

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

CUTS Geneva Resource Centre Conference Room, 12 June 2009

Delegates from the Geneva Missions of South Asian countries had an informal working lunch meeting at CUTS GRC on Friday, 12 June 2009.¹ The meeting was also attended by Mr. Pradeep S. Mehta, Secretary General of CUTS International. As decided in the last meeting held on 16 March 2009, the discussion focused on Aid for Trade (AfT) based on an informal note circulated by CUTS GRC. The objective was to prepare for better participation in the forthcoming Second AfT Global Review at the WTO.

A number of issues were discussed in the meeting and some decisions were also taken. Following is a summary of the discussion and the decisions.

1. Additionality of funding is extremely important. Donor commitments under AfT should not be a re-packaging of their existing aid portfolios or result in shifting of the resources from other programmes, e.g., those having a poverty-reduction focus.
2. AfT commitments should be without conditions and the grant component should be greater particularly for the LDCs.
3. A special focus of AfT should be on the LDCs and they should not be expected to compete with other developing countries to access AfT funding. It is true that the Enhanced Integrated Framework (EIF) is for the LDCs only. However, the commitments under the EIF fall far short of the infrastructure needs of the LDCs where AfT funding can be helpful. Moreover, the EIF Secretariat currently lacks the capacity to handle a large number of LDC requests.
4. South Asian countries should consider and push regional projects for funding under the AfT. This approach has been quite useful in parts of Africa (e.g., North-South Corridor in Southern Africa, projects under the East African Community, etc.) and South Asia can follow Africa in this respect. Moreover, a number of studies, e.g., by the World Bank, SAARC Secretariat etc. have been done on several regional infrastructure projects that can build the capacity of several countries and facilitate their trade. These projects, particularly those where implementation is less problematic, can be taken up under AfT. This will require solidarity among South Asian countries.

¹ All the eight South Asian missions had been invited and had confirmed their participation. Participants from Afghanistan, Bhutan, India, Nepal, and Sri Lanka attended.

5. Trilateral Development Cooperation (TDC) is a very useful mechanism which allows transfer of knowledge and capacity from one developing country to the other with funding support from a developed country. CUTS has done some useful work in this area. This mechanism should be used by AfT also.
6. South-South cooperation is another important issue. This has been included in the Global Review agenda at the demand of developing countries. India will make a statement on this issue and requested information from other South Asian countries regarding projects that have been completed in these countries through funding from another developing country.
7. The Asian Development Bank is understood to have established an ad hoc regional technical group on AfT consisting of Cambodia, Japan, Pakistan, and a Pacific Island country. South Asian countries may wish to ask Pakistan to take a regional approach in the ad hoc group and seek their inputs.
8. CUTS was requested to update the short note prepared for the meeting and re-circulate it before the Global Review meeting in July.
9. It was agreed that a summary report of the meeting will be prepared and disseminated through CUTS e-magazine.
10. It was decided that the next quarterly South Asian Missions meeting will be held in September 2009 and should discuss trade in services. CUTS GRC may also consider convening a stocktaking meeting after the AfT Global Review.