

Summary Report of the Meeting of Delegates from the Geneva Missions of South Asian Countries

CUTS Geneva Resource Centre Conference Room, 10 March, 2010

1. The 5th informal, quarterly meeting of the Geneva Missions delegates of South Asian countries was held at CUTS GRC at lunch time on 10 March 2010. All eight South Asian Missions in Geneva were invited. Participants from Afghanistan, Bangladesh, India, Maldives, Nepal, and Sri Lanka attended the meeting.
2. As agreed in the last informal quarterly meeting held on 9 December 2009, the discussion item for this meeting related to Aid for Trade (AfT) from the perspective of South Asian countries. A short briefing note on the issue had been prepared and circulated by CUTS GRC prior to the meeting in order to help the discussion.
3. The delegates appreciated the quality and content of the short briefing paper while also pointing the areas where it could be updated. They discussed a wide range of issues related to AfT from the perspective of South Asian countries. Following is a summary of the main points raised during the meeting:

AfT: General and Definitional Issues

4. There remains a question mark over the relevance and utility of AfT, particularly due to the lack of a clear definition which also makes it difficult to assess whether AfT funding is additional or mostly a re-packaging of existing ODA. It is also important to have an independent monitoring and evaluation of AfT by a UN or other organization. Such evaluation can be useful for assessing the effectiveness of AfT which is not established yet. For example, only 3% of funding has gone to agriculture in Afghanistan whereas 80% of the population in that country depend on this sector for its livelihood.
5. In response to such concerns, it was pointed out that there are mechanisms which South Asian countries can use to raise these issues with a view to getting a practical and pragmatic solution. For example, the five LDCs in South Asia can use the EIF, and the other three countries, the ADB South Asian Strategic Framework for Aid for Trade Road Map (an ADB AfT business plan for South Asia that aims to operationalize AfT of the region). The weaknesses at the national level were also noted, particularly those related to limited absorption and implementation capacities.
6. Requests by some delegates were noted for CUTS to collate the differences among OECD countries on the definition of AfT, and to analyse the effectiveness of AfT in South Asia, for example, where AfT interventions have been successful in the region and why, and where they have not been successful and why.

Data Issues

7. There were several comments on the data presented in the briefing note. It was felt that this data that is sourced mostly from international sources should be supplemented with data from the national sources in each country. Other specific comments on the data included: need to include services trade and the export concentration figures in the relevant table in the briefing note.

8. It was also pointed out that statistics do not reveal the full picture of the special circumstances and development challenges faced by individual countries. For example, both Maldives and Sri Lanka have slightly better development indicators than other countries in the region. However, Maldives is set to graduate from the LDC status by the end of this year and hence will lose its current preferential market access, and Sri Lanka is a country that has just emerged from a long conflict. Such special circumstances will require substantial additional AfT flows to these countries.
9. While acknowledging the importance of data sourced from national authorities, the delegates were requested to put CUTS in touch with their relevant authorities for this purpose.

AfT: Regional Dimension

10. A number of comments were made regarding the regional dimension of AfT in South Asia. One, AfT can and should contribute to developing and promoting regional trade among South Asian countries, e.g., through funding projects such as the SAARC Highway, railways, and other regional infrastructure projects, and implementation of SAFTA, etc. It was also acknowledged that regional connectivity as well as enabling political environment is necessary for promoting regional trade. Two, the sectors most in need of support under AfT in the region include transport, energy, and productive capacity development. However, individual country needs and priorities may be different. Three, regional donors are playing an important role in regional AfT flows and hence it will be useful to present the disaggregated AfT flows to each South Asian country. The role of regional banks and other organizations can also be analysed. Four, South Asian countries may consider coordinating their positions on AfT.

Decisions and Next Meeting

11. It was agreed that CUTS will update the briefing note based on some of the comments by delegates during the meeting. Delegates promised to put CUTS in touch with their relevant national authorities so that data from national sources can be obtained to update the briefing note.
12. The topic for the next informal, quarterly meeting will be ‘Interests of South Asian countries in the WTO negotiations on CBD-TRIPS relationship and extension of GI protection to products other than wines and spirits’. CUTS GRC will prepare a short briefing note to facilitate the discussion in the meeting.
13. The next informal, quarterly meeting will be held in the last week of May 2010 so that the delegates can prepare for the WTO TRIPS Council meeting scheduled in the first week of June. The date of the next informal, quarterly meeting will be communicated to the delegates 15 days before the meeting.