

'Aid for Trade should help promote export'

Could play an important role in creating employment opportunities and alleviating poverty

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Aid for Trade should focus on addressing supply side constraints of South Asian Least Developed Countries (LDCs) like Nepal to enhance export potential, according to experts.

"The study, conducted in the South Asian region, revealed that Aid for Trade is not helping boost exports of LDCs like Nepal due to the apathy of donors and partner countries towards taking the Aid for Trade Task Force Report seriously," said chief executive director of South Asia Watch on Trade, Economics and Environment (SAWTEE) Dr Ratnakar Adhikari, addressing a two-day international dialogue on 'The Future of Aid for Trade', organised at the World Trade Organisation by the International Centre for Trade and Sustainable Development (ICTSD) and the Ministry of Foreign Affairs of Finland in collaboration with SAWTEE, World Bank and other organisations.

"Aid for Trade should be taken as an entitlement rather than a charity," Adhikari said, emphasising on the need to address supply side constraints in order to enable South Asian LDCs like Nepal and Bangladesh enhance their export potential.

Likewise, ambassador of Nepal to the United Nations Shanker Bairagi, on the occasion, mentioned that Aid for Trade is also plagued by the same asymmetric power relationship that has plagued traditional official development cooperation (ODA).

"We need to take partnership issues seriously so as to ensure that Aid for Trade delivers on its promises," he said, adding that the issue of absorptive capacity needs to be tackled upfront in order to see the kind of change trade and development communities have been envisaging.

Making his opening remarks, chief executive officer of ICTSD Ricardo Melendez-Ortiz mentioned that one of the objectives of the dialogue



Chief Executive Director of SAWTEE Dr Ratnakar Adhikari addressing a meeting on 'Aid for Trade', in Geneva, on Saturday.

is to feed the findings of the studies that have been conducted in various countries in Asia, Africa and the Americas to the Fourth Global Review on Aid for Trade which will take place in Geneva, in 2013.

Similarly, vice minister of

economy of Guatemala Sigfrido Lee emphasised on the role of the private sector in harnessing the potential of Aid for Trade because according to him 'they are the primary stakeholders of the initiative'.

The meet that concluded to-

day with a call for instituting a mechanism to evaluate the effectiveness of the Aid for Trade initiative at the country level, was also addressed by principal administrator of development cooperation directorate at OECD Frans Lammersen,

who suggested that there is a lot that is wrong with the traditional ODA, not least because it will continue to be donor driven.

However, he mentioned that Aid for Trade, which roughly represents a third of total ODA, has done relatively better than any other type of assistance.

Lammersen, however, warned that Aid for Trade may decline in the near future because of on-going debt crisis.

Delivering her closing remarks ambassador of Finland to Geneva Paivi Kairamo said that countries should not lose sight of the big picture, which is the role that Aid for Trade could play in creating employment opportunities and alleviating poverty without compromising with the overall objective of promoting sustainable development.

More than 80 representatives from various governments, inter-governmental organisations, non-governmental organisations, private sector and academia participated in the event.