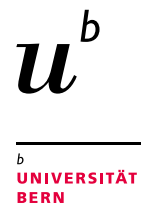


World Trade Institute

Annual Report 2015



A man with short, light-colored hair, wearing a dark blue suit jacket over a light blue button-down shirt, stands in a modern office. He is positioned in front of a large window that looks out onto a cityscape. The office interior is visible through the window, showing desks and other office furniture. The lighting is bright, suggesting daytime.

From the Managing Director

In this report we share some of what has been happening at the WTI this past year – in terms of teaching, research, and outreach. 2015 has been a year of change and growth here at the WTI.

The WTI moved into a new phase this past year, following the retirement of Professor Thomas Cottier at the end of 2014. Since then we have expanded our range of research projects, and have begun a major expansion of our teaching programs, with some of these changes having already been implemented. Much of this work will continue into 2016 and 2017. You can find out more in the Studies and Research sections of this report.

Another important initiative begun in 2015 is the expansion of our outreach program. This includes our consultancy work for private and public bodies. Major projects this past year include a report on the economic impact on the European Union Member States of the Transatlantic Trade and Investment Partnership (TTIP). More information on this and other recent work can be found in the Outreach section.

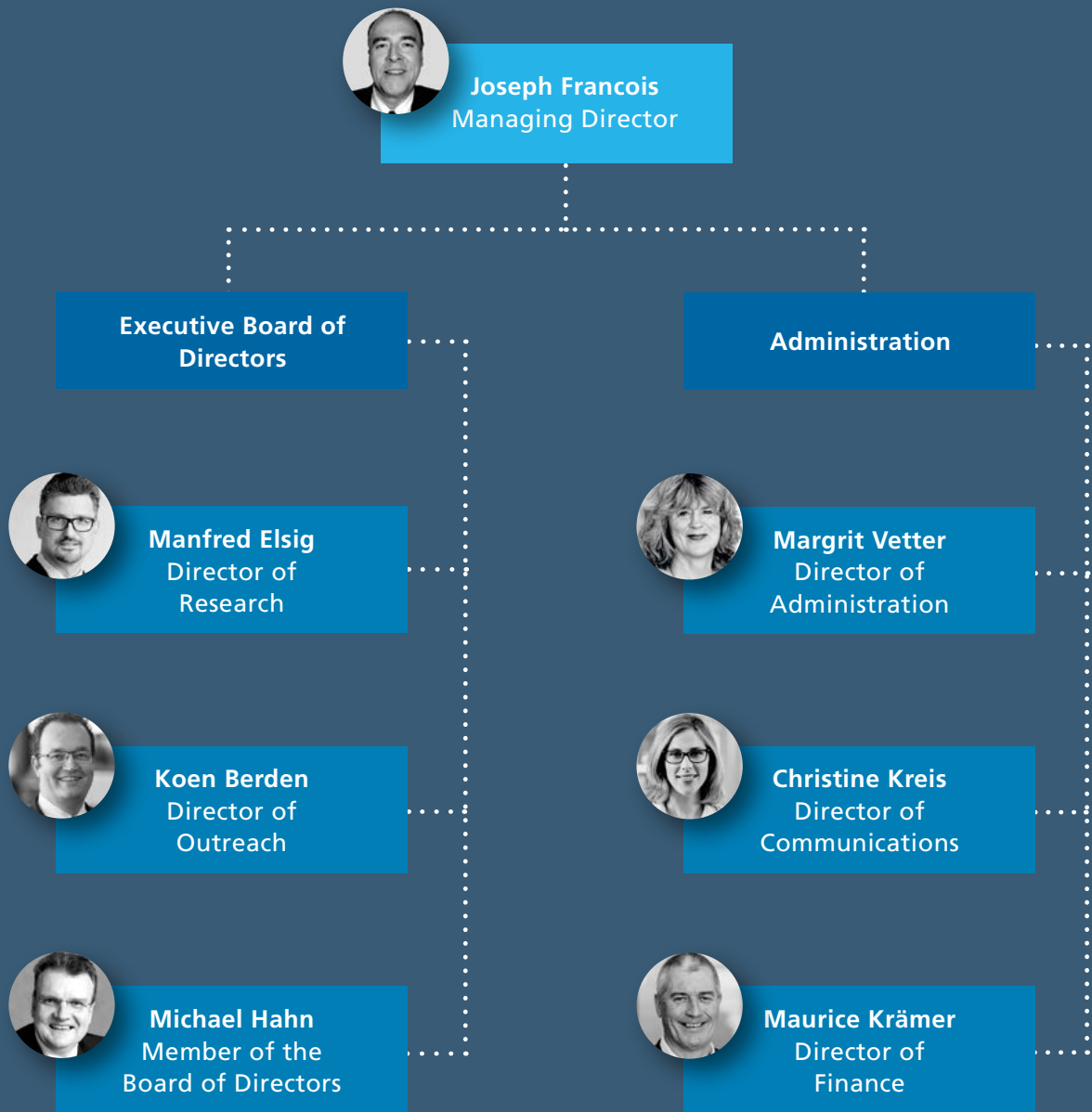
Finally, the WTI management team was strengthened with the recruitment of Dr Koen Berden, who joined us in late 2015 as Director of Outreach, and Prof. Peter Van den Bossche, who will join the WTI in 2016 as Director of Studies. We are delighted to have both of them on board.

