



Side Event at the 2nd UN LLDC Conference

Aid for Trade and Regional Integration as Means of Accelerating Development of LLDCs

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UNIDO's support to Aid for Trade

UNIDO has been an active supporter of the Aid for Trade Initiative since its launch in 2005. While the Initiative has come a long way in providing support to developing countries, UNIDO feels that the regional dimension needs to be included even stronger to look at the challenges of landlocked developing countries in a comprehensive manner. UNIDO believes that partnerships such as the EIF are the ideal platform to develop strategies that structure the challenges of these countries and look at them in a coherent way (TBT, SPS, Trade Facilitation). Therefore, UNIDO calls for more coherence among policies to approach trade-related challenges in a more effective way.

UNIDO encourages systematic trade development and promotes growth through productive capacity building. Therefore, the DTIS is considered a great instrument as it contributes to identify trade-related challenges, even if there is still need to increase coherence among all stakeholders involved. An analysis of the DTIS in 30 countries demonstrated high demand for support in the following areas:

- Industrial policy and governance
- Investment and technology promotion
- Business linkages and value chain approach
- Quality Infrastructure (QI) development and compliance with standards
- Energy and environmental promotion

However, UNIDO believes that the instrument could be further strengthened by adding up the regional dimension, because trade-related challenges (TBT/SPS) cannot be addressed by one country alone. UNIDO's experiences with the conceptualization and implementation of technical assistance projects clearly show that a regional approach is needed to successfully address trade-related challenges. Furthermore, as the DTIS is only used for LDCs, an evident mechanism for other developing countries is needed that should be developed based on a partnership approach as the EIF.

Example: West Africa Quality Programme

UNIDO has a number of projects with a special focus on enhancing regional integration. An example of successful regional integration as means of accelerating development is the long-term experience in West Africa, which strengthens capacities in the following areas:

- Quality Policy
- Quality Promotion
- Quality Infrastructure

The overall objective of the West Africa Quality Programme is to strengthen regional economic integration and trade by ensuring compliance with international trade rules and technical regulations. In all its projects, UNIDO promotes a coherent approach to quality infrastructure in alignment with private sector needs. The project in West Africa is currently going through its third phase with phase 1 starting in 2001. A total of €43 million was implemented by UNIDO in the region. Throughout the years three main elements led the project to its great success. First, a regional approach ensures the exploitation of economies of scale and allows for regional integration of less developed countries. Second, the subsidiarity principle ensures balance between work at regional and national level. Third, effective public-private cooperation guarantees a higher impact at all levels of quality infrastructure.

Overall the project had strong impact on different levels. Not only did it build a foundation for a regional competitiveness infrastructure (regional quality policy), but at the same time allowed countries to stand on their national legs and enhance their national quality infrastructure. Further the project contributed significantly to promote quality and raised awareness of many quality-related issues.