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Summary of the UNCTAD side event

Aid for Trade: Perspectives of regional commissions

Summary prepared by the UNCTAD secretariat

Introduction

1. The Aid for Trade side event at UNCTAD XII was organized by the regional commissions of the United Nations. The objective was to provide countries, subregional organizations, donor countries, civil society and multilateral agencies attending the Conference with perspectives from the different regions, in particular how the regional commissions saw the implementation of Aid for Trade. The side event was chaired by Mr. Daniel Neo Moroka, Minister for Trade and Industry of Ghana. In his opening remarks, the Executive Secretary of the Economic Commission for Africa (ECA); Mr. Abdoulie Janneh, the current coordinator of the United Nations Regional Commissions, focused on issues that required urgent answers at both the national and regional level if the implementation of Aid for Trade was to become a reality. Countries had to move to the implementation phase by identifying clear, bankable projects in line with the priorities of Aid for Trade. The Deputy Director-General of the World Trade Organization (WTO), Ms. Valentine Rugwabiza, described the special nature of the Aid for Trade (AFT) initiative, given that WTO was not a development institution. She noted the convergence in the priorities identified in the various regional reviews carried out in 2007 and informed delegates of the upcoming activities and initiatives as part of the implementation of the “road map” for 2008.

2. The Secretary-General of UNCTAD, Mr. Supachai Panitchpakdi, urged delegates to recognize that time was pressing and that while the AfT initiative had become part of the Doha Round, it was not part of the Single Undertaking. The United Nations could play a strong role in fast-tracking the implementation of the initiative, especially through the Trade and Productive Capacity Cluster of the United Nations Chief Executives Board (CEB). In particular, the comparative advantage of the United Nations regional commissions had to be leveraged to ensure successful AfT implementation. The President of UNCTAD XII, Mr. Joe Baidoe-Ansah, trade minister of Ghana, noted that the implementation of the Aid for Trade initiative would be challenging and called for a wider United Nations effort to implement it, as that would give it the requisite multilateral focus.

Regional perspectives

3. The Executive Secretary of ECA made a presentation on moving forward the agenda of the AfT initiative for the benefit of African countries. AfT implementation had to be immediate and concrete. The development of African countries might be limited if trade was not fully exploited, so countries had to move fast to prepare bankable projects for financing. The AfT objectives would need to match the trade challenges in Africa if the continent was to be successfully integrated into the global economy. The success of AfT in Africa depended on political leadership, regional approaches and ownership. The ECA strategy for ensuring that African countries benefited from the AfT was described, with special attention being paid to the role of the African Trade Policy Centre (APTC) in assisting regional economic communities in aligning national and subregional AfT plans.

4. The Executive Secretary of the United Nations Economic and Social Commission for Western Asia (ESCWA) spoke about ways to promote AfT in West Asia. Although the region was both a recipient and a donor of official development assistance, it could still benefit from AfT support in addressing supply-side capacities and market-access challenges. To ensure the success of the AfT initiative, national Governments needed to develop trade strategies and to mainstream them, as well as to invest in identifying priorities. An inclusive and demand-driven approach was needed to make AfT a successful global initiative.

5. The Executive Secretary of the United Nations Commission for Europe (ECE) discussed how AfT could create opportunities for development. The prevalence of poverty in some ECE countries meant that AfT could benefit the region; indeed, it was indispensable for some countries with economies in transition. Attention was drawn to trade facilitation challenges, as in some cases long distances led to prohibitive costs for exporters. ECE priorities which fell within the purview of AfT – including trade-flow facilitation, the development of standards, transport policies and infrastructure – were highlighted. The next steps included a matrix for needs analysis and informing discussion at the policymaking level, as well as the formation of a coalition of the United Nations, regional organizations and country groupings in order to advance AfT implementation.

6. The Director of the Trade and Investment Division of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) focused on the important role of the United Nations in implementing AfT activities at the multilateral, bilateral and national levels in order to complement WTO's contribution to the process. Mechanisms already existed within the United Nations, such as the Working Group of the United Nations Executive Committee on Economic and Social Affairs and the CEB Trade and Productive Capacity Cluster, and the One United Nations country programmes. It was stressed that the United Nations could play a central role in AfT implementation and that South–South AfT was an important complement to North–South AfT.

7. Lastly, the Director of the International Trade and Integration Division of the United Nations Economic Commission for Latin America and the Caribbean (ECLAC) said that trade liberalization alone was not enough. Despite significant trade liberalization in Latin America and Caribbean countries, they remained less trade-oriented than other countries. Nor was market-opening sufficient, since market access was not the problem. Exports remained concentrated in the ECLAC region, with limited diversification. An explicit strategy on competitiveness was therefore imperative, and was within the realm of AfT implementation. That meant having AfT action plans that meshed seamlessly with competitiveness strategies. The role of regional integration was crucial to the success of AfT implementation.

Interactive discussion

8. The responsibility of countries to identify their priorities was highlighted. The international community could not help countries unless the latter clearly mapped out their priorities. The private sector needed to be involved in the process. There was an urgent need for countries to come up with specific and bankable AfT projects. Such projects should give priority to competitiveness strategies. AfT should not be seen as an additional burden on the public sector, which was weak in most developing countries. Mainstreaming AfT into national strategies would counteract the view that it was yet another burden for the public sector. It was necessary to scale up what was already being done to improve trade and productive capacities. AfT implementation was an urgent issue: the food crises that were triggering unrest around the world demonstrated why Aid for Trade had to be made operational immediately and effectively.
