# WTO senior leadership: Towards a meritocratic selection process

A NEW REPORT FROM TOGETHER FIRST

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### **About Together First**

Together First was founded in 2018 to promote tangible campaigners and experts; former diplomats and policymakers; youth leaders and innovators committed to making change - in the short, medium and long-term - to create a global governance system that is effective,

In 2020 Together First held broad-based global consultations to identify workable options to address global risks which General's report "UN75: The Future We Want, The UN We Need" and circulated to world leaders in September 2020.

Together First is now supporting dedicated action on the reform goals contained in the to do list to make progress

The United Nations Association – UK provides the secretariat for Together First. We are grateful to the Global and to our partners, advisers and focus group members for

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### About this report

The Together First (TF) campaign is committed to advancing the best ideas for improving global governance.

Throughout 2020 TF ran extensive consultations, including thematic and regional dialogues with policy-makers and shapers, through an online portal to which individuals and organizations could submit ideas for global governance reform. This resulted in our Stepping stones report<sup>1</sup> that features 10 tangible objectives for global governance reform which should be a cornerstone of the international community's commitment to build back better.

One of the themes identified in the report was the need for better leadership and accountability. To achieve this, the erosion of trust in international institutions must be overcome which in turn requires more transparency, inclusion and accountability in decision-making processes, especially those relating to one of the most visible ingredients of any organization: its leadership.

Our international institutions need to be led by independent, principled individuals that reflect the people they serve in gender, age, nationality and race. Currently too many important appointments are earmarked for nationals from specific, often powerful, states or subject to mechanisms of regional rotation which can prevent the best candidate for the job from rising to the fore.

For the UN system to command authority and confidence, it needs to be seen to be applying the high standards of fairness and equality that it espouses from others. Weak, unaccountable, and highly politicised recruitment practices mean that senior appointments are often made in the interests of appointing the most pliant candidate, not the most effective one. The consequence is a system that is neither meritocratic nor diverse.

The topical issue of recruitment practices for the leadership of the World Trade Organization (WTO)

<sup>1</sup> Stepping stones for a better future

editorial contributions respectively, as well as to the research assistance of Antonio Gutierrez and Luis Corona. Biography.

is emblematic of the shortfalls in appointment standards across the UN system. The issue also represents a moment of opportunity given the change in US administration and the recent appointment of the new WTO Director-General (DG) Dr Ngozi Okonjo-Iweala.

We commissioned founding Together First member Professor Dr Edna Ramirez-Robles<sup>2</sup> to examine the issue in detail and make specific recommendations for strengthening the DG and Deputy Director-Generals (DDGs) appointment processes. Dr Ramirez-Robles is Professor of International Law at Universidad de Guadalajara, CUCosta, Mexico and an experienced consultant on international trade and investment issues (has advised +50 jurisdictions worldwide), a former Legal Affairs Officer at the World Trade Organization (WTO), Economic Affairs Officer at UNCTAD (Trade Facilitation) and Interamerican Development Bank (Trade and Integration Sector).

Together First would like to highlight four of the recommendations contained in the report with wider relevance across the UN system:

- The need to ensure meritocratic and inclusive processes for senior appointments
- The need to codify plans for transition periods to ensure leadership during periods when the head of an organization unexpectedly leaves office
- The need to engage relevant stakeholders, including external partners and civil society, in decision-making processes
- The need for members of international organizations to desist from putting undue influence on leaders to appoint their nationals or allies as high-level officials

If 2021 is to be the year we build back better, strengthening recruitment processes of senior leadership across the UN and its associated organizations, including the WTO, will be essential.

### The WTO in 2021: a challenging environment

The World Trade Organization (WTO) is the international organization that deals with global rules of trade between its members. Its aim is to ensure that trade flows as smoothly, predictably, and as freely as possible. It currently has 164 members representing over 98% of global trade.<sup>3</sup> It is a member-driven organization where most decisions are adopted by consensus.<sup>4</sup> However, it would not be able to operate without the assistance of a small but effective Secretariat comprising approximately 650 staff based at its headquarters in Geneva. This Secretariat is headed by a Director-General with the support of four influential Deputy Directors-General who by convention manage the thematic Divisions of the WTO Secretariat (e.g. market access, trade in services, intellectual property, legal affairs) and housekeeping matters among others.

