

Statement by Mr Paavo Väyrynen, Finland's Minister for Foreign Trade and Development at the WTO Global Aid for Trade Review, 20 November 2007

Thank you chairman. It is an honour to have the opportunity to participate in this important event and to address this distinguished audience on our views on Aid for Trade

During the past couple of years Finland has participated actively in the international debate on Aid for Trade and has contributed to the process in taking this agenda forward.

Our future actions in this area will be largely guided by the recently adopted Aid for Trade Strategy of the European Union. In fact, the idea of a common EU strategy was launched by Finland in the summer of 2006. The initiative was welcomed by the European Commission and the EU member states. The decision to draft a joint EU strategy was made only a week after the WTO General Council approved the Aid for Trade Task Force's recommendations in October last year. This demonstrated EU's continued firm commitment to this agenda

Now, a comprehensive and ambitious EU strategy has been adopted and we are moving towards its implementation. Our aim is, to put it shortly: to scale-up assistance and to do it more effectively.

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Finland values highly the Aid for Trade initiative. This is also recognized in our recently adopted Government Development Policy Programme, which highlights that trade can be one important factor in stimulating economic development, growth and poverty reduction.

We, as Finland, have already initiated our internal process on how to put the EU Aid for Trade strategy into operation. Our aim is to provide high quality Aid for Trade that contributes towards poverty eradication in the context of economically, socially and ecologically sustainable development. Our new development policy strongly highlights the environmental dimension of sustainable development, which we think has not received sufficient attention despite the fact that its importance has been evident for decades.

We will work towards mainstreaming trade-related issues into all our bilateral co-operation and, in co-operation with our development partners, elevating the trade and development agenda in the poverty reduction strategies. Finland also plans to scale-up contributions to multilateral

organizations and initiatives such as the Integrated Framework. Our support will be especially aimed at the Least Developed Countries.

Finland together with other EU Member States and the European Commission is currently negotiating and finalising a new type of trade partnership with countries in Africa, Caribbean and the Pacific. Support for these Economic Partnership Agreements is one of the first priorities for the EU, as it is highlighted in the EU Aid for Trade strategy. In our opinion Aid for Trade can be important support for regional integration and reforms that aim to create an enabling environment for domestic and foreign investment.

For Finland Aid for Trade means supporting external trade capacity, but it also means supporting productive activities more comprehensively in different economic sectors such as forestry or agriculture, starting from the smallest subsistence farmers at the beginning of global value chains.

We think that economic infrastructure, such as transport facilities continue also to be important, but note that especially the role of information and communication technologies in determining global economic successes has become more and more evident.

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We can say that there is a strong political momentum for increasing support for trade and productive capacity of developing countries. The challenge at hand is to make sure that our bold pledges and plans are converted into lasting results. Global monitoring of Aid for Trade plays an important role in this respect and it is something that can really create added value to the existing multiple programmes in this field. In assessing Aid for Trade we must pay attention to the transparent monitoring of volumes, but above all - quality and results. And results can be only achieved through co-operation. That is what Aid for Trade should be about, about cooperation and dialogue, to create and enhance partnerships, not just one way financial flows.

I wish to conclude by pointing out that aid is of course just one component influencing competitiveness of less developed countries. International agreements and domestic policies matter much more. Aid can only complement these decisions. Finland agrees with the notion that Aid for Trade cannot be a substitute to the successful conclusion of the Doha round, which must remain as our most urgent and primary goal. A multilateral deal can by far exceed the

possible development benefits that any bilateral or regional trade agreement could achieve. And Aid for Trade can effectively help the developing countries to benefit from all of them.