Joseph Francois

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The Institute



The World Trade Institute was established in 1999 to train future practitioners and researchers from all over the world and to strengthen research capacities in the field of international trade and investment regulation. The WTI combines graduate-level education and interdisciplinary research in law, economics and political science, as well as specialised advisory services. We recruit students, researchers, faculty and employees from around the world, creating a diverse culture and stimulating environment.

Highlights of the Year

2015 was a year of transition at the WTI, with new leadership, a strengthened management team and a new vision for the future.

In December 2014 Thomas Cottier bowed out as Managing Director of the institute he had founded and led since its inception in 1999. For all the staff it was a sad occasion, but also a time to look back on all that had been achieved thanks to his vision. Professor Cottier's retirement ushered in a new era at the WTI. He was replaced by Joseph Francois, then as now deputy director of the NCCR Trade Regulation.

The WTI marked two important milestones in 2015. The first of these was the 15th anniversary of our pioneering interdisciplinary Master's course in International Law and Economics. This proved an opportune time to look afresh at the programme content and consider how to expand and improve on our teaching offer. Under Joseph Francois as acting Director of Studies the MILE team set about doing this, initiating changes to begin in 2016.

The second milestone was the 20th anniversary of the World Trade Organization. For two decades since the Uruguay Round of trade negotiations the WTO has shaped the global rules of trade between nations, opened markets and settled disputes. It remains a work in progress, confronted by new institutional challenges as the global economy is reshaped by the emergence of global production networks and new players. How the WTO faces these challenges was one of the questions addressed at the 2015 WTI World Trade Forum held on 25-26 September and dedicated to the WTO's 20 years of operation.

Attended by more than 150 participants from around the world, and attracting media attention in Switzerland, the Forum was declared the best to date.

The autumn months saw WTI faculty being boosted with the arrival of two new directors. Professor Michael Hahn, who serves on the WTI Executive Committee, took over as Managing Director of the Institute for European and International Economic Law of the University of Bern Law School, with which the WTI works very closely. In November Dr Koen Berden joined the WTI to lead outreach activities, which include expanding the reach of WTI networks, developing training sessions and short courses, offering advisory services and boosting the societal relevance of the WTI.

In other staff changes, two new academic coordinators were appointed to run the Doctoral School. Dr Ilaria Espa, who took up her position in November, is responsible for law and political science-related topics as well as general aspects. From spring 2016 Dr Octavio Fernández-Amador has responsibility for economics.

