

Statement by Helen Clark
Administrator of the United Nations Development Programme
on the occasion of the
Second Global Review of Aid for Trade
Session 2: “Aid for Trade: From commitment to Implementation”
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Excellencies,
Distinguished Panelists, Delegates,
Ladies and Gentlemen

As we are all aware, the global recession is having a serious impact on developing countries, and comes on top of the recent experiences of high food and fuel prices. Developing countries are experiencing serious drops in exports, in investment, and in remittances. Those least responsible for the crisis are also the least able to respond.

At this time, developing countries need more support so that the hard won progress towards achieving the Millenium Development Goals is not reversed.

The UN development system has an important role to play in articulating and supporting a coherent global response to the current global crisis.

We have a humanitarian imperative to help countries put in place social protection systems which address the needs of those who are vulnerable.

As well, we must support maintenance of the investments made in poverty reduction and longer term development. The building blocks for recovery and renewed growth must be put in place.

The capacity for countries to engage in trade is central to that endeavour. International trade is a powerful engine for economic growth and for achieving the MDGs.

It is therefore urgent that the Doha Round of trade negotiations is completed, and that it has a strong development component as was envisaged when it was launched in 2001.

But to take advantage of more open markets, nations need to build capacities, infrastructure, and institutional frameworks. Aid for trade is a way of ensuring that this happens.

***The Aid for Trade at a Glance Report 2009*, being launched at this meeting, contains some good news. Aid for trade commitments have steadily increased since this initiative was launched in 2005 in Hong Kong, reaching \$25 billion in 2007.**

This is encouraging, as are the findings that developing countries are making progress in mainstreaming trade in their development strategies, and that trade is increasingly the main driver of regional integration.

I see two challenges, however, where concerted action is needed, especially by donors.

First, a robust rate of real growth in aid for trade needs to be sustained, and to be truly additional, without detracting from aid for social sectors and other purposes.

ODA pledges already made, including those at G8 summits, must be met, if not augmented, to support low income countries through the current crisis. The G8 has the opportunity later this week to resolve to follow through on its Gleneagles Commitments of 2005, and to commit to fund the Gleneagles Scenarios for scaled up ODA to African countries.

Second, aid for trade to low income countries is growing faster than that to other income groups of nations. While that is to be welcomed, there is still more scope to target resources so that the poorest countries receive the most aid for trade, and so that the current concentration of that assistance in only a few countries is reduced.

UNDP is strongly committed to the Aid for Trade initiative, and to the Enhanced Integrated Framework initiative for least developed countries. Both are important in building a more inclusive and fair globalization which expands opportunities for all.

UNDP's trade-related support emphasizes interventions in three main areas :

- **assistance to partner countries on mainstreaming trade in national development and poverty reduction strategies;**
- **capacity support to negotiate trade agreements which prioritize human development outcomes; and**
- **capacity support to enhance countries' competitiveness and to ease supply side constraints.**

Kazakhstan, Kyrgyzstan, and Uzbekistan are examples of countries where UNDP has supported trade needs assessments – the essential first step in establishing national priorities for aid for trade support.

In response to demand from the Central Asian countries for a regional initiative, this support is now being extended to Afghanistan, Azerbaijan, Tajikistan, and Turkmenistan, and also

further afield to the Southern African Customs Union and its member states.

In middle income countries, such as Syria, UNDP has provided support to governments for WTO pre-accession processes.

UNDP also fosters south-south cooperation on trade, and is helping to share experiences and expertise on aid for trade. In this respect, we have co-ordinated the preparation of a guide on best practice for trade needs assessments which is being launched this afternoon.

UNDP's work on trade is a vital part of our effort to help countries reduce poverty and achieve the MDGs.

In these challenging times, it is imperative that there is greater support for enhancing countries' capacities to grow through trade and for laying the basis for long term and sustainable development.

The aid for trade initiative is an excellent way of helping to make that happen, and UNDP is pleased to be a partner in the initiative.

Thank you.