At present the WTO faces a number of challenges. The Organization turned 26 in January 2021 amidst a global pandemic and an escalating trade war between the US and China. Additionally, since December 2019 the US has disrupted the Organization's ability to resolve the second instance of trade disputes by stalling the appointment of members as judges to the Appellate Body - the WTO's supreme court for trade disputes.<sup>5</sup>

Bevond these immediate crises, historic criticisms persist, with the Organization widely perceived as insufficiently equitable, dynamic, accountable, or inclusive.6

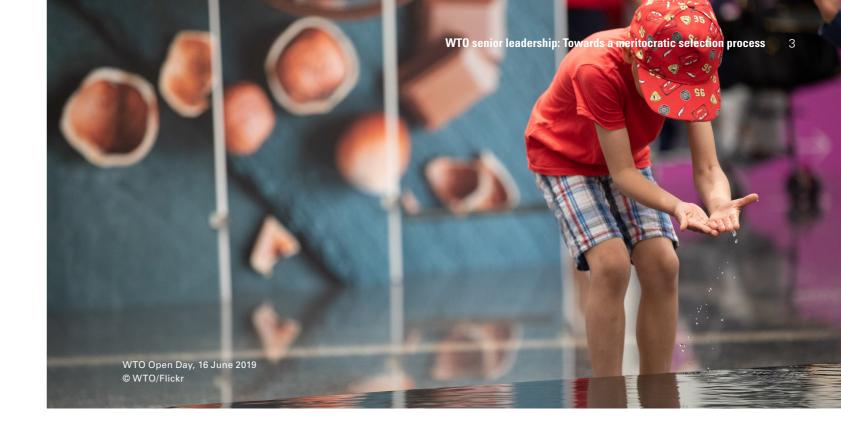
Against this backdrop, the WTO's DG unexpectedly stepped down on 31 August 2020, a year before the end of his tenure. The WTO was without a leader for five months (from September 2020 to February 2021), during which time the four DDGs were the highest authorities of the Organization. However, on 15 February 2021 Dr. Ngozi Okonjo-Iweala was formally appointed as the next DG, making history as the first woman to do so, and took office on 1 March 2021.

Dr. Okonjo-lweala faces the most challenging period of the WTO's history, with a necessity for urgent reforms, uncertainty as to the trade policies that the world's leading economy may implement and a politicised membership. Effective leadership of the Organization will be an important factor in addressing these challenges with success depending not only on the performance and perceived legitimacy of the DG, but also on the appointment of four highly effective and collaborative DDGs that carry the support of the entire WTO's membership.



<sup>3</sup> WTO | The WTO in brief

- <sup>4</sup> Except for some key decisions included in the Dispute Settlement Understanding (DSU)
- <sup>5</sup> Although 20 WTO Members established the Multi-Party Interim Appeal (MPIA) arrangement to temporarily substitute the appeal stage (based on Article 25: arbitration of the DSU)
- <sup>6</sup> Ramirez-Robles, E; A more equitable, dynamic and accountable International Trade System through WTO flexible & inclusive reforms in Roadmap for the Future we want & UN we need: A vision 20/20 for UN75 and beyond, Vol. II (UN75 2020 and beyond, Global Governance Forum, Washington, 2020), p. 44.



