Statement by

Mr. Pascal Lamy
Director General
World Trade Organization
Mr Chairman

My message today is straightforward. In this Committee, in the G8, in the WTO and elsewhere, we have succeeded – beyond expectations – in raising the importance of Aid for Trade and convincing developing countries that it is a priority. We now need to deliver on our commitments.

I do not need to tell you why Aid for Trade is important to the WTO. Many developing countries have only experienced "virtual" gains from previous multilateral Rounds, in part because they lack the capacity to trade effectively. And this had made some reluctant to even consider further trade opening in the WTO Doha Round. Though Aid for Trade is not part of this Round – the so-called "Single Undertaking" – it will be critical to maximizing a successful outcome for many countries.

But Aid for Trade is important in a broader sense. By focusing on the policies, institutions and infrastructure that developing countries need to benefit from trade opening – and globalization – Aid for Trade had focused new attention on the growth and competitiveness agenda – of which trade is a central part. More and better Aid for Trade is a priority. But the objective is also to change mind sets, not only to build harbours and roads.

Now that we have focused minds – and raised expectations – we need to deliver results. The role the WTO has been given is to mobilize, monitor, and evaluate Aid for Trade. We are currently establishing a system of monitoring at three-levels: global monitoring, based on the work carried out by the OECD; donor monitoring, based on self-evaluations, and recipient monitoring, based on in-country assessments.

In order to connect the dots – and bring the picture into sharper focus – we are also organizing three regional reviews – in Latin America, Asia, and Africa – in cooperation with the World Bank and the relevant Regional Development Banks, with the regional banks taking the lead on the ground. The purpose of these events is to
encourage recipients, donors and the private sector – collectively – to focus on real-world challenges, to prioritize needs, and to work towards deliverable business plans.

All of this will culminate in an annual Aid for Trade event in the WTO in November – under our coherence mandate.

Let me be clear about the purpose of this exercise: It is not to turn the WTO into a development agency. This is not where the WTO comparative advantage lies. The goal is not to create a new mechanism, but rather to get the many existing mechanisms to work together more efficiently and effectively. By improving transparency – shining a brighter spotlight on Aid for Trade – we can create incentives to honour commitments, meet needs, improve effectiveness, and reinforce mutual accountability.

The "spotlight" is already working. On recent trips to Africa, Asia, Latin America and the Caribbean I have witnessed that developing countries are taking Aid for Trade seriously – and that many have started engaging actively in identifying priorities, mainstreaming trade in national strategies, and working with neighbouring countries on regional approaches. They see Aid for Trade as a needed and necessary catalyst for leveraging investment, entrepreneurship and reform.

The onus is on donor countries to respond. At the Gleneagles Summit, at the WTO's Hong Kong Ministerial Conference and again at the Singapore Annual Meetings last year, promises were made to dramatically scale up ODA in general and Aid for Trade in particular. Donors now need to follow through on those commitments, clarify their plans, and begin delivering the additional resources, starting with the Enhanced Integrated Framework for the Least Developed Countries. Indeed, I would urge the Development Committee to follow up on the issue of Aid-for-Trade at its next meeting in October. If we want developing countries to make trade a priority – and they are – then donors must reaffirm that trade, as a tool of development, is a priority for them as well.

This leads to me to the Doha Round, where the WTO can make a major contribution to development by further reducing trade barriers and strengthening international trade rules. Aid for Trade can – and must – be an important complement to a successful Doha Round, but it cannot be a substitute.

The Doha Round is entering into a decisive moment. If we are to conclude it by the end of 2007 which is a target major players have adopted in Delhi this week, we will have to see tangible progress over the coming weeks in Geneva. Success is entirely within reach, provided all WTO members are ready to make a contribution.

As expressed by African finance ministers meeting in Addis early this month, trade opening, investment, and development assistance as interlocking pieces of a broader pro-growth strategy – whose overall objective is to raise living standards and reducing poverty. This is a vision of development long advocated by this Committee and the governments represented here today. Now that the vision is within reach, this is no time to turn away.