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To the Office of the
United Nations and Other
International Organisations at Geneva

Intervention by Gareth Thomas MP, United Kingdom Parliamentary Under-Secretary of State for Trade and Consumer Policy, during the Bilateral Donors Panel.

WTO Global Review of Aid for Trade, Tuesday 20 November.

Director General, fellow Ministers, ladies and gentlemen:

I would like first of all to pay tribute to the WTO Director General Pascal Lamy, and Valentine Rugwabiza, Deputy Director General, as well as the staff of the Secretariat for so successfully organising this event.

I want to highlight three key issues:

- firstly the need for a new Trade Compact - a stronger partnership between donors and developing countries to deliver the greater trade and economic growth necessary to achieve the Millennium Development Goals
- secondly to highlight the needs of all low-income countries, including non-LDC low-income countries, for aid for trade resources
- and thirdly to make the case for more investment in the regional projects crucial for increasing trade between countries

The Doha round has taken too long to deliver on the aspirations of 2001.

Low income countries in particular - many of which are represented here today - cannot *afford* to wait any longer.

All of us must work to ensure that the Doha trade talks are concluded as soon as possible and in particular to ensure that implementing the Hong Kong package for the poorest countries is given particular priority. Indeed *vife* would like it further improved.

We can not escape this.

Just last month the UK confirmed that we remain on track to fulfil our overall aid commitments.

By doing so, our commitment to increase by 50 percent our Aid for Trade expenditure, to \$750 million per year by 2010, will be achieved.

With the expansion in the overall aid budget overallunderminBJ8EEHJeGedthe1

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tended to be overlooked in our efforts to boost countries' capacity to trade.

In September this year, in Stockholm, I attended a very successful pledging conference for the Enhanced Integrated Framework for LOCs, where pledges made exceeded the target for the first two years.

The UK's commitment to this is well known.

But it is now time to consider others that face similar difficulties and will not benefit from the Enhanced Integrated Framework.

The Aid for Trade task force recommended that 'where necessary, a similar approach should be established for non-LOG IDA only countries.

The UK supports this and we shall champion it.

We are prepared to allocate resources in addition to those that we pledged for the LOG group, and

A further gap relates to regional projects.

The potential benefits of regional cooperation can be large particularly for small, very poor landlocked countries.

Country competitiveness can be greatly enhanced by regional integration, cross-border coordination of infrastructure and policy to help lower trade costs.

We have been working with the World Bank and Sweden to establish a multi-donor trust fund to address these areas and can announce that the UK will commit around £4.7 million to this trust fund over a three year period.

We look to others to do the same.

I can also announce that the UK will make a contribution of €10 million to the new EU Africa Infrastructure Trust Fund, which will address similar issues by helping with the design and financing of regional infrastructure projects in Africa, typically cross-border transport and energy projects.

Let me close by thanking the WTO for hosting a very timely conference.

The international support for Aid for Trade is clear, our commitments have been made but now we must turn these into action.

Implementation is now critical to ensure the poorest can benefit from the huge potential gains that the global trading system can offer, to increase growth and achieve sustainable and lasting poverty reduction.

Thank You