

LDC-IV

Special Event organized by the WTO and the EIF Executive Secretariat.

Building a strong and sustainable trading future for LDCs: market entry
And capacity building

Aid for Trade, the EIF

CONCEPT NOTE

A. SUBSTANTIVE FOCUS:

Trade is and will continue to play a central role in LDCs' efforts to lift themselves out of poverty. Given that this is so, the theme of this Special Event invites us to identify what needs to be done to build a strong and sustainable trading future for LDCs in the next decade. Answers to this question can broadly be structured around two, complementary tracks. One track is market openness and integration into the multilateral trading system embodied by the WTO. The other track is market entry, trade-related capacity building, in particular the work on Aid for Trade to enhance the productive capacities of LDCs to allow them to fully unlock the benefits of market openness. Enhanced market openness without the capacity to produce competitive and tradable goods and services will fail to produce higher economic growth.

The focus of this Special Event will be on the second track: market entry and capacity building.

(i) Setting the scene.

Broadly, market entry needs two conditions being fulfilled: market openness and capacity to produce and bring to the international markets. To set the scene of this Event, a brief recap of the issues around market openness:

LDCs are seeking an early, ambitious, balanced and development oriented conclusion of the DDA, as it will provide the necessary stimulus for growth and development of their economies. In that context, they are seeking an early implementation of LDC-specific issues in the negotiations.

Substantive issues in the DDA negotiations of special interest to the LDCs fall in the following broad categories:

- Stable, secure and predictable duty-free and quota-free market access on a lasting basis for all products originating in all LDCs;
- Simple, transparent and predictable preferential rules of origin allowing for cumulation of origin in a flexible manner;
- Adoption of the Services waiver at the WTO allowing for more preferential and favourable treatment of services and service providers from LDCs;
- An expeditious, specific and ambitious outcome on the cotton issue, creating a fair international trading environment for cotton-producing LDCs.

(ii) Aid for Trade and the EIF. Trade-related capacity building to exploit the benefits of market openness

The Aid for Trade Initiative has been successful in catalysing action by developing countries and development partners to mainstream trade into development policies, in particular in LDCs. Increasing attention is being given in LDCs' national planning frameworks to trade-related objectives, reflecting in part the work done by the (Enhanced) Integrated Framework. With increasing demand

for aid-for-trade related assistance have come greater flows of aid resources. Between 2005-2009, aid resources mobilized for LDCs increased by approximately 53%. The enhancement of the Integrated Framework means that this trend should continue as additional demand is stimulated by further mainstreaming in national plans and accompanying operational strategies, and more projects are funded directly by the EIF Trust Fund itself. Against this background, the following issues arise:

- How to sustain increases in Aid for Trade resources for LDCs? Can the predictability of aid resources mobilized for LDCs be improved? How can the EIF's aid delivery potential be maximized?
- Who is receiving Aid for Trade and for which sectors?
- How do we measure the impact of the assistance provided on LDCs' trade performance?
- What is the outlook for the Enhanced Integrated Framework (EIF) Trust Fund and Aid for Trade to LDCs more generally?

B. FORMAT

Accordingly, the format of the discussions is the following:

(i) *Opening statement by the Chair.*

The Chair will use part of her opening statement to recall the trade priorities for LDCs, whose achievement depends on market access measures as well as capacity building, market access issues following into the four broad categories: DFQF; Preferential Rules of Origin; Cotton and Services.

(ii) *Market entry: capacity building: Aid for Trade, the EIF, the STDF*

This section, which is the focus of the Event, should profile the Aid for Trade Initiative, specifically as it relates to LDCs. This section includes the EIF and STDF.

- The Global Aid-for-Trade Partnership
- Case Stories on Aid for Trade to LDCs
- The EIF as Aid for Trade in action for the LDCs
- Aid for Trade at an issue-specific SPS level: the STDF

C. PROGRAMME (DURATION: 75 MINUTES (13.15 – 14.30 HRS)

Chair: DDG Valentine Rugwabiza

Four Panel discussants, ten minutes each: H.E. Modibo Ibrahim Touré, Minister of Postal Services and New Technologies, representing the President of Mali at LDC-IV; Minister for Development Co-operation of Denmark, H.E. M. Søren Pind; H.E. Pan Sorasak, Secretary of State in the Ministry of Trade, and EIF Focal Point in Cambodia; Ambassador Maruping in his capacity as Chair of the EIF Board. Duration: 40 minutes.

To be followed by an interactive debate with the audience (duration, 35 minutes).

5-minute film "Trade works: boosting livelihoods, building futures" – capturing a wide-range of personal testimonies of the programme from stakeholders both in-country and internationally. The film will show political commitment to the EIF at the highest level as it will contain interviews with the President of Liberia and the former Minister of Trade of Mali. To be shown at the start of the session, at 13.15 hrs.

D. RESOURCE MATERIAL

WTO Brochure: "Harnessing trade for development in LDCs";

Aid for Trade: WTO/OECD Brochure "Aid for Trade and LDCs: starting to show results";

EIF brochures and individual Country Profiles;

STDF brochures.

E. THE ACTION FORWARD: COMMITMENTS/POSSIBLE OUTCOME

Market Access:

- Strive for an expeditious conclusion of the Doha Round of trade negotiations by or before the end of 2011 with an ambitious, balanced and development-oriented outcome.
- Provide stable, secure and predictable duty-free and quota-free market access on a lasting basis for all products originating in all LDCs as soon as possible.
- Make preferential rules of origin simple, transparent and predictable allowing for cumulation of origin in a flexible manner.
- Adopt the Services waiver at the WTO allowing for more preferential and favourable treatment to services and service providers from LDCs.
- Reach an expeditious, specific and ambitious outcome on the cotton issue, creating a fair international trading environment for cotton-producing LDCs.

Market Entry, Capacity building

- Support the beneficial integration of the LDCs into global trade by matching enhanced market access opportunities and the elimination of trade-distortive measures with assistance to build supply-side capacities, strengthened trade-related infrastructure, institutions and regulatory regimes.
 - Global distribution of Aid for Trade resources: ensure that LDCs' trade and supply constraints are given priority in the distribution of global aid for trade resources.
 - Fully unlock the potential of the EIF and increase the resources of its multi-donor Trust Fund ensuring provision of predictable and additional funding on a multi-year basis and aligning it to the national development plans of individual LDCs.
 - Enable stepped-up use of mechanisms such as the STDF to implement trade priority needs including those identified under the EIF.
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