

**Asian Development Forum 4 -- Closing remarks**  
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The objective of this forum was to link the trade and development agendas and discuss how to organize ourselves so as to strengthen these linkages and make them work in practice. From what I have seen, there have been some very stimulating discussions in each of the seminars, so I think you should congratulate yourselves for that.

There have been some 200 of you participating in this forum, senior policymakers, top academics, and some civil society representatives, to focus on policy, on what we can do now. One theme that has emerged consistently is that it is each country's own actions that will be important in determining the outcome. The real key is in the design of details, as, unlike in other trade negotiations, there is no clear first-best solution this time around. Whereas with tariff reductions each country actually benefited from its own tariff rate and quota removal "concessions", in the new round, where intellectual property rights, standards, competition policy and the like are being discussed, there are only second-best solutions and trade-offs, and countries must indeed make concessions to arrive at a uniform agreement. At the same time, for the larger countries like China, how it reforms domestically has a long-lasting and substantial impact on other countries in the region. This has given a new purpose to regional cooperation and for the need for both China and other countries to understand better what the implications of alternative policy choices might be. Professor Chia highlighted this in her summary of Seminar Series A.

Given this, we must understand the political economy of each of the negotiations now being considered. This has always been understood to be a key part of the trade negotiations, but now we have an international commitment to poverty reduction which can perhaps be used to make more progress in sensitive areas such as agricultural liberalization. If these broader political considerations can be brought into the discussions, there is much more hope for action, so I hope that each of you will play your part in building this new coalition in each of your countries.

Throughout the sessions we have been exposed to quantitative models. We had fruitful technical discussions on the findings and assumptions of these models, and had the opportunity to challenge the parameters. While one should not place too much weight on the quantitative precision of any one of these models, it is nevertheless useful to have numbers on the table if we are going to advance the agenda further. Professor Jomo Sundaram emphasized this point in his remarks on Seminar Series C.

We were also exposed to a strong emphasis on science and on using science to balance risks and rewards. This was most clearly expressed with regard to standards, especially

sanitary and phyto-sanitary standards for agricultural exports, but it is also applicable to intellectual property rights where the balance between protection for innovation and user rights must be attained. That means that local capacity is key to successful participation in these negotiations. Shahid Yusuf made this point in discussing the conclusions of Seminar Series B.

So what can the World Bank do? Our comparative advantage lies in three areas.

First, research and quantitative modeling. This is a traditional area for the World Bank but it needs to be reinforced and handled in a more collaborative fashion with local researchers. The research can be especially important in helping countries integrate their trade agendas into their development programs through the elaboration of poverty reduction strategies for example.

Second, technical assistance and capacity building. As a global institution, the Bank is engaged in the debate at the global level on standards. Knowing what is going on there, influencing that agenda, and making country choices in a consistent way is key for the region.

Third, we need to implement. Whether it is laboratories for monitoring standards, infrastructure improvements, logistics, or trade facilitation, we can use projects or project components as a useful implementing device to get things done.

In closing, I would like to express my thanks to our hosts, the Korea Development Institute and the Korea Institute for International Economic Policy and President Choong Yong Ahn for their outstanding hospitality. I am sure you will agree with me that the facilities have been fabulous. Equally deserving of our thanks are the staffs of the World Bank and the ADB who worked so diligently to make this a flawless event.

So good luck, godspeed and thanks to you all....

Jay Delfin

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