

WTO Geneva Week CUTS GRC Session on

**COOPERATION FOR DEVELOPMENT: SOUTH-SOUTH DEVELOPMENT ASSISTANCE
FOR NON-RESIDENT COUNTRIES**

Friday, 6 May 2011, 11 am-1pm

Meeting Report

Director of CUTS Geneva Resource Center, Ramamurti Badrinath, first thanked WTO for providing a platform to address concerns of WTO non-resident countries. They are either members or observers at the WTO but do not have a Permanent Mission in Geneva. Such status constrains their regular and effective participations in the WTO due to the lack of timely access to the information on WTO's work. Mr. Badrinath also outlined key challenges faced by non-resident countries: prevalence of poverty and hunger, lack of financial and human capacity, lack of infrastructure, technology and know-how, and the vulnerability to external shocks. He viewed the South-South cooperation as an effective mechanism to assist development in non-resident countries.

H.E. Ambassador Brave Ndisale, Ambassador of Malawi to Belgium and Permanent Representative to the WTO, outlined the needs of Non-Resident Countries at three levels based on her 17 years of governmental experiences. At international level, Malawi suffered from lack of representations and the resulting huge informational gap. She identified regional coordination and integration as the key needs, accompanied by capacity-building training at the national level. She also touched on the point that the South-South training programs should be attached to institutions, like CUTS GRC to maximize the effectiveness and transparency.

Zhang Xiangchen, Deputy Permanent Representative, Permanent Mission of the People's Republic of China to the WTO presented China's experience of South-South Development Assistance. China has been providing aid to the best of its ability to other developing countries in four major forms:

1. Carrying out productive and civil projects with the financial resources provided by China
2. Offering materials for production and living, technical products and necessary technical services
3. Providing technical guidance and training on management, know-how, skills and techniques
4. Debt relief and emergency humanitarian aid

He characterized China's aid policy as the following: imposing no political conditions, adhering to equally, mutual and common development, remaining realistic while striving for the best, and keeping pace with the times and paying attending to reform and innovation.

Ravi Bangar, Deputy Permanent Representative of India to the WTO, spoke on India's commitment to South-South cooperation. India has placed a great emphasis on capacity building in areas such as organizational entrepreneurship, business development for SMEs, industrial infrastructure, project development and appraisal, feasibility studies and consultancy services. India recently extended the Indian Development and Economic Assistance scheme, an initiative for providing grants or project

assistance to developing countries from 2010-11 to 2014-15. He also shared the experience of an Indian company involved building irrigation pumping stations in many developing countries.

During the discussion phase, many participants expressed concern at the current trade pattern: African countries exporting primarily raw materials or low value-added products and importing machines. H. E. Ambassador Brave Ndisale addressed the concern using Malawi as an example, which exported the raw coffee beans to Brazil at a low price, while Brazil processed it and sold the value-added products at a higher profit margin. The ambassador stressed the mutual benefits arising from the cooperation in spite of the profit differential. Mr. Zhang Xiangchen commented that China was facing a similar problem subject to the global supply chain dominated by multinational companies. He also noted the difficulty to upgrade the trade structure. Mr. Ravi Bangar affirmed that India had and would continue to put more efforts into training programs about building capacities so that the poor developing countries equipped with the necessary skills to fully engage in the global integrated economy.

Another major concern expressed related to trade in services. The services sector, particularly Tourism, has become an important contributor to the accumulation of foreign reserves in many developing countries, but little has been done to promote or protect trade in services. H. E. Ambassador Brave Ndisale, with many years of experience in economic research, pointed out that trade in services is more beneficial at the regional level than at the international level. She advocated for greater regional integration.

In his concluding remarks, Ramamurti Badrinath, Director CUTS GRC, summarized the main points that had emerged from the discussion in the event: South-South development assistance has become a significant reality from a theoretical option; its qualitative dimension is equally important as Southern donors are better familiar with the development constraints of other developing countries; and there is great scope for such assistance to promote trade in services. He also offered CUTS services to provide needs-based and demand-driven capacity building assistance to non-resident countries through trilateral cooperation. He thanked all the participants for their active participation and enriching contributions.