### WTO senior leadership – why it matters

Although the WTO is a member-driven organization, it has been acknowledged that the DG has played a fundamental role in facilitating members' decision-making processes.7 WTO DGs have been central at specific points of the history of multilateral trade. While the specific role has varied over time according to the existing needs of the Organization, their role in convening negotiations is key to achieving the often challenging-to-reach 164 members' consensus required for most decisions.8 Over time, a concentric circle approach to negotiations has emerged as the most effective way of reaching consensus.9 In this approach, the DG, together with negotiating group chairs, organise initial negotiations on an issue in small groups with key players. Once difficult points are resolved, convenors increase the number of participating members, a process repeated until overall consensus is reached.<sup>10</sup>

DGs have also played a crucial role in proposing drafts of specific texts. For example, members have already requested the DG to produce a proposal of the negotiated draft text with the greatest possibility of being acceptable to all members. This was the case in 2013 when DG Roberto Azevedo was instrumental in getting the Trade Facilitation Agreement (TFA) over the line. After 10 years of

- 8 Key dispute settlement decisions are taken through negative consensus
- <sup>9</sup> Steger, D; Future of the WTO: The Case for Institutional Reform, EL 12 (4) (OUP, Oxford, 2009), p. 812.
- <sup>10</sup> Steger, D; Future of the WTO: The Case for Institutional Reform, EL 12 (4) (OUP, Oxford, 2009), p. 812.

negotiations (with 17 versions of the draft text), members requested DG Azevedo to put forward a compromise proposal. With his knowledge of parties' red lines, the text he proposed was subsequently accepted.

In order for the DG to carry out their role in managing the Secretariat and convening members around thematic issues, the post-holder depends on the support of DDGs. During every DG term, DDGs manage different divisions of the WTO Secretariat. If a DDG's area of responsibility is the subject of substantive negotiations, they may work closely with the member's representatives chairing the negotiating groups, as well as with the directors of these divisions. At certain points, DDGs can even be considered as the link between members and the WTO Secretariat. Certain DDGs may also exert more influence than others, depending on the role that the chairperson of each negotiating group plays and of the status of the negotiations. For example, DDGs that deal with administrative issues or so called "housekeeping" may be closer to the WTO Secretariat directors of these divisions. This is because these divisions do not deal with negotiations, therefore there are no chairpersons (member's representatives) to work together with.

<sup>&</sup>lt;sup>7</sup> Steger, D; Future of the WTO: The Case for Institutional Reform, JIEL 12 (4) (OUP, Oxford, 2009), p. 812.



### Appointing the WTO Director-General

Over the WTO's 26 years, the DG appointment process has evolved in an ad hoc way. The appointments of the first three DGs (serving between 1995 and 2005) were appointed by members with no pre-established processes in place in a series of confidential elections. Consensus of WTO members was reached in the appointment of Renato Ruggeiro (1995-1999) as DG. However, for the following DG consensus was not achieved. This led to divisions between members and a resulting compromise where they split a proposed six-year term into two terms of three years for each of the two favourite candidates.<sup>11</sup> This solution was criticized in terms of planning and consistency.<sup>12</sup> More broadly, the lack of structure, transparency and accountability in the processes gave rise to negative internal and external perceptions of the legitimacy of the office. As a result, in December 2002 WTO members established a new procedure for selecting DGs.

Although with brief adaptative features in 2012, the 2002 procedure has remained in use ever since. This includes a comprehensive outline of the appointment and stipulations that the process should be conducted in "full transparency and inclusiveness at all stages". Key elements of this procedure include: identifying facilitators; a timetable; outlining basic qualifications and competencies required and the process for nominating candidates; the principle that nominations from all regions are welcome and that the decision should be made on merit (while stating that if two candidates are deemed equally qualified, regional diversity should be considered); an interactive dialogue between candidates and members; consultation to reach consensus; recourse to voting as a last resort, and; the establishment of term lengths (four years followed by a possible second term of up to four years).13

### The 2020 – 2021 DG's selection process, what happened?

The 2020 process saw eight highly gualified candidates nominated by their respective governments. All were invited to a General Council meeting to present their vision for the WTO, followed by a question-and-answer period. Following this, the Chair, with the assistance of the facilitators, consulted all members with the aim of identifying the candidate around whom consensus could be built - after this first round, four of the initial candidates withdrew. 14

<sup>11</sup> 1999-2002: Michael Moore (New Zealand) and 2002- 2005: Supachai Panitchpakdi (Thailand).