WTI communications were also enhanced in 2015, with the launch of a new, mobile-device friendly website in December. Along with social media and quarterly editions of the Trade Winds e-newsletter, the website continues to be an important pillar of external communications. Sixty news stories were published over the year, highlighting research and teaching activities. In 2015 there were more than 340,000 page views of the WTI website. With the relaunched website and an increased emphasis on social media, the WTI ended the year better placed to inform our network of all our activities and news.

Master's Programme (MILE)

The Master of International Law and Economics (MILE), established in 1999, remains the flagship educational offer of the WTI. In 2015, we graduated 27 talented students from 19 nations and welcomed another 20 students from 16 nations to embark on studies in the economic and legal principles of international trade regulation.

With the support of the Swiss State Secretariat for Economic Affairs (SECO) nine qualified students from developing countries completed the MILE programme and another seven commenced their studies in 2015. A number of individuals also joined the programme on a weekly basis to study topics of specific interest to them.

The MILE programme is taught by internal and external experts in the field of international trade regulation. In addition, the WTI employs an English language instructor who works with students individually and it has increased its support to students in academic and legal writing and reasoning. This offer has been very successful, supporting students in acquiring advanced language skills both oral and in writing. The Thomas Cottier prize for the best MILE thesis was set up in 2015 and will be awarded annually.

With 20-25 hours' teaching per week and 34 weeks of instruction as well as day-long exams on most Fridays, the MILE programme continues to be very demanding. The interdisciplinary nature of the course means students need to be open to new methodologies and ways of thinking. Many also face the challenge of studying in a language that

is not their native tongue. The in-depth knowledge they acquire on the MILE ultimately makes our students attractive candidates for work with international organisations, including the UN and EU, government ministries, academic institutions, global companies and internationally operating law firms.

In 2015 the WTI began discussions on developing additional academic programmes to meet the needs of today's students and professionals. These have now born fruit and regulations for a Diploma of Advanced Studies (DAS) and Certificate of Advanced Studies in Trade and Investment Law (TRAIL) have been submitted to the University of Bern's management. Additionally, there are plans to launch a combined LL.M. & DAS TRAIL in cooperation with the Law Faculty, as well as a new study track for the MSc. in Economics focusing specifically on trade economics in coordination with the Faculty of Social Sciences.



I have taught in the MILE programme since 2004. One of my biggest pleasures when I travel abroad is meeting former students who have assumed high posts in government, the private sector and academia.

Dr Arthur E. Appleton, Partner, Appleton Luff



Doctoral Programme

In 2015 there were 43 PhD students enrolled in the Law, Economics and Social Sciences faculties of the University of Bern and/or affiliated with the WTI's Doctoral Programme. Of the 43 PhD students, 26 were female and 17 male.

During the 2015 calendar year, the research output of PhD students included 1 book chapter, 1 NCCR research project working paper, and 8 conference presentations.

Dr Shaheeza Lalani resigned from the WTI in May 2015, resulting in a change in management. Dr Ilaria Espa (as of November 2015) and Dr Octavio Fernández-Amador (as of spring 2016) became the new Academic Coordinators for Law and Political Science and Economics, respectively.

The following courses and events were retained or made optional: the welcome and orientation session and tour of the law library and economics library of the University of Bern, one database training course, a citation software training course, the monthly seminar series on interdisciplinary texts under the guidance of Professor Elsig, one PhD Colloquium in the Spring, and an Autumn Retreat in the Bernese Oberland.

A highlight was the Doctoral Conference held at the WTI in October on the topic of Intergenerational Justice. This was organised within the framework of the Joint Doctoral Programme of the WTI and the Law and Philosophy faculties of the universities of Bern and Fribourg. The proceedings will be published by Brill in the WTI Advanced Studies Series.

Summer Academy

The WTI Summer Academy covers cutting-edge issues in investment and trade regulation and is designed for private, public and civil society professionals and higher-education students. In lectures, discussions and case studies, participants learn how to blend the policy aspects of trade and investment with thorough legal interpretation and economic analysis.



