

Create LDC integration fund: Experts

KATHMANDU (REPUBLICA): Trade experts on Wednesday asked the South Asian leaders to set up a special fund to enhance the capacity of least developed countries (LDCs) so that they could effectively take benefits of trade liberalization and enjoy poverty reduction gains -- the main goal of economic integration.

"Regional integration makes sense only if it helps countries reduce poverty and generate opportunities for the needy people. However, LDCs in South Asia have little capacity to take benefits of market access, and this has grown possibility of them being further marginalized," said Ratnakar Adhikari, trade expert from

South Asia Watch on Trade, Economics and Environment (SAWTEE).

Referring to such a situation, Adhikari who interacted with journalists at a workshop on regional cooperation on the day, urged the regional leaders to support LDCs, which have higher stake in the regional cooperation because of their excessive dependence on regional trade, proposing SAARC to set up LDCs Integration Fund.

"This fund is crucial because unless the LDCs do away with infrastructure gaps, energy scarcity, adopt technology and develop trade related institutions, they will not be able to take benefits of duty-

free market access facility," said Adhikari.

However, the fund that Adhikari pushed for is not a new concept. South Asian NGO Forum had strongly advocated for the creation of such fund a few years ago.

Different this time is that Adhikari has spelled out the volume of money that must be pooled in the fund and ways to garner them. "The fund should size at least at US\$ 1.1 billion and SAARC should realize 50 percent of the fund from core member countries, depending on the size of their respective trade, 25 percent from observers and 25 percent from multi-lateral and bilateral donors," he stated.