- <sup>12</sup> Jackson, J; Sovereignty, the WTO, and Changing Fundamentals of International Law, (Cambridge, Cambridge University Press) 2006, p. 176. Shaffer, Gregory, "The role of the director-general and secretariat, Chapter IX of the Southerland report, p.75.
- <sup>13</sup> General Council, "Procedures for The Appointment of Directors-General" WT/L/509. Adopted on 10 December 2002
- <sup>14</sup> Dr Jesús Seade Kuri (Mexico), Abdel-Hamid Mamdouh (Egypt), Tudor Ulianovschi (Moldova), Mohammad Maziad Al-Tuwaijri (South Arabia).

For the final two months of the process, the WTO General Council consulted further in order to narrow the field, following which two more candidates withdrew.<sup>15</sup> During the final stage of consultation, with two outstanding female candidates remaining - Yoo Myung-hee of South Korea, and Dr Ngozi Okonjo-Iweala of Nigeria - the Chair, with the support of the facilitators, identified Dr Okonjo-lweala as the most likely to attract consensus and recommended her appointment by the General Council. Her nomination received support from 163 of 164 members - however the US opposed, instead supporting the South Korean candidate. On 5 February 2021 the Office of the United States Trade Representative (USTR) announced its support for Dr Okonjo-Iweala due to the withdrawal of Yoo Myung-hee's candidacy.<sup>16</sup>

#### WHAT WENT WELL?

- **Consultation processes:** Closed door consultations with WTO members were conducted with the intention of avoiding the divisive practice of public votes. Although this may have slowed down the process, particularly because key WTO members have been fragmented in previous years, for the 2020 election this was not the case and the process was not impeded.
- Representativeness: The rules emphasised that procedures shall be inclusive and "where equally meritorious candidates, they shall take into consideration as one of the factors the desirability of reflecting the diversity of the WTO's membership in successive appointments to the post of Director-General". In the past, the DG position has consistently switched between developing and developed members. The former DG, Roberto Azevedo was originally from a developing country, from Latin-America, and a man. According to WTO custom, the next DG should have been originally from a developed nation, not from Latin-America, and a man (as it has always been). Surprisingly, the two finalists to be the elected DG were also originally from developing countries,<sup>17</sup> Nigeria and South Korea, and for the first time in its history a woman now leads the Organization.
- Meetings with candidates: Selected candidates presented their vision for the WTO to the General Council, followed by a question-and-answer period. This has been considered a good practice, to the extent that the UN Secretary-General adopted it.

While these positive steps were taken, there are still issues of concern.

<sup>15</sup> Amina C. Mohamed (Kenva) and Liam Fox (UK).

- <sup>16</sup> Office of the United S <sup>17</sup> Members respected what was recommended in the Sutherland Report: "any tendency towards alternating between developing and developed countries and any regional sequencing should be avoided Shaffer, Gregory, "The role of the director-general and secretariat. Chapter IX of the Southerland report, p.75.
- <sup>18</sup> The appointment process should have started nine months prior the expiry of the term of the DG in place and conclude no later than three months prior to the expiry of the DG. Candidates nominated shall have three months to make themselves known to members, and two months shall be devoted to selecting the DG.

#### WHAT NEEDS IMPROVEMENT?

- **Designation of an interim DG:** Members couldn't reach consensus when designating an interim DG leading to an ad hoc situation where the four DDGs led the WTO until Dr Okonjo took office.
- **Respecting deadlines for selecting the DG**: Due to the unforeseen resignation of DG Roberto Azevedo one year prior to concluding his term, established practice around deadlines to appointment his successor were not respected.18 Thus, provisions to make the selection process resilient in the face of such circumstances should be adopted.
- **Consensus:** Although 163 of 164 members agreed to the nomination of Dr Okonjo-Iweala, a single member dissented for five months. For that period of time, it was pending whether members would recourse to voting or find an agreement among them for appointing the next DG.