The Summer Academy at WTI has it all – academic rigour, inspiring lecturers with an extensive trade background, and fellow participants who add both to the fun and your network. And if that wasn't enough, you get to swim in the river, too.

Ingrid E. Persson, Trade Policy Advisor to Christofer Fjellner in the European Parliament



The 13th annual Summer Academy in Bern was attended by a total of 61 individuals from 30 different countries. Women made up more than half of participants and the majority were aged between 20 and 29.

The Summer Academy comprises five weeks of tuition that can be attended on an 'a la carte' basis. The five weekly modules in 2015 were: Week 1: Trade and Investment Law: Latest Trends in Jurisprudence; Week 2: Recent Developments in the Law, Economics and Policy of Contingent Protection; Week 3: Made In The World: The Trade Policy Implications of Global Value Chains; Week 4: Preferential Trade and the WTO: Addressing the Systemic Challenges; and Week 5: New Frontiers in Services Trade. A highlight for many students was a field trip to the WTO in Geneva at the end of the second week where they attended a series of presentations from distinguished specialists on 'Recent Developments in the Law, Economics and Policy of Contingent Protection'.

The Summer Academy 2015 was led by Pierre Sauvé, Director of Programme Development at the WTI, and taught by faculty members Joseph Francois, Manfred Elsig, Mira Burri, Pierre Sauvé, Thomas Cottier, Rodrigo Polanco and Stephen Gelb as well as Andrea Mastromatteo (WTO), Mark Koulen (WTO), Richard Bolwijn (UNCTAD), Sébastien Miroudot (OECD), Valerie Hughes (WTO) and Erik van der Marel (ECIPE).

Research

NCCR Trade Regulation

In 2015 the main research project at the WTI continued to be the NCCR Trade Regulation. This 12-year project financed by the Swiss National Science Foundation (SNSF) is coordinated by the WTI and includes research institutions from prestigious universities in Switzerland and abroad. It seeks to clarify how the world trading system functions and to explore the drivers of fragmentation and coherence. It aims to offer policy recommendations based on the disciplines of law, economics and political science through its six thematic research areas: trade governance; new preferentialism in trade; innovation and creativity in international trade; trade, development and migration; trade and climate change; and impact assessment in international trade regulation.

Almost 1,000 publications have been produced over the past ten years (see figure 1). As the NCCR comes to an end in 2017, we are completing research on each of the themes, engaging in dissemination activities and planning new spin-offs from the NCCR, such as the elaboration of new impact assessment tools for trade and investment agreements, the study of the migration-climate change nexus, and labour rights in emerging economies.

The SNSF contribution in 2015 was CHF 1.8 million.

The NCCR-financed Design of Trade Agreements (DESTA) collaborative project continues to systematically collect data on the contents of preferential trade agreement (PTAs). It is the largest database of its kind, offering specific information on individual content features



and a series of indicators for the depth, flexibility and enforcement of these agreements. The DESTA website (www.designoftradeagreements.org) is attracting the attention of researchers and practitioners worldwide.

Additional research projects that commenced in the past year complement and enlarge the existing research agenda of the NCCR.

Research for Development (r4d) Employment Project

This project financed by the SNSF and the Swiss Development Cooperation studies the impact of various development policy instruments on the quality and quantity of employment in six developing countries: Bangladesh, Ethiopia, Ghana, Madagascar, South Africa and Vietnam. Analytically, the policy instruments studied are related to three key mechanisms that usually facilitate development: integration in international markets, technological upgrading and labour market restructuring.

The main partners include: Addis Ababa University, Foreign Trade University, Hawassa University, Institut National de la Statistique Madagascar, International Trade Centre, University of Dhaka, University of Geneva, University of Ghana, University of Witwatersrand.

The project runs for six years. The annual budget in 2015 was CHF 785,700.

