

Global Review of Aid for Trade
WTO General Council meeting
Geneva, 20 November 2007

HIGH-LEVEL SEGMENT:
AID FOR TRADE AND THE DEVELOPMENT AGENDA

Presentation by Ms. Anne Stenhammer
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Norway's Action Plan on Aid for Trade

Objective of the meeting:

An opportunity for donors to outline their vision, priorities and plans for Aid for Trade.

Questions to be addressed:

- Why should Aid for Trade be a priority for countries and regions?
- What is your Aid for Trade strategy, and how does it fit into your wider development assistance policy?
- How much Aid for Trade do you provide - and do you envisage this increasing in the future?
- What scope is there for expanding public/private partnerships?

Mr. Chair, dear friends,

Thank you for giving me this opportunity to outline Norway's priorities and plans for Aid for Trade. I will try to answer the questions you have posed for this discussion and at the same time present our new Action Plan on Aid for Trade. It is indeed a pleasure and an honour to use this occasion here in the WTO Council Room to present our plan for the very first time, - it will be presented back in Norway on Friday, in a meeting with civil society organisations and the press.

I will use a few power point slides.

Aid for trade is a practical tool to integrate developing countries in the global trade system and as such an important element in our development effort. Aid for trade is neither a part of nor a substitute for the Doha round of WTO negotiations. Norway is a strong supporter of a rules-based and open trade regime based on the WTO, and aims at contributing constructively to a successful and balanced result of the Doha round. Aid for trade is one of our tools to help in particular the

least developed and other vulnerable countries to take full part in the rules-based system and to benefit from new trade opportunities.

With that point of departure we decided to elaborate an Action Plan for Norway's Aid for Trade.

(Slide 2:)

At the outset there were many challenges. Well established development policies didn't seem to give much room for a new priority area like Aid for Trade. The important long term goal of improving social sectors in a number of LDCs should not be affected by introducing Aid for Trade as an element in our development policy. How could Aid for Trade fit in? There is, however, an increasing focus on the fact that successful results in the other priority areas would be difficult to achieve without trade and economic growth. Aid for Trade could help in achieving our development goals on poverty reduction and increased welfare for all. One crucial step to start working on this was to bring together the different authorities on trade policy and development policy.

(Slide 3:)

A few basic considerations had to be made. Given that our resources and administrative capacity is limited, we had to choose a particular focus for our increased efforts, based on our own priorities and those of our partner countries.

"Supply-side constraints" was a very important term in the arguments for an ambitious international Aid for Trade effort. Infrastructure and productive capacity have been core areas of development cooperation since the very beginning more than 50 years ago. But in our case, work in these areas was not particularly trade-related. That was the case, for example, for Norfund - the Norwegian Investment Fund for Developing Countries. We soon realized that it would be more of a long-term effort to main-stream trade considerations into the bilateral activities related to infrastructure and productive capacity.

Further, we considered it very important not to impose additional burden on the weak administrations in the partner countries.

Our conclusion was clear: We would channel our additional resources basically through multinational organisations.

(Slide 4:)

Among the multilateral channels we will give particular priority to the Enhanced Integrated Framework. Taking as a point of departure that the vWTO should not develop into a development agency, although continuing its technical assistance in areas related to WTO rules, we would channel our new and additional resources in particular through the ITC, UNIDO, and the World Bank, and to some extent through UNCTAD and the World Customs Organization. Our aim is that this multilateral focus also could be an important contribution to improved coordination - and hopefully also to develop "one UN" at the country level. We believe that the EIF has an important potential in this respect.

The thematic priorities in our Action Plan are:

First, "good governance and fight against corruption". This is also one of the main overall priorities in Norway's development cooperation policy. This means supporting relevant programmes on trade policy, trade facilitation, standards and trade, and fair trade basically through multilateral organisations.

Second, "regional trade" and **third**, "women and trade". Like others we emphasise the importance of developing trade with neighboring countries. And we think it is fundamental to have a particular focus on women in order to help women take full part in trade and economic activity.

(Slide 5:)

I brought with me a few copies of our new Action Plan. I hope you will find it interesting. It would be important for us to have your points of view, also after this meeting. We would be pleased to receive your opinions by email or by other means.

(Slide 6:)

The Action Plan is of course not the goal of our efforts. It is the starting point for the real job: To develop more and better Aid for Trade.

Through the budget for 2008 we have mobilized new and additional resources for Aid for Trade. Within the core activities of our Action plan, which I have now explained to you, there is an increase of about 50% from 2007 to 2008, consisting of new, additional funds for development.

The annual budget decision is the basic tool for allocating new resources. My Government is committed to add new and additional resources also for 2009 and in following years.

We will give priority to monitoring and evaluation.

After three years we will make a thorough assessment of the Action Plan, and if necessary redirect our activities.

In all our work we will give priority to consultations and cooperation with the private sector and with the NGOs, both in Norway and in our partner countries.

Our aim is to achieve real, positive results for developing countries and in particular for the LDCs and other low-income countries, to our mutual benefit.

Thank you.