#### tive Statement on the Director General of the World Trade Organization

### Problems in the appointment of the WTO's senior leadership

#### LACK OF PROVISIONS TO DEAL WITH THE **EARLY DEPARTURE OF THE DG**

At present there is a lack of detailed provisions for selecting an interim DG, should the situation arise when the DG leaves office unexpectedly, as was made explicitly clear in June 2020. Current guidance for this eventuality merely states that members should appoint an interim DG from among the four DDGs - a task that in 2020 proved to be impossible due to a lack of consensus among members, particularly US, China, and the EU. This led to an unsettled situation for the WTO without a defined direction and a leadership role split between four DDGs functioning jointly as heads of the WTO Secretariat.

The inability of members to rally around a single DDG for the position is indicative of the politicisation of those positions. Contrary to the commitment of Secretariat officials - international civil servants - not all DDGs are necessarily seen as independent, rather, they are perceived as having loyalties to a certain member or group of members.

#### LACK OF PROCEDURES FOR THE DDGS' **APPOINTMENTS**

The next DG will need a highly qualified and effective team if they are to be successful in steering the WTO out of the crises it is currently facing. Foremost within this team will be the assistance of four DDGs.

While members have developed an increasingly comprehensive procedure for appointing the WTO DG, there is no similar level of detail on the process for appointing DDGs. At present it is merely a responsibility for the DG to make the appointments<sup>19</sup> in consultation with members. This gives rise to a highly politicized, often divisive, and time-consuming situation for the incoming DG to

contend with. Furthermore, it has allowed members that register the highest shares of international trade worldwide undue influence.

#### LACK OF GENDER BALANCE

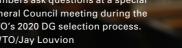
Perhaps most shockingly of all the inequalities apparent in the selection of DGs and DDGs is the gender imbalance. Until the appointment of the current DG, each of the WTO's five DGs had been male and just one from 20 DDGs has been a woman (Valentine Sendanyoye Rugwabiza from Rwanda serving from 2005 to 2013). The lack of a formal structure in the appointment process of senior leadership has given rise to an ad hoc appointment culture which fails to apply basic recruitment standards and best practice on gender parity.

#### LACK OF INCLUSIVENESS MEANS TOP TRADING NATIONS MONOPOLISE DDGS ROLES

In a shortfall which echoes the influence over top jobs across the UN system,<sup>20</sup> it seems that WTO members, particularly the most powerful traders worldwide,<sup>21</sup> award a DDG position to a national of their country. In the Organization's history, nationals from LDCs have only participated on two occasions, while 12 from developing countries, and 11 from developed nations. This results in telling scenarios such as the Organization's perpetual hosting of a US national as a DDG. There is also a strong European influence on the top WTO positions, having produced three out of the six DGs in the Organization's history (and during the periods where the DG has not been a European, at least one of the four DDGs has been). Once China occupied the third place on the share of international trade, and thus as contributor to the WTO budget, a Chinese national was included at the DDG level.22

<sup>19</sup> It is highly valuable that former WTO DG, Mr. Pascal Lamy launched a "public vacancy notice for DDGs" on the WTO website.

<sup>20</sup> In the UN secretariat context, States have repeatedly expressed concern that the permanent members of the Security Council (P5) extracted promises from candidates for Secretary-General in exchange for their support resulting in a de facto monopoly on key senior posts for their own nationals.





#### LESS INDEPENDENCE OF DG AND **REPUTATION AT THE TOP OF THE WTO**

The powerful, at times politicised, roles played by the DDGs undermine the independence of the DG. It is evident that not all DDG appointments are made solely by DGs in consultation with members - but rather the other way around, contributing to the perception of biased leadership within the Secretariat.