Figure 1: NCCR Trade Regulation output data and knowledge transfer



Research for Development (r4d) Towards Food Sustainability

The aim of the project is to provide evidence-based scientific knowledge as a basis for formulating and promoting innovative strategies and policy options to improve the sustainability of food systems. The R4D Food Sustainability project is a recognised partner of the Sustainable Food Systems Programme of the United Nations Environment Programme (UNEP). At the WTI research is being conducted into the economic legal regimes that shape food systems in Kenya and Bolivia.

The main partners include the Centre for Development and Environment (CDE) as a leading house (University of Bern), the WTI, the Institute of Social Anthropology (University of Bern), the Geneva Academy of International Humanitarian Law and Human Rights, and research institutions in Kenya and Bolivia.

The project runs for six years and has an annual budget of CHF 560,000.

PRONTO

A collaborative research project on regulatory barriers to trade, PRONTO is supported by the European Commission under the FP7 Research Framework. It aims to build a network across the research and stakeholder communities working on a better understanding of non-tariff measures affecting international trade and investment. PRONTO is managed by the WTI.

Academic Partners: University College Dublin, ECORYS Nederland, London School of Economics and Political Science, University of Milan, Centre

Studi Luca D'Agliano, Ecole d'Economie de Paris, Stichting Dienst Landbouwkundig Onderzoek, Athens University of Economics and Business, Wiener Institut für Internationale Wirtschaftsvergleiche, University of Surrey, Centre for Economic Policy Research.

External Partners: UN International Trade Commission (UNITC), United Nations Committee on Trade and Development (UNCTAD), European Commission, DG Trade, World Trade Organization, World Bank, Organization for Economic Cooperation and Development (OECD).

The project runs for five years and has an annual budget of CHF 600,750.

Common Concern

The project 'Towards a Principle of Common Concern in Global Law: Foundations and Case Studies' funded by the SNSF explores the legal potential of the emerging doctrine of Common Concern of Humankind ('Common Concern') in responding to collective action problems caused by a lack of appropriate institutions on the global and the European levels.

The project runs for three years and has an annual budget of CHF 165,288 for 2015.

SNIS Project

The collaborative project 'Diffusion of International Law: A Textual Analysis of International Investment Agreements' financed by the Swiss Network of International Studies (SNIS) examines the design, evolution and effects of the international investment agreements (IIAs) currently in effect. It has two main

objectives. First, the creation of a new database of IIAs that complements existing endeavours, including texts of bilateral investment treaties (BITs), and the relevant parts of PTAs and other IIAs (WTO and double taxation treaties) in one single format and standardised by language. Second, this new database will help answer a set of important questions related to the design, evolution and effects of IIA. From a policy standpoint, the project will develop a new toolkit that can be used both in treaty negotiations and arbitration.

Led by the WTI, it involves universities in Switzerland (University of Zurich and University of Bern, the Federal Institute of Technology, Zurich, Graduate Institute of International and Development Studies) and abroad (Tulane University, Universidad de Chile, University of Maryland, University of Victoria) as well as the World Bank Group.

The project runs for two years and has an annual budget of CHF 140,000.

