

Argentina

Argentina and Aid for Trade: The Role of FO-AR

AfT in the WTO

The Declaration signed by the WTO Members at the Sixth Ministerial Conference held in Hong Kong in December 2005 created a new WTO work program on Aid for Trade. This program consists in a flow of funds aimed at assisting the developing world in its supply-side capacity and trade-related infrastructure necessary to implement and benefit from WTO Agreements and increase trade.

In Argentina's view, Aid for Trade should become an important component of market access for low-income countries, as part of the Doha Development Agenda. In this regard, we support in broad lines the principles set out in the Recommendations of the Task Force on Aid for Trade, noting the need to establish mechanisms to effectively implement such principles. Argentina is committed to engage actively in the discussions to shape such mechanisms.

The Recommendations prioritize aid for LDCs under the framework to be created. Argentina celebrates and agrees to this idea. However, it should be noted that the categorization of countries is never a clear-cut issue: certain countries might not meet the general criteria in this sense and, nevertheless, face economic and social challenges similar to those faced by LDCs. This being the case for some countries in Latin America, Argentina considers important these countries be included in the scheme of Aid for Trade and indicates its disposition to offer its own experience and technical capacities to help the process.

Regarding South – South cooperation, the Recommendations are clear in the sense that it should be limited to technical cooperation. Argentina favors schemes where triangular cooperation can be implemented with financial support from Developed Countries and multilateral donors.

What is FO-AR? How is it Implemented?

FO-AR (Argentine Fund for Horizontal Cooperation) is the instrument through which Argentina provides for technical aid to countries of equal or lower relative levels of economic and social development. FO-AR was established in 1992 in the sphere of the Argentine Ministry of Foreign Affairs, International Trade and Worship. Its main purpose lies in fostering sustainable development through the transfer of the knowledge and skills Argentina better handles.

As a developing country and as a net receiver of foreign aid, Argentina was able to devise an agile mechanism to supply technical aid to other developing countries in a timely and constant manner. One of the key features of South-South Cooperation is that the provider and the receiver of aid are countries with similar levels of development, what generates a better understanding by experts of

the problems faced in the recipient country; it also allows a rich dialogue between peers, and the possibility of this dialogue is what makes Argentine aid “horizontal”. The understanding underlying FO-AR is that cooperation is a two-way street: as Argentina provides aid to other developing countries, Argentine experts also have an opportunity for professional growth, gaining experience in an international environment and finding solutions to different developmental problems.

Since its creation, FO-AR has become an important foreign policy instrument. It has also allowed Argentina to both disseminate the technology and know-how developed domestically, and trickle down the aid received from developed countries.

The costs of the projects are entirely financed by the budget of the Ministry of Foreign Affairs, with invaluable help from other institutions (both official and private) that also participate in the Fund, especially by means of the provision of experts. Through the implementation of FO-AR, Argentina aims at:

- Contributing to economic and social development of developing countries, favouring economic welfare, sustainable development and the enhancement of human capital.
- Strengthening and consolidating bilateral relations with countries beneficiaries of aid.
- Promoting scientific and technological exchange between Argentine experts and their colleagues from other countries.

FO-AR supplies Argentine know-how and experience as follows:

- **Provision of Argentine experts:** Since its creation, the Fund has carried out over 2,600 aid projects, and has appointed nearly 4,000 experts to different countries.
- **Receiving foreign experts in Argentine institutions:** Foreign experts come for short periods when the project requires a visit to the supplying Argentine institution. From its start, FO-AR has received nearly 500 foreign experts in Argentina.
- **Organising regional or local seminars on issues of interest for the countries receiving aid**

Argentine public and private institutions take part in FO-AR, both by supplying their experts and by organizing activities to receive foreign experts. In the selection of institutions for the activities of the Fund, emphasis is placed in its earlier experience as a supplier or receiver of foreign aid, and in the professional background of available experts.

Public or private non-profit institutions from those countries wishing to receive Argentine aid through FO-AR have to fill in the “FO-AR Technical Assistance Application Form”, which is sent once a year to the Argentine Embassy in the applicant’s country by the local authority in charge of foreign aid. One of the guiding principles for FO-AR is that the recipient country should establish its needs and priorities, so Argentine aid is always demand-driven.

Once the date to initiate the project is agreed, the implementation of the stages provided for in the final Terms of Reference starts. Once the project is completed, the Argentine expert submits a report to the Ministry of Foreign Affairs and to the Institutions receiving aid. Such report describes the activities performed and states recommendations to the beneficiary institutions. Eventually, the institution benefiting from Argentine assistance will be asked to fill in a form with an assessment of the results of the project.

In order to make a better use of the accumulated experience over many years of bilateral cooperation, Argentina and Japan launched in 2001 a program of triangular aid (Partnership Program Japan-Argentina - PPJA), whereby Argentine experts provide to other developing countries their experience and skills with Japanese financial support. Similar agreements were signed with Spain, Brazil and Chile; and other agreements are under process of negotiation with European countries. The concept of triangular cooperation implies many advantages for every nation included: it increases the supply of aid for the recipient countries; for Japan, it allows access to an enlarged pool of Spanish-speaking experts with field experience on developmental issues similar to the problems faced in the recipient countries; finally, for Argentina, it allows access to financial resources critical to implement aid projects.

FO-AR and Aid for Trade

FO-AR copes with diverse areas of expertise; however, in relation to the concept of trade improvement under AfT, it is particularly interesting to stress Argentine experience in Rural Development, Sanitary and Phytosanitary Measures and Certification, Intellectual Property, and International Negotiations.

As a developing country, it is difficult for Argentina to create a new framework to provide aid under the Aid for Trade scheme. For that reason, it is important to use existing institutional arrangements, and FO-AR is suited for this purpose. FO-AR is a flexible instrument, that can be adapted to the specific features of multilateral cooperation, once the modalities for AfT are decided by Members.

Although the priorities for Argentine aid have been Latin American countries – the main recipients of Argentine aid are Bolivia, Ecuador, Haiti, Peru, and Cuba, among others - Argentina has also participated in cooperation to many countries outside its region, such as Caribbean, Eastern Europe, Asian, Middle Eastern and Sub-saharan African countries.

One of the main areas where Argentine aid can make a difference, and where FO-AR has already placed a special emphasis, is in the area of Rural Development. The emphasis has been on dairy industry, horticultural seeds and fisheries, among other topics where Argentina has a contribution to make. In what refers to sanitary and phytosanitary measures, Argentina has a long experience of negotiations and establishment of systems to comply with international standards, and this experience is being transferred to other developing countries facing the same barriers to market access.

We believe that the experience accumulated in 15 years of FO-AR, and particularly the experience with triangular cooperation, could be used in the establishment of Aid for Trade in order to effectively improve market access for developing countries.