Most of this session was taken up with answering his questions on the concepts and operation of WTO, demonstrating only a passing understanding of the organization)

1 Hassan Saudi, Director for Standards and Certification

He made the following points

- The Government of Jordan is, or will shortly be, in full compliance with the Technical Barriers Code
- The Inquiry Point is already in operation (he gave a personal tour)
- All 1,100 Jordanian technical regulations are available in English
- Testing for compliance never takes longer than one week and goods can enter Jordan before the tests are completed
- Jordan already participates in ISO, CODEX, and other specialized international organizations in the fields of standards and certification
- There is a Board of Directors for his organization that includes experts and private sector representatives

**1 Talat Zanda, Division Chief for Planning
Fatah El Amolb, Maget Zarkru, Bra Al Atteeh, Mahmoud Nejdawi, Ministry of
Agriculture**

They made the following points

- All present maintained that they worked full- or part-time on WTO
- All present demonstrated little or no understanding of the WTO
- The information necessary for Agriculture's role in accession was available, but assistance will be necessary to put in the correct format