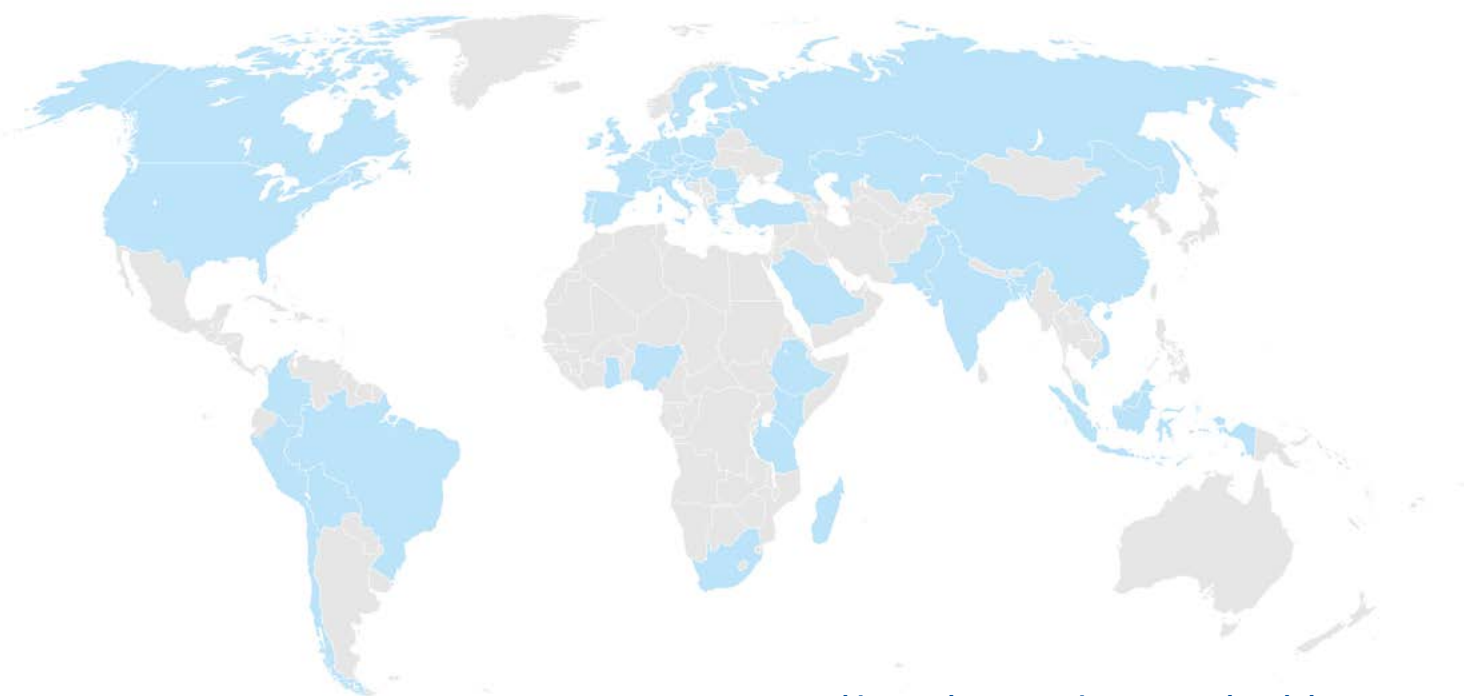
COFUND International Trade (COFIT)

The EU-funded Marie Skłodowska-Curie COFIT programme concluded at the end of 2015. Four fellows successfully completed two-year research projects. The project ran for four years and had an annual budget of € 83,707, of which 40% was funded by the EU Commission and 60% contributed by the NCCR.

SECO Project

The SECO/WTI Academic Cooperation Project is a comprehensive six-year academic capacity building project focused on training in trade regulation and building regional research capacities.

International Cooperation



Initiated and funded by the Swiss State Secretariat for Economic Affairs (SECO), the WTI is its implementing agency.

The partner institutions are the Mandela Institute / University of the Witwatersrand (South Africa), the Pontificia Universidad Católica del Perú (Peru), the Foreign Trade University (Vietnam), the Institute of International Studies / Universidad de Chile (Chile), and the Universitas Pelita Harapan (Indonesia).

The project involves a number of knowledge transfer activities between the WTI and the partner institutions as well as among the latter (South-South academic cooperation).

After the end of the initial term of the project, the project was carried forward for a second two-year phase that will end in March 2017. It has an annual budget of CHF 1 million.

Working and cooperating across the globe

As the map shows, the World Trade Institute is active globally (blue areas). Through its research projects – such as the NCCR, DESTA and PRONTO – it is connected to almost every country of the world. But the WTI's international links are no less impressive in the core areas of study cooperation, outreach, collaboration and formalised cooperation with international institutions and organisations through Memorandums of Understanding.