The Sutherland report<sup>23</sup> also recommended that members should "refrain from interfering with recruitments processes in the name of geographical balance or any criteria other than gualifications, suitability and potential performance".<sup>24</sup> The Report acknowledged that geographical balance helps members to feel comfortable when seeking advice or support from the Secretariat. However, this can be achieved on the "basis of recruitment of the best candidate without the heavy-handed intervention of governments and delegations".25 This report emphasises that "any appointee of quality and credibility must clearly distance herself or himself from past associations including geographical origin".<sup>26</sup> In an international organization there is little reason why particular nationalities should be continuously represented.

<sup>26</sup> Shaffer, Gregory, "The role of the director-general and secretariat. Chapter IX of the Sutherland report, p.75. <sup>27</sup> Statement by Amb. Ali Mchumo, Chair of the General Council, at the meeting on 06 October 1999, WTO/GC/27, 12 October 1999. <sup>28</sup> WT/L/207 WTO Secretariat and Senior Management Structure, Decision Adopted by the General Council on 24 April 1997. <sup>29</sup> WT/GC/W/74 Report of the Director-General to the General council on its Decision of 24 April 1997 "WTO Secretariat and Senior

<sup>30</sup> Shaffer, Gregory, "The role of the director-general and secretariat. Chapter IX of the Southerland report, p.75.

WTO senior leadership: Towards a meritocratic selection process

#### UNNECESSARY DDG RECRUITMENTS

The number of DDGs has also been subject to discussions.<sup>27</sup> In 1997 the General Council adopted a decision that requested the Director-General to submit a report with his recommendations on "how the functioning and operational efficiency of the Secretariat might be enhanced to meet challenges facing the organization, including through a rationalization of the senior management structure in the light of members' intention to reduce significantly the number of DDGs".<sup>28</sup> In its report DG Ruggiero presented different formulas with pros and cons of 1 DG and either 1, 2, 3 or 4 DDGs, and he recommended the 1DG/2 DDGs/1 ADG -Senior Director formula.<sup>29</sup> Afterwards, in 2005, at the Sutherland Report this issue was brought up again, as the "need for ensuring rationality in the procedures" for appointments was acknowledged.<sup>30</sup> However, members have not yet altered the amount of DDGs. In conclusion, despite experts (and even members in 1997) recommending a reduction in the number of DDGs, it seems to be convenient for members to keep all four spaces open. This may be because this is a space where members that trade the most worldwide have a permanent influential role at the top of the WTO Secretariat.31

<sup>&</sup>lt;sup>21</sup> Thus, members that contribute the most to the WTO budget, such as US, the EU and China.

<sup>&</sup>lt;sup>22</sup> Members' contributions to the WTO budget and the budget of the Appellate Body for the year 2012

<sup>&</sup>lt;sup>23</sup> In 2005 DG Supachai requested, to a Consultative Board conformed by experts in the field, to present: the Sutherland Report (on the means to improve WTO's efficiency). It discusses transparency and civil society, dispute settlement, decision-making, efficiency, and the role of the Director-General and the secretariat. The board concludes that institutional reform on these issues is required <sup>24</sup> Shaffer, Gregory, "The role of the director-general and secretariat. Chapter IX of the Sutherland report, p.76 <sup>25</sup> Ihid

Management Structure" (WT/L/207).

<sup>&</sup>lt;sup>31</sup> Donaldson, B; Reforming the process to select the UN Secretary General "Merit based appointments", Together First, 2020.

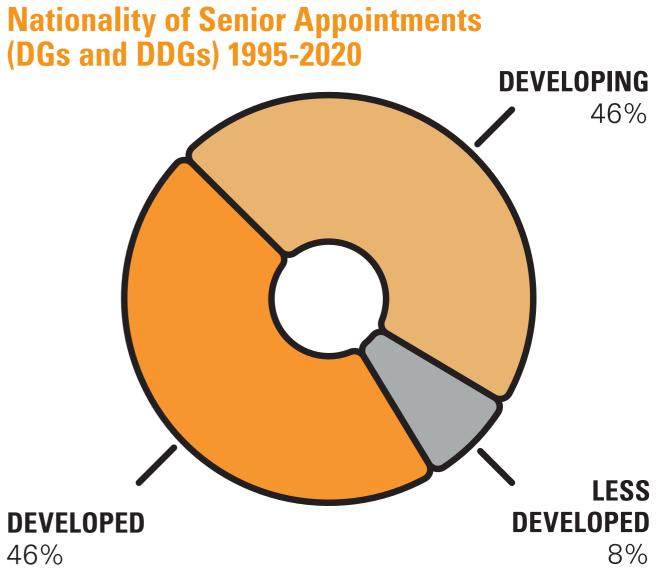
# WTO DGs AND DDGs NATIONALITIES

Term	DG	DDGs (Nationalities)	Region/Development/ Nationalities	Gender
95 - 99	Renato Ruggiero (Italy)	Anwarul Hoda (India) Jesús Seade (Mexico) Warren A. Lavorel (US) Chulsu Kim (Korea)	1 EU (DG) (Devpd = EU) 1 US (Devpd = US) 1 LAC (Dping = MX) 1 Asia (Dping = Kor) 1 SouthEast Asia (Dping = India)	5 male
99 - 02	Michael Moore (New Zealand)	Andrew Stoler (US) Ablassé Ouedraogo (Burkina Faso) Paul-Henri Ravier (France) Miguel Rodríguez Mendoza (Venezuela)	1 Pacific (DG) (Dvpd = NZ) 1 US (Dvpd = US) 1 EU (Dvpd = France) 1 LAC (Dvping = Venz) 1 Africa (LDC = BF)	5 male
02 - 05	Supachai Panitchpakdi (Thailand)	Rufus H. Yerxa (US) Roderick Abbott (UK) Kipkorir Aly Azad Rana (Kenya) Francisco Thompson-Flôres (Brazil)	1 SEAsia (DG) (Dvping = Thai) 1 US (Dvped = US) 1 EU (Dvped = UK) 1 LAC (Dving = Bz) 1 Africa (Dvping = Kenya)	5 male
05 - 13	Pascal Lamy (France)	Alejandro Jara (Chile) Valentine Sendanyoye Rugwabiza (Rwanda) Harsha Vardhana Singh (India) Rufus H. Yerxa (US)	1 EU (DG) (Dvped = Fr) 1 US (Dvped = US) 1 LAC (Dvping = Chile) 1 Africa (LDC = RW) 1 SEAsia (Dvping = India)	4 male 1 female
13 - 20	Roberto Azevedo (Brazil)	David Shark (US) *1st term Yonov Frederick Agah (Nigeria) Karl Brauner (Germany) Alan Wolff (US) *2nd term Yi Xiaozhun (China)	1 LAC (DG) (Dving = Braz) 2 US (Dvped = US) 1 EU (Dvped = Germany) 1 Africa (Dvping = Nigeria) 1 Asia (Dving = China)	6 male

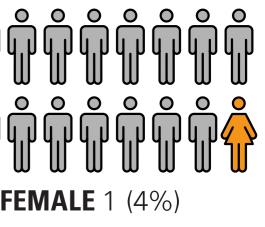
### **Gender Balance of Senior Appointments** (DGs and DDGs) 1995-2020

0 0 Ο 0 0 ^^^ 0 0 Ο **MALE** 25 (96%) **FEMALE** 1 (4%)

# (DGs and DDGs) 1995-2020







### Recommendations for strengthening WTO senior appointments

#### **RECOMMENDATIONS FOR STRENGTHENING DGS SELECTION PROCESS**

Although in 2012 there was an amendment of the DG's appointment procedures, these did not present substantive changes. The 2020 experience identified elements which are required to strengthen future selection processes, including:

**Clear provisions with specific** deadlines to reach consensus. In the event consensus is not reached, include "automatic" options (including negative consensus) to avoid any blockage.

Clear rules with specific deadlines for designating an interim DG, either from the existing DDGs or from any other feasible candidate that members reach consensus for.