The WTI has particularly strong links with India and Canada, Austria, Bangladesh, Belgium, China, Colombia, Italy and Vietnam.

WTI Outreach strategy for 2015-2018

This is based on four interconnected key aims:

1. To evaluate and – selectively – increase the global number and quality of international cooperation agreements with partners (academic, think tanks, private sector);
2. To continue to provide a focused list of training offers and courses on trade and investment;
3. To continue and build on the Institute's ongoing work in applied research and advice for a broad range of public and private sector clients;
4. To present WTI outputs externally and further WTI participation in (local, national and international) policy discussions and debates.

Examples of WTI advisory services

Each year, the WTI engages in interesting research-based contract work for a range of public and private clients in the fields of international trade, trade law and investment. The following projects reflect the variety and extent of the work done over the past year.

- For the UK government, the WTI carried out an impact assessment of the possible effects of an EU-India BTIA from the point of view of the UK and EU27 as well as for India and third countries. The study found significant positive effects for the UK, EU27 and India in absolute terms. In relative terms the effects were largest for India.
- The WTI examined the implications of a potentially new constitutional provision regarding food security for Switzerland's future trade negotiations and compatibility with the country's
- For a large global bank, the WTI predicted global and sectoral trade flows, using advanced econometric forecasting (Bayesian) techniques. Each quarter the client was provided with new updates on expected developments in – and drivers of – global trade. This was done at the aggregate (i.e. total trade) level as well as at sectoral level.
- Professor Thomas Cottier of the WTI, together with Professor René Matteotti, University of Zurich and Baker & McKenzie, explored the constitutionality and WTO compatibility of a newly proposed tax regime for alcoholic beverages. On the basis of the legal opinion submitted to the federal government, the project was stalled in parliament.
- The TTIP and the EU Member States study on the effect of TTIP on the different EU Member States disaggregated the expected effects of TTIP for each of the EU Member States

The Board of Directors of the WTI seeks to consolidate and strengthen the global presence of the WTI as a Centre of Excellence on trade and investment related issues in part through 'reaching out' to wider society. As a result, the institute appointed Dr Koen Berden Director of Outreach at the end of 2015. Dr Berden is responsible for the WTI's international relations, advisory services (contract work), and outreach (raising brand awareness).

He brought with him a combination of contract-work experience for a wide range of public and private clients (e.g. the European Commission, national governments, donors, large private clients) and extensive experience in building international (academic) networks and relations (e.g. cooperation between academic institutions).

current obligations under international trade law. It found that the new provision would be compatible with existing obligations under the WTO and existing FTAs, but would have a narrowing effect on the scope of trade negotiations.



in terms of GDP, trade in goods and services, investments and price changes. It found that TTIP impact per EU Member State can vary considerably. The study also highlighted some of the contentious or important TTIP issues – like ISDS, social & environmental protection, SMEs, regulatory cooperation, and the effect on the EU internal market – in thematic inserts. The report is available digitally at: <http://www.wti.org/research/publications/934/ttip-and-the-eu-member-states/>.

- Funded under a USAID programme, the WTI helped the Vietnamese government to build capacity for trade policy analysis, especially in light of the concluded negotiations for the TransPacific Partnership (TPP) of which Vietnam is part. The project included cooperation with and training of ministry officials on partial and general equilibrium modelling techniques, TradeSift, and drawing policy-relevant recommendations from the analyses.
- As part of a World Bank team, WTI experts helped the government of the Republic of Kazakhstan design a post-accession implementation roadmap, particularly focusing on investment climate reforms. This project ran from January to June 2015.

Alumni

When we welcomed the 16th MILE intake to Bern in 2015, a total of 498 students from 101 countries had passed through the institute's doors. Many have gone on to carve out highly successful careers – often following an internship at an international organisation in Geneva.