**Clarifications over rules** around the presentation and withdrawal of candidacies.

Provisions for extending the DG position for a shorter time rather than for a full second term.

Rules to ensure continued leadership during the DG's absence (temporary or permanent).

A process for the involvement of other stakeholders in the process. For example, where consumers associations, NGOs, academics, etc. have a voice expressing their needs from the WTO.

A well-structured consultation process with members with deadlines and automatic procedures for the appointment if members do not progress in the specified timeline.

Creating Terms of Reference or a mandate for DGs.

#### RECOMMENDATIONS FOR STRENGTHENING THE DDG SELECTION PROCESS

It is recommended that members establish a well-defined procedure for selecting DDGs based on similar principles of meritocracy and inclusivity as enshrined in the DG process. In doing so the Organization would bring much needed transparency and credibility to the appointments while increasing the independence of the DG to appoint a senior leadership team representative of the wider of WTO membership. The following elements are required:

**Creation of Terms of Reference** or mandates for DDGs to provide clarity on areas of responsibility and justification for the number of DDGs appointed.

Increase the LDC representation in every term.

Consultation process with members with deadlines and automatic mechanisms to proceed with the process in the event members do not reach consensus.

- Terms of office (e.g. duration, functions, absence, etc.)
- Remuneration package
- Contract of appointment

Increase gender balance in every term.

Take into account merits of the candidates in conjunction with a true regional balance.

Prohibit repetition of nationalities from one term to another.

Adopt a transparent procedure outlining a merit-based and inclusive way to select future DDGs that sets out:

- Qualifications of candidates
- Timeframes for the process
- Nomination procedure (including reappointments)
- Representativeness of candidates

**Meetings of DDG candidates** in formal General Council meeting.

## CONCLUSION

The WTO needs major reform in its structures of leadership appointments in order to improve legitimacy, and increase transparency and accountability. Increased legitimacy of senior appointments will not only ensure external stakeholders will continue to respect the role and relevance of the Organization, but will also motivate members to engage with wider internal reform efforts. Moreover, by consolidating structures that ensure meritocratic, representative and transparent appointments, future leaders will embark on their tenure with the undisputed support of the Organization's membership.

WTO members should encourage inclusive geographical and gender representation, employing the most meritorious candidates without allowing constant repetitions of specific nationalities that have been continuously represented. If WTO members refrain from proposing specific candidates for DDGs positions, the next WTO DG will be able to appoint their DDGs based on merit, with due regard to gender and geographical balance, when electing their team. Otherwise, it is highly likely that the US, EU and China will follow precedent and decide three of the four DDGs. If this happens the Organization under its new DG will be denied the opportunity for a fresh start, and the leadership's ability to steer the Organization through the raft of transformations it needs will be hampered.

The ongoing practice of political appointments results in the WTO missing out on the best candidates for the job, stunting its potential and damaging its credibility. Conversely, appointing senior officials in a fair and merit-based process will enhance the legitimacy of the post-holder's offices and help good practices around transparency and professionalism permeate through the Organization.

As highlighted by former WTO DG Roberto Azevedo in his last WTO Public Forum in 2019, the WTO has not been inclusive enough. Appointing DDGs based on merit can help transform the WTO into a more inclusive, more accountable, and more transparent organization. Furthermore, to legitimize this appointment process, it will be fundamental to include other stakeholders in the process. The WTO, and the UN more generally, faces a huge challenge to address rising big-power tensions, including emerging trade wars. The opportunity presented by the arrival of a new US administration should be capitalized on to improve the Organization.

If implemented, the recommendations in this report will set the WTO on a much healthier, more resilient course and help establish the legitimacy and confidence the Organization needs to overcome the raft of trade friction which has been escalating between nations in recent years.



Visitors at the 2010 WTO open day look at an installation representing a set of rotating globes by artist Alex Flemming. ©WTO/Jay Louvion CCOVER IMAGE: A closer view of the educational and cultural activities on offer at the WTO open day in 2010. © WTO/Jay Louvion

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