Almost half of our alumni (40%) work in the private sector (e.g. Price Waterhouse Coopers, Qualcomm, JP Morgan), for international law firms (Sidley Austin, White & Case, WilmerHale, etc.), or as independent consultants. Approximately 25% of MILE alumni are employed by their respective governments (often in trade, foreign or economic ministries). Roughly 25% of former MILE students work for international organisations (e.g. WTO, UNCTAD, WHO, UN, ACWL). Some 5% are employed by non-governmental organisations (ICTSD, South Centre) and associations and a further 5% of graduates pursue an academic career.

The WTI is proud of its alumni and makes an effort to maintain close relations with them. We send a monthly e-newsletter with information on trade-related job postings, events and programmes to all former MILE students.

In 2015, the WTI started a mentoring project in which MILE alumni support current students. The mentoring programme is one of the core elements of the WTI's alumni network and links MILE students with alumni on a thematic or regional basis. The underlying idea is to support students to establish themselves professionally with the help of our alumni network. In some cases the mentor also supervises the student's Master's thesis or gives guidance during the MILE programme. The WTI connects students with alumni by matching mentors and



mentees in a personalised manner. This year, 12 mentoring groups were formed. Over the past year, several alumni networking meetings took place in different parts of the world. As part of the 2015 World Trade Forum, we planned an alumni meeting in Bern in which more than 50 alumni and students participated. Other meetings were organised in Delhi, Hanoi, Johannesburg and Geneva. In each case, the get-togethers were linked to presentations and roundtable discussions by WTI and NCCR Trade Regulation researchers.



I chose the MILE Programme because of its interdisciplinary focus, always addressing complex trade issues from both the economic and legal perspectives, and its diverse faculty, composed of practitioners and academics of the highest level.

Jimena Sotelo, MILE 15 Student
International Centre for Trade and Sustainable
Development (ICTSD)



Financial Statement

Actual 2015						
	WTI	Graduate School	Subtotal WTI	Research	Outreach	Total WTI
Income						
Income (net of contributions to partners)	2,414,133	880,657	3,294,790	2,424,326	0	5,719,116
Expenses						
Personnel Cost	645,700	214,838	860,538	2,146,098	0	3,006,636
Other Expenses	1,749,589	671,092	2,420,681	-81,471	0	2,339,209
Total Expenses	2,395,289	885,930	3,281,219	2,064,626	0	5,345,845
Reserve (before carry over balances)	18,845	-5,273	13,572	359,700	0	373,271
Carry over balances	930,857	0	930,857	1,269,466	0	2,200,323
Deferral booking bank and cash balances	11,412		11,412			11,412
Reserve (after carry over balances)	949,701	-5,273	955,840	1,629,166	0	2,585,006

- Total income in 2015 was CHF 5.7 million and is forecast to come in at CHF 5.2 million in 2016. Income is always stated net of contributions to sub-partners in research and outreach projects. The decrease in income from 2015 to 2016 can be attributed to a reduction in funding in 2016 from the Swiss National Science Foundation (SNSF) for the main WTI research project, NCCR Trade Regulation, which will conclude in 2017.
- 80% of income is funded by sources other than the University of Bern.
- Outreach activities began in the last quarter of the year, but no income and costs are booked for outreach in 2015. As many activities are still in the start-up phase, the contribution of outreach to reserves is forecast to remain negative in 2016.
- Total reserves (after carry-over balances) are projected to decrease from CHF 2.6 million in 2015 to CHF 1.7 million in 2016. The main reason for this is a 'technical' effect as mentioned above, linked to the end stages of the NCCR. The tranche received from the SNSF in 2016 for the NCCR project is lower than projected costs and will therefore directly affect NCCR-related reserves. This was planned for, and the project will not exceed its budget.
- Disregarding this 'technical' effect, core reserves stood at CHF 1 million at the end of 2015 and are projected to total CHF 0.8 million at the end of 2016.

www